

Committee Report

Management Committee



Committee Meeting Date: April 12, 2023

For the Metropolitan Council: April 26, 2023

Business Item: 2023-74

Risk Management Workers' Compensation Legal Services Master Contract 22P382.

Proposed Action

That the Council authorize its Regional Administrator to negotiate and execute a contract 22P382A with Fitch, Johnson, Larson, P.A., 22P382B with McCollum, Crowley, P.A. and 22P382C with Lind, Jensen, Sullivan & Peterson, for legal defense work related to workers' compensation claims, in an aggregate amount not to exceed \$1,425,000.

Summary of Management Committee Discussion/Questions

Metropolitan Council is self-insured and self-administrated for its Workers' Compensation Coverage. There are times during the administration of a claim where defense counsel is needed for legal proceedings or legal research. Workers' Compensation matters are not handled by the Office of General Council.

During the RFP process we found three firms that we feel will meet our needs, they have worked with self-insured employers and governmental agencies. They also provide a diverse level of experience not only in the handling of workers compensation claims, but also in areas of subrogation, professional liability, product liability and other areas of civil litigation.

Motion by Lilligren, seconded by Cederberg. Motion carried.



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District(s), Member(s): All

Policy/Legal Reference: FM 14-2 – Expenditures for the Procurement of Goods, Services, and Real Estate Policy

Staff Prepared/Presented: Debra Driver, Sr. Claim Manager, 651-602-1784

Division/Department: Regional Administration / Risk Management

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The estimated contract award values are as follows:

<u>Organization</u>	<u>Contract Number</u>	<u>Contract Amount</u>
<u>Fitch, Johnson, Larson, P.A.</u>	<u>Contract 22P382A</u>	<u>\$600,000</u>
<u>McCollum, Crowley, P.A.</u>	<u>Contract 22P382B</u>	<u>\$450,000</u>
<u>Lind, Jensen, Sullivan & Peterson</u>	<u>Contract 22P382C</u>	<u>\$375,000</u>

Background

One of the primary functions of the Risk Management department is to administer the Metropolitan Council's self-insured claims. With this claim administration, there are times when defense counsel is needed for legal proceedings or other legal work. This work is not handled by the Office of General Counsel. There are currently three law firms that are under contract with the Council to provide service. That contract is set to expire May 31, 2023. To gain better efficiency, consistency, and more cost-effective pricing, Risk Management decided to issue a Request for Proposal (RFP) to better align the required services with the Council's needs.

The RFP was issued on December 5, 2022, and a pre-proposal meeting was hosted by Council staff that outlined the solicitation requirements, discussed project specifications and responded to plan holder inquiries. There were ten registered plan holders, and on January 25, 2023, the Council received eight proposals to be evaluated for consideration of award and used proposer quality, proposer qualifications, experience, price, and the ability to meet current and future claims defense needs as the criteria for evaluation.

The evaluation panel was comprised of Risk Management, Office of General Counsel, HR Labor

Relations and Environmental Services staff and reached the consensus that the three proposals being recommended for contract award provide the best overall value to the Council.

Rationale

Legal service contracts with a total value of \$500,000 or more require Metropolitan Council approval.

Thrive Lens Analysis

Authorization to enter these contracts for worker's compensation claims supports the Thrive outcome of Stewardship by providing quality outside legal defense work at a fair and reasonable cost over the next three years. The firms chosen provide diverse levels of experience in related areas of law: product liability defense, transportation law, professional liability and other areas of civil litigation. The firms all have experience in working with self-insured employers and governmental organizations.

Funding

Included in the Unified Operating Budget.

Small Business Inclusion

The Office of Equity & Equal Opportunity (OEEO) thoroughly reviewed this procurement for Metropolitan Council Underutilized Business (MCUB) opportunities in accordance with applicable state laws and regulations as well as contract specifications. Upon conclusion of OEEO's research and analysis, no MCUB goal was set.

