



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 26-1367

Agenda Date: 5/20/2026

Agenda #: 10.

DATE: May 20, 2026

TO: Honorable Mayor and City Councilmembers

FROM: Human Resources Department

TITLE: PROFESSIONAL SERVICES AGREEMENT WITH ATHENS ADMINISTRATOR FOR THIRD-PARTY ADMINISTRATION OF WORKERS' COMPENSATION CLAIMS

RECOMMENDATION

Staff recommends that the City Council approve a Professional Services Agreement (PSA) with Athens Administrator for Third-Party Administration (TPA) of Workers' Compensation claims; and authorize the City Manager (or designee) to execute the agreement.

BACKGROUND AND ANALYSIS

On June 5, 2012, the City Council authorized the City to join the San Diego Pooled Insurance Program Authority (SANDPIPA) which included an agreement with Tristar Risk Management for Citywide workers' compensation claims administration. Following the dissolution of SANDPIPA and subsequent City Council approval to transition general liability Risk Pool coverage to the California State Association of Counties-Excess Insurance Authority (CSAC-EIA), and pursuant to a formal Request for Proposals (RFP) process, on March 16, 2016, Council approved an initial 13-month PSA with Admisure, with four one-year renewal options. In 2021, the City issued an RFP for these same services, electing to continue service with Admisure. The final term of the current agreement with Admisure is scheduled to expire on June 30, 2026.

In anticipation of the expiring contract, and in compliance with the City's Administrative Directive on the Procurement of Goods and Services (AD-21), the Risk Management Division released an RFP on October 23, 2025, to solicit interest and responses from qualified organizations to provide third-party Workers' Compensation administration for the City's Self-Insured Workers' Compensation Program. The City received five detailed responses from qualified entities, including the current contractor - Admisure.

An Evaluation Committee was convened, and each member independently reviewed and scored the written submittals provided by the five respondents. The category descriptions for scoring included: General Qualifications and Experience; Scope of Work/Program Description - Claim Management, Service Specifics, and Responses to Questionnaire; and Budget - TPA Fees, Bill Review Fees, Utilization Review Fees, MPN Fees, and any services rendered that incur no additional fees.

Based on the total overall scores, the Evaluation Committee selected Admisure, CorVel, and Athens

to move forward in the process and participate in a panel interview. Following the interviews and reference checks, a composite of the weighted scores for each section (i.e., written response, interview, and reference check) was tabulated and identified Athens as the clear frontrunner.

<u>Workers' Compensation TPA Firm</u>	<u>Total Overall Score (Composite)</u>
Admisure	62.6
CorVel	88.4
Athens	98.4

Athens was unanimously selected by the Evaluation Committee for recommendation to the City Council because of its expertise in this arena; a proven track record working with other California public sector agencies, including full-service municipalities; its understanding and agreement towards complying with the City's scope of services requested; and its competitively priced proposal.

Athens has agreed to the terms of the City's PSA, including the insurance requirements. Finally, the parties have agreed to a termination clause which allows either party to terminate the agreement by providing 60 days written notice to the other party. Optional years four and five shall automatically renew from year to year subject to termination for convenience by either party.

FISCAL IMPACT

The Fiscal Year 2026-2027 PSA cost in the amount of \$596,330 will be charged to the Workers' Compensation Administration account 152010818.5305, which has a proposed FY 2026-2027 budget of \$606,000; therefore, sufficient funds would be available. The subsequent optional years will be budgeted as part of the annual budget process. The administrative fees are outlined below:

Flat Annual Fee	Start Date	End Date	Fully Bundled
Program Year 1	7/1/2026	6/30/2027	\$596,330
Program Year 2	7/1/2027	6/30/2028	\$615,711
Program Year 3	7/1/2028	6/30/2029	\$635,722
Optional Year 1	7/1/2029	6/30/2030	\$656,383
Optional Year 2	7/1/2030	6/30/2031	\$677,715

COMMISSION OR COMMITTEE REPORT

Does not apply

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

Prepared by: Rhea Prenatt, Risk Manager
Reviewed by: Chelsea Phebus, Director of Human Resources and Risk Management
Reviewed by: Rob O'Brien, Deputy City Manager

Submitted by: Jonathan Borrego, City Manager

Attachments:

1. Professional Services Agreement