



COUNTY ADMINISTRATOR

SUSAN S. MURANISHI
COUNTY ADMINISTRATOR

DONNA LINTON
ASSISTANT COUNTY ADMINISTRATOR

AGENDA # _____, November 22, 2011

October 24, 2011

Honorable Board of Supervisors
County of Alameda
1221 Oak Street, Suite 536
Oakland, CA 94612-4305

Dear Board Members:

SUBJECT: EXTEND AND INCREASE CONTRACTS FOR THE WORKERS' COMPENSATION INVESTIGATION PANEL, REQUEST FOR PROPOSAL NO. 900445; AMOUNT: \$600,000

RECOMMENDATION:

Authorize the Purchasing Agent to negotiate and sign second amendments to extend and increase Master Contract No. 900445 with the following vendors to provide workers' compensation investigation services:

- A. Digistream Investigations, LLC (Amy Aaronson, Director), Oakland, CA, Procurement Contract #3670;
- B. Frasco, Inc. (Tim Harper, Vice President), Pleasanton, CA, Procurement Contract #3662.

During the current term, the Master Contract will be increased from \$866,155 to \$1,066,155, an increase of \$200,000. During the extension term, the contract will be increased an additional \$400,000 to \$1,466,155. The contract total value is a pool amount for both vendors to be distributed as required to perform services for the Risk Management Unit (RMU). The term of this contract extension shall be one year, beginning January 1, 2012 and ending December 31, 2012. The contract allows for this extension by mutual agreement.

DISCUSSION/SUMMARY:

On November 18, 2008, File No. 24110, Item Nos. 28A & B, your Board authorized the Purchasing Agent to enter into one-year contracts for workers' compensation investigation services with Digistream Investigations, LLC and Frasco, Inc. On December 1, 2009, File No. 25558, Item Nos. 71A & B, your Board approved a two-year extension to the contracts with Digistream Investigations, LLC and Frasco, Inc.

Alameda County administers its workers' compensation claims through a Third Party Administrator (TPA). The County self-insures its workers' compensation claims for the first \$3,000,000 per incident. Excess insurance is purchased through the California State Association of Counties-Excess Insurance Authority (CSAC-EIA).

Investigations are handled by a panel of investigators in coordination with the County Administrator's Office Risk Management Unit (RMU) and the TPA. Cases are assigned with written referral from the TPA describing the services needed and providing contact information. Services may include verifying that the worker's injury "arose out of employment" and occurred in the "course and scope of employment", conducting activity checks, surveillance of employees on disability leave, and performing background checks.

The County refers approximately four hundred cases to investigators per year, alternating between Digistream Investigations, LLC, and Frasco, Inc. RMU is requesting additional funds for the contract during the current term due to an increase in the number of claims processed. During the extension term, RMU estimates an increase in the number of claims to be investigated per year by 15%. RMU intends to renew this contract next year through 2013, provided that the vendors continue to provide a satisfactory level of service.

SELECTION CRITERIA/PROCESS:

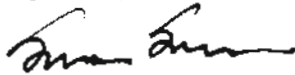
RMU has determined that the County does not currently have sufficient resources required to provide workers' compensation investigation services.

GSA-Purchasing worked with RMU to develop and issue a Request for Proposal (RFP) on May 12, 2008 to 21 contractors comprised mainly of those in the SLEB Vendor Database. After the final evaluation the two top ranked bidders were recommended to supply investigation services. Digistream Investigations, LLC and Frasco, Inc, both certified SLEB vendors, have performed satisfactorily during the initial term.

FUNDING:

Appropriations for this program are included in RMU's FY 2011-12 Approved Budget and will be requested in subsequent budget years. No additional appropriations are required and there will be no increase in net County cost.

Respectfully submitted,



Susan S. Muranishi
County Administrator



Aki K. Nakao
Director, General Services Agency

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Attachment

cc: Patrick J. O'Connell, Auditor-Controller
Donna Ziegler, County Counsel

WORKERS' COMPENSATION INVESTIGATION PANEL
REQUEST FOR PROPOSAL (RFP) NO. 900445

January 1, 2009 – December 31, 2012

Vendor	Location	Total Estimated Dollar Value of Contract*	Local Participation		Certified Small and Local Participation	
			Percentage	Dollar Amount	Percentage	Dollar Amount
Digistream Investigations, LLC Certification Number: 06-90969 Valid through 05/31/2013	Oakland, CA	\$733,077.50	100%	\$733,077.50	100%	\$733,077.50
Frasco, Inc. Certification Number: 08-91253 Valid through 07/31/2014	Pleasanton, CA	\$733,077.50	100%	\$733,077.50	100%	\$733,077.50

*The total award amount is \$1,466,155, which is a pool amount available for use of both vendors and will be distributed depending upon need.

January 1, 2009 – December 31, 2011

Vendor	Location	Amount Paid to Vendor (to date)	Local Participation		Certified Small and Local Participation	
			Percentage	Dollar Amount	Percentage	Dollar Amount
Digistream Investigations, LLC	Oakland, CA	\$493,489	100%	\$493,489	100%	\$493,489
Frasco, Inc.	Pleasanton, CA	\$304,045	100%	\$304,045	100%	\$304,045

Increase and Extend January 1, 2009 – December 31, 2012

Vendor	Location	Estimated Dollar Value of Contract Extension	Local Participation		Certified Small and Local Participation	
			Percentage	Dollar Amount	Percentage	Dollar Amount
Digistream Investigations, LLC	Oakland, CA	\$300,000	100%	\$300,000	100%	\$300,000
Frasco, Inc.	Pleasanton, CA	\$300,000	100%	\$300,000	100%	\$300,000