



Request for City Council Committee Action from the Finance Department

Date: November 5, 2010

To: Ways and Means Committee
Referral to: None

Subject: Authority to negotiate and enter into a contract with Computer Sciences Corporation (CSC) for the provision of a Risk Management Information & Claims Processing System.

Recommendation: Authorization for the proper City Officials to negotiate and enter into a contract with CSC to provide a Risk Management Information & Claims System for a perpetual-use license of \$313,000. Web Services maintenance & hosting fee is at an annual cost of \$48,584 for Year 1 through 3. Year 4 & 5 is at the annual fee subject to the annual CPI increases or up to 4% whichever is lower. This potential five year contract shall begin approximately on December 1, 2010.

Previous Directives: None

Department Information

Prepared by: Ellen Velasco-Thompson, Director, Risk Mgmt. & Claims, 612 673-3994
Approved by: Patrick Born, City Financial Officer _____
Steven Bosacker, City Coordinator _____
Presenters in Committee: Ellen Velasco-Thompson, Jefferson Kendall, Project Manager, BIS

Reviews

Permanent Review Committee (PRC): Approval _Yes Date May 27, 2010
Civil Rights Approval Approval _Yes Date May 19, 2010

Financial Impact

No financial impact

Community Impact

Not applicable

Supporting Information

This software system replaces a 20+ year old database written in a Dbase format that will no longer be available. The old system contains financial data for all claims administered since we have been designated as self-insured. It is the basis for the management of claims as well as the audit material available to the MN Department of Labor & Industry, the Department of Commerce, & our reinsurer, Workers' Compensation Reinsurance Association.

This new system will allow us to eliminate the other standalone systems and paper reports that we maintain for tort liability, OSHA reporting, supervisory reports, and hand-tallied reports required by our state regulatory bodies. We will evolve the city's system to become event-based reporting, covering general liability, subrogation, as well as workers' compensation claims, electronic downloads and uploads of state forms, claims data, data transfers on billing, federal Medicare reporting and a new expansion on reporting with data analytics/dashboards for department customers.

We expect to eliminate the duplication of effort by the department and Risk Management staff by creating an automated claim download of HRIS data for claim reporting and data transfers to Compass for claim payments.

CSC offers us the opportunity to support other departmental needs such as property management, complaint management, Medicare reporting (for the City Attorneys Office), and a separate liability and workers' compensation claims tracking for declared emergency needs.

Due to the massive statutory changes in the protection of identity theft in our State, we will risk transfer all liability for the protection of our data private information to be hosted by CSC and not within our present Unisys system.

It is our hope that with a robust database & reporting system, we will be able to offer claims services to similar public entities at a cost-savings.