

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 220503-041

WHEREAS, State law requires the SFMTA, as an employer, to provide workers compensation benefits, comprising short-term and long-term medical treatment, temporary and permanent disability, and other statutory benefits to injured SFMTA employees; and,

WHEREAS, The State of California has certified the SFMTA as a self-insured entity for workers compensation claims and benefits, so the SFMTA is not required to purchase workers compensation insurance; and,

WHEREAS, Charter section 8A.104(c) authorizes the SFMTA to manage its workers compensation claims for itself; other City departments' workers compensation claims are managed by the Department of Human Resources (DHR); and,

WHEREAS, The SFMTA currently has 1,589 open workers compensation claims; SFMTA employees submit an average of 616 new workers compensation claims annually; the SFMTA expends approximately \$28.5 million annually for workers compensation benefits; and,

WHEREAS, Since 2000, the past the SFMTA has contracted workers compensation claims management to Third Party Administrators (TPA). Since November 1, 2017, the SFMTA and DHR have had a joint contract with TPA Intercare Holdings Insurance Services, Inc. to manage SFMTA and DHR workers compensation claims; and,

WHEREAS, The City's contract with Intercare will expire on October 31, 2022; and,

WHEREAS, The SFMTA and the DHR have agreed to issue a joint RFP for workers' compensation TPA services, but each agency will have its own contract with the selected proposer; and,

WHEREAS, The proposed MTA contract will have a term of three years with two three-year extension options, and will pay the selected TPA a management fee of approximately \$3.65 million to manage SFMTA workers compensation claims, for an estimated total amount not to exceed \$11 million during the three-year base term, and an estimated total amount not to exceed \$35 million over the total nine-year term, which include two three-year term extensions; and,

WHEREAS, On April 21, 2022, the SFMTA, under authority delegated by the Planning Department, determined that the Workers' Compensation Claims Administration Services contract is not a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference; now therefore be it,

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorize the Director of Transportation to issue, with the Department of Human Resources, a joint Request for Proposals No. SFMTA-2022-31, for workers' compensation claims third-party administration services, to solicit and evaluate proposals from qualified services providers, and negotiate a contract with the highest ranked proposer, which staff will present to the SFMTA Board of Directors and the Board of Supervisors for their respective approvals.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of May 3, 2022.



Secretary to the Board of Directors
San Francisco Municipal Transportation Agency