

ITEM #:	13
DATE:	07-08-25
DEPT:	HR

COUNCIL ACTION FORM

SUBJECT: CONTRACT AWARD FOR WORKERS' COMPENSATION AND MUNICIPAL FIRE AND POLICE SYSTEM MEDICAL CLAIMS ADMINISTRATION

BACKGROUND:

The City contracts third-party administration services for workers' compensation and Municipal Fire and Police "411 System" injury medical claims. The City's current contract with EMC for these services is set to expire on July 31, 2025. EMC has provided a renewal contract for the same services since at least 2009.

Services provided in this contract include workers' compensation claims administration for all City employees, medical bill review, self-insured loss fund management, and pharmacy and medical expense consultation. Also included under this contract are the performance of regulatory filings and maintenance of an online claims database accessible to City staff. Additionally, the third-party administrator collects for medical bill review and savings identified through that process. The fees, along with actual claims expenses are charged to individual departments.

On May 12, 2025, a Request for Proposal (RFP) was posted to Ames Bids, the electronic bidding site. A total of 16 potential bidders viewed the RFP. On June 5, 2025, two proposals were received as follows:

Firm	Score	Rank
EMC Claims Solutions, Des Moines, IA	985	1
SFM Risk Solutions, Bloomington, MN	840	2

An evaluation team was formed by staff to review proposals. Proposals were evaluated based on experience, qualifications of personnel, the firms' claim administration process, capability of providing the requested services, and cost. **After evaluating the proposals, staff determined that the proposal from EMC Claims Solutions of Des Moines, IA is most acceptable. EMC Claims Solutions has a local presence in the state of Iowa and is the incumbent, making it easy to meet the City's timeline. EMC highlighted a strong team, pinpointing a primary and back-up team along with a claims specialist with expertise in the police and fire (411) claims process.**

This annual contract has historically run from August 1 to July 31. However, the first term of this contract shall be August 1, 2025 through June 30, 2026, at which time the four (4) optional 1-year extensions will each run on the fiscal year of July 1 through June 30.

The actual costs incurred under this contract vary depending on the number and nature of claims. The expenses under the current agreement total \$27,820 to date, while the claims under the contract in the prior year totaled \$27,810. The FY 2025/26 budget contains \$55,000

for these services.

ALTERNATIVES:

1. Approve the contract with EMC Risk Services, LLC, of Des Moines Iowa, to provide third-party administration of the City's workers' compensation and municipal fire and police "411 System" claims for August 1, 2025 through June 30, 2026.
2. Accept the proposal from SFM.
3. Reject all proposals and direct City staff to seek other claims administration alternatives.

CITY MANAGER'S RECOMMENDED ACTION:

EMC Risk Services, LLC, continues to be an effective provider of professionally administered workers' compensation claims and associated services. Its staff has been responsive and sensitive to the needs of City employees in managing their injury and disability claims. The online claims system makes cost and other data accessible to City staff and provides a frequently utilized tool for analyzing injury types and safety program effectiveness.

While EMC prices per claim are slightly higher, SFM has more ancillary fees that are not subject to their maximum fee cap. (See Attachments). Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

ATTACHMENT(S):

[EMC Cost Proposal.pdf](#)

[SFM Cost Proposal.pdf](#)

[2025-153 TPA Contract Signed by EMC.pdf](#)