



AGENDA REPORT

Human Resources

DATE:	December 20, 2022
TO:	Mayor Butt and Members of the City Council
FROM:	Nickie Mastay, Deputy City Manager Sharrone Taylor, Interim Human Resources Director Laura Marquez, Risk Manager
Subject:	Contract for Alternative Dispute Resolution Administration and Consultation Services
FINANCIAL IMPACT:	The proposed contract is not to exceed \$477,000 for a three-year period. The amount of \$159,000 is included in the approved Fiscal Year 2022– 2023 Human Resources Management Department, Risk Management Division budget (50182216).
PREVIOUS COUNCIL ACTION:	Click or tap here to enter text.
STATEMENT OF THE ISSUE:	As an alternative to the traditional Workers' Compensation process, an Alternative Dispute Resolution (ADR) or "carve-outs" is a proven and efficient way workers can get the treatment they need, through a much less adversarial process. ADR administration and consultation services are necessary to develop, establish, and administer the program.
RECOMMENDED ACTION:	APPROVE a contract with Excel ADR, in an amount not to exceed \$477,000, to provide Alternative Dispute Resolution (ADR) consultative services for the City of Richmond and International Association of Firefighters (Local 188 IAFF) to administer the program, with a term from December 20, 2022, through December 19, 2025 – Human Resources Department (Laura Marquez 620-6974).

DISCUSSION:

Alternative Dispute Resolution (ADR) or “carve-outs” are a statutorily authorized method to provide Workers’ Compensation benefits by utilizing alternative dispute resolution practices. The statutory benefits of temporary disability/permanent disability and medical treatment for the effects of an injury are unchanged when a “carve-out” is utilized. A carve-out can be a “win/win” for labor and management for the following reasons: (1) Medical treatment and medical evaluations are a lot more predictable and occur much more quickly than in the traditional system; (2) Safety is enhanced by establishment of a joint labor/management safety committee; (3) There is less lost time; (4) There is less need for, and therefore less cost for, replacement workers; (5) The adversarial relationship between labor and management is reduced and replaced with a spirit of cooperation.

On May 14, 2022, City staff issued a Request for Proposal (RFP) for ADR Administrator services. Two responses were received, and interviews were held on September 28, 2022. Based upon their responsiveness to the RFP and experience, City staff recommends a contract with Excel ADR in a total amount of \$477,000, to provide Alternative Dispute Resolution (ADR) consultative services for the City of Richmond and International Association of Firefighters (Local 188 IAFF) to administer the program, with a term from December 20, 2022 through December 19, 2025.

DOCUMENTS ATTACHED:

Attachment 1 – Original Contract
Attachment 2 – RFP