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3 From the Interim Director, Risk Management, Department of Administrative Services,
4 requesting a revision to the prior approved County Board Resolution File# 19-609
5 regarding the costs associated with the 5 year contract award to Sedgwick Claims
6 Management Services, currently in effect through October 31, 2024, for the Third-Party
7 Administration of Milwaukee County's Workers' Compensation program with total costs,
8 including the HR/Payroll data interface, of approximately \$263,493 for the first year and
9 approximately \$229,391 annually on average for the remaining 4 years, by
10 recommending adoption of the following:

11 12 **A RESOLUTION**

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14 WHEREAS, Adopted File No. 19-609 authorized the Director, Risk Management
15 Division (Risk Management), Department of Administrative Services (DAS), and
16 Sedgwick Claims Management Services, Inc., (Sedgwick) to enter into a Service
17 Agreement for Third-Party Administration of Milwaukee County's Workers'
18 Compensation program beginning November 1, 2019, through November 1, 2024; and
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20 WHEREAS, under this Service Agreement for Administration of a Claims
21 Program, Sedgwick shall provide Claims Administration including reviewing and
22 processing claim and loss reports, investigating claims, reaching out to experts, settling
23 claims, maintaining files, managing counsel, estimating expected cost, using a data
24 management system to produce reports, among other specialized services particular to
25 administering Workers' Compensation claims; and
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27 WHEREAS, the Service Agreement allows Sedgwick to charge some fixed
28 miscellaneous fees; interface building fees as needed; and rates for claims, bill
29 management review, case management, investigation services, and a portion of
30 recoveries; and
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32 WHEREAS, the number of claims, bills, and cases cannot be known in advance,
33 so the Service Agreement does not specify a total contract amount; and
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35 WHEREAS, Risk Management, DAS, initially estimated a cost of \$237,633 for
36 the first year, and an average cost of \$222,131 for the remaining four years, but those
37 amounts were simply estimates; and
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39 WHEREAS, actual costs in the first year are now anticipated to be greater than
40 estimated, particularly with the addition of a payroll and human resources data source;
41 and
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43 WHEREAS, Adopted File No. 19-609 authorized payments of \$237,633 for the
44 first year, and an average cost of \$222,131 for the remaining four years, but these
45 amounts should only have been expressed as estimates; and
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47 WHEREAS, the Service Agreement has an initial term from November 1, 2019,
48 to October 31, 2022, and grants the County the option to extend for two possible one-
49 year extensions through October 31, 2024; and

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51 WHEREAS, the Committee on Finance, at its meeting of July 16, 2020,
52 recommended adoption of File No. 20-544 (vote 6-0); now, therefore,

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54 BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby
55 authorizes the Risk Management Division, Department of Administrative Services, to
56 pay Sedgwick Claims Management Services, Inc., for any expenditures Milwaukee
57 County (the County) has incurred and may incur under the Service Agreement for Third-
58 Party Administration of the County's Worker's Compensation Program beginning
59 November 1, 2019, through October 31, 2022, and two possible one-year extensions
60 through October 31, 2024; and

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62 BE IT FURTHER RESOLVED, services are estimated to cost approximately
63 \$263,493 for the first year, and approximately \$229,391 annually on average for the
64 remaining four years, but actual services may cost more or less.

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