

CITY CLERK ORIGINAL

C-7737-5
07/01/2013

Administrative Services Agreement Between Matrix Absence Management, Inc. and City of Glendale

THIS AGREEMENT is made effective as of July 1, 2013 by and between City of Glendale ("Glendale") and Matrix Absence Management, Inc., a corporation organized and existing under the laws of the State of Delaware ("Matrix").

Recitals

WHEREAS, Glendale maintains for the benefit of its employees the following employee benefit plans or programs ("Plans"):

- Workers' Compensation Plan for Arizona ("States").

WHEREAS, Glendale wishes to retain Matrix for certain consulting and administrative services in connection with such Plans; and

WHEREAS, Matrix is in the business of providing such services and wishes to provide Glendale with those services; and

WHEREAS, Glendale and Matrix wish to enumerate both the Glendale's and Matrix's responsibilities with respect to such Plans;

NOW, THEREFORE, Glendale and Matrix hereby agree as follows:

Article I Definitions

1.1 Administrative Services. "Administrative Services" will mean those administrative and consulting services to be performed by Matrix in accordance with Article II of this Agreement.

1.2 Allocated Loss Adjustment Expenses. Service Fees exclude "Allocated Loss Adjustment Expenses", including those provided directly by Matrix, which will be paid by Glendale. Allocated Loss Adjustment Expenses include, but are not limited to, the following:

- (a) Attorneys, hearing representatives, court costs, fees for service of process and other related expenses
- (b) Independent medical exams and medical records/reports
- (c) Cost containment services, including but not limited to fee schedule or bill review, PPO discounts, rehabilitation counselors, medical management nurses and related services, whether performed by Matrix or its preferred subcontractors. Matrix agrees to use its negotiated PPO networks to the extent available
- (d) All field adjuster activities where personal contact, investigation and litigation involvement is necessary
- (e) Outside experts, and sub-contractors, including private investigators

- (f) Transcripts, public records, claim kits and Central Index Bureau filings
- (g) Depositions, court reporters, video statements, and transcription costs
- (h) State Workers' Compensation Board hearing representation
- (i) Pursuit of subrogation/recovery beyond identification and initial notice
- (j) Other extraordinary expenses including but not limited to photo copying (excess of 25 copies per file), travel, express mail, public records and similar expenses as may be incurred by Matrix in fulfilling its obligation

1.3 Bank "Bank" will mean any bank selected by Glendale to receive and hold Glendale contributions and pay Qualified Claims and other obligations.

1.4 Claim. "Claim" will mean any request for benefit payments made by a Claimant.

1.5 Claimant "Claimant" will mean an Employee or former Employee who makes a request for benefits under the terms of the Plan.

1.6 Effective Date. "Effective Date" will mean July 1, 2013.

1.7 Employee "Employee" will mean any common law employee of Glendale who, under the terms of the Plan, is eligible for and has enrolled in the Plan.

1.8 IRS. "IRS" will mean Internal Revenue Service

1.9 Qualified Claim. "Qualified Claim" will mean an approved request for benefits by a Claimant, whether based on initial determination or appeal

1.10 Supplemental Services "Supplemental Services" will mean those administrative and/or consulting services to be performed by Matrix, as specified in Addendum A ("Administrative Services"), which are those services described in Article II of this Agreement.

Article II Administrative Services

2.1 Schedule of Administrative Services. Matrix will perform the claims administration services under this Agreement as set forth in Addendum A attached to and made a part of this Agreement, as may be changed from time to time by written agreement between Matrix and Glendale.

Article III Service Charges

3.1 Schedule of Charges. Matrix's charges for its Administrative and Supplemental Services under this Agreement are set forth in Addendum B ("*Fees*") attached to and made a part of this Agreement, as may be changed from time to time by written agreement between Matrix and Glendale.

Article IV

Limitations on Responsibilities of Matrix

It is understood and acknowledged by and between the parties that Matrix will be responsible for performing Administrative and Supplemental Services described in Article II and Addendum A, respectively, subject to the following limitations:

4.1 Notice of Legal Actions. Matrix will immediately notify Glendale in writing of any potential or actual legal action or regulatory enforcement activity that affects the Plan, Glendale or the performance of Administrative or Supplemental Services by Matrix. Matrix will cooperate with Glendale in any defense of any action. In seeking any recovery under this Agreement, Matrix will not be required to take legal action on behalf of the Plan, but will consult with and defer to Glendale who will have the sole discretion and authority to compromise, settle, or both, any claim for recovery by the Plan and notify Matrix in writing.

4.3 Limitation on Financial Responsibility. At no time will Matrix pay a Claim that exceeds the aggregate amount of Glendale's contributions in the Bank Account or Voucher Account, at the time of payment.

4.4 No Liability for Acts of Prior or Subsequent Administrator. Matrix will not be liable or responsible for anything done or omitted in the administration of the Plan prior to July 1, 2008 or subsequent to the termination of this Agreement, nor, except on Glendale's written direction will it be required to inquire into or take any action concerning the acts of any prior administrator.

Article V Responsibilities of

Glendale

5.1 Administrative Fees. Glendale authorizes and approves the administrative charges specified in Addendum B ("Fees") attached to and made a part of this Agreement. Glendale further agrees to pay Matrix monthly its charges and expenses incurred for its Administrative and Supplemental Services. Payments for Fees and charges for Administrative and Supplemental Services shall not exceed \$45,000 during the Term. If however, any portion of Matrix's charges and expenses remain unpaid within 30 days after the written bill is mailed to Glendale by Matrix, Matrix agrees to provide written notice to Glendale of the unpaid charges. If Glendale fails to pay the charges in full within 30 days of receipt of notice, then Matrix may withdraw the unpaid account from the Bank or Voucher Account.

5.2 Primary Responsibility. Glendale will have exclusive authority and responsibility for the Plan, its operation and compliance with applicable law.

5.3 Taxes and Assessments. Glendale will be liable for and pay any and all income taxes imposed on the Plan.

5.4 Bank Account Transfers. Glendale will establish all necessary and required Bank Accounts that allow for timely payment of Claims, including "Allocated Loss Adjustment Expenses", as well as insurance premiums provided by any Insurer or Excess Carrier, Matrix's charges and expenses, and any other expenses of the Plan payable under this Agreement. Any Bank Account arrangement agreed to between the parties will be subject to the following additional requirements, as applicable.

(a) Bank Account

(i) Glendale will establish and maintain an account at Bank for the payment of amounts due under the Plan and this Agreement and give prior written notice to Matrix of any change in Bank.

(ii) Glendale will deposit funds for payment of Qualified Claims, including Allocated Loss Adjustment Expenses, in Bank. Glendale may select the Bank and type of Account. If Glendale elects for Matrix to establish the Account then Matrix will utilize its banking relationship, which is currently Bank of America Global Treasury Services.

Glendale will have full responsibility for the care, custody and control of such Bank accounts, but will arrange for Matrix to write checks on the account or accounts for use in payment of Qualified Claims. Such funds will be provided at the inception of this Agreement and replenished promptly from time to time thereafter. Matrix will provide a check register, and any other supporting documentation to Glendale necessary for the replenishment of funds on a bi-weekly basis.

(iii) Matrix will have authority to make an individual payment not to exceed \$25,000 on any Qualified Claim and is deemed to have the prior approval of Glendale to make such payments. Glendale may change this amount at any time on ten days prior written notice to Matrix. Matrix will have full authority and control in all matters pertaining to the payment, processing, investigation and administration of Qualified Claims within the limit established by this paragraph.

(iv) Matrix will not be required to advance its own funds to pay losses or Allocated Loss Adjustment Expenses for any Qualified Claim. If Glendale fails to promptly provide funds sufficient to allow required payments to be made timely, Matrix will have no obligation to perform any further services and may terminate this Agreement upon ten days prior written notice to Glendale.

(v) Should Glendale fail to make timely payments of any service fees due Matrix or should Glendale in any other way breach this Agreement, Matrix will provide Glendale with written notice specifically identifying the deficiency or breach. If Glendale fails to cure the deficiency or breach within ten days of receipt of notice, then Matrix will have the right to refuse to perform any further services. In the event of a good faith dispute, Matrix will allow Glendale 30 days to respond.

5. Bank Account Transfers. Glendale accepts the following responsibilities relating to Plan operation:

- (a) Post required securities or obtain surety bonding required by self-insurers, if applicable.
- (b) Provide data to Matrix on a timely basis to permit compliance with all state and federal reporting requirements.
- (c) Obtain and pay for excess insurance coverage, if Glendale so desires.
- (d) Arrange for Bank Account and provide appropriate funding.
- (e) Glendale and Matrix will notify the other party of changes to key program personnel.
- (f) Establish, maintain and reconcile any Bank and/or Voucher Account used for Qualified Claim and Allocated Loss Adjustment Expenses.

5.6 Litigation Subject to, and in accordance with, Paragraph 5.8 "Indemnity", in the event of any litigation related to Glendale's Plans, all costs incurred, settlements and judgment made in connection with defense of Glendale or Matrix, including but not limited to interest payments on retroactively instated benefits, will be borne and paid currently by Glendale. Matrix assumes no responsibility for fines or penalties attributable to errors or omissions of prior, or subsequent, administrator(s).

5.7 Furnish Necessary Information. Glendale will furnish to Matrix all Employee information necessary to determine eligibility for benefits under the Plan. Matrix may rely on such information as is supplied by Glendale and will have no duty or responsibility to verify the accuracy of such information.

5.8 Indemnity

Glendale agrees that it will indemnify, defend and hold harmless Matrix from and against any and all claims, liabilities, obligations, suits, judgments, damages, expenses or costs (collectively "Damages") which may be asserted against or incurred by Matrix which arise out of Glendale's performance or failure to perform its obligations hereunder and/or errors and omissions; provided, however, that the foregoing indemnity shall not apply to Damages resulting from or relating to Matrix's negligence or misconduct.

Matrix agrees that it will indemnify, defend and hold harmless Glendale from and against any and all claims, liabilities, obligations, suits, judgments, damages, expenses or costs (collectively "Damages") which may be asserted against or incurred by Glendale and which arise out of Matrix's performance or failure to perform its obligations hereunder and/or errors and omissions; provided, however that the foregoing indemnity shall not apply to damages resulting from or relating to Glendale's negligence or misconduct.

The party being indemnified pursuant to this section agrees to reasonably cooperate with the indemnifying party in the defense of any claims or litigation hereunder.

Article VI Amendment and Termination

6.1 Amendment. No amendment to this Agreement will be binding unless executed in writing by the parties.

6.2 Term

(a) In General. Subject to subsection 6.2 (b), below, the term of this Agreement will begin on July 1, 2013 and end on February 28, 2014 ("Term") or when terminated sooner by either party on 60 days prior written notice to Matrix by Glendale or 180 days prior written notice to Glendale by Matrix.

(b) Automatic Termination Notwithstanding subsection 6.2 (a), above, this Agreement will terminate on the first to occur of the following events:

(i) Glendale or Matrix is legally adjudicated bankrupt or is subject to receivership filing, either voluntarily or involuntarily.

(ii) Glendale or Matrix makes general assignment for the benefit of creditors;

(iii) Glendale or Matrix is dissolved;

(iv) Glendale or Matrix ceases operations or discontinues its business for any reason;

(v) Glendale completely discontinues its contributions to the bank accounts after Matrix has provided written notice and Glendale has failed to cure within 10 days; or

(vi) Glendale has the right to terminate this Agreement with 10 days written notice upon breach of contract by Matrix.

6.3 Responsibilities on Termination. In the event of termination of this Agreement, Matrix will retain any records it has relating to the Plan for a period of at least seven years from the date termination. Any reasonable costs or expenses incurred by Matrix for Glendale through the date of termination of services will become due and payable by Glendale as of the date of termination. Any reasonable expenses incurred by Matrix relating to the termination of the Agreement and the transfer of records to a successor administrator will be billed to Glendale and become immediately due and payable under this Agreement, but only after such expenses are approved in advance by Glendale.

6.4 Service after Termination. On termination of this Agreement under section 6.2, Matrix will have no further obligation to continue to provide Administrative or Supplemental Services.

6.5 Renewal. Glendale has the right to automatic renewal unless there is a Breach of Contract, or Matrix and Glendale cannot achieve agreement on the amount of renewal fees. If fee negotiations should extend beyond the renewal date, Glendale agrees to pay Matrix a minimum of the fee rates in-force at time of renewal until such time renewal fees are finalized or until termination.

Article VII Miscellaneous

7.1 Captions. The captions and headings of the Sections and subsections of this Agreement are for convenience of reference only and are not to be used in the interpretation of this Agreement.

7.2 Entire Agreement. This Agreement contains the entire agreement among the parties and supersedes all prior and contemporaneous oral and written agreements, understandings and representations among the parties.

7.3 Governing Law and Venue. This Agreement will be governed by the laws of the State of Arizona except to the extent preempted by applicable federal law. In construing and enforcing this Agreement, terms and conditions will be interpreted in a manner that will ensure compliance with all applicable governmental acts, codes and statutes.

7.4 Assignment. Neither this Agreement nor any interest in it will be assignable by either party without the prior written consent of the other party. Matrix and Glendale agree not to unreasonably withhold Assignment to an acquiring party.

7.5 Successors and Assigns. Subject to any limit on assignment in this Agreement, this Agreement will inure to the benefit of and bind the respective successors in interest, assigns, heirs, and executors and administrators of the parties to this Agreement.

7.6 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force and effect without being impaired or invalidated in any way.

7.7 Relationship of Parties. It is expressly agreed by the parties that this is a contract for services and no employment, partnership, joint venture, association, fiduciary or other relationship is intended. It is further expressly agreed by the parties that Matrix will perform services under the general direction of Glendale, but will determine, in its sole discretion, the manner and means by which the services are accomplished.

7.8 Survival of Representations. All representations, warranties, covenants, and agreements made in this Agreement by the parties will survive the closing of this transaction until satisfied in full.

7.9 Construction. As required by the context of this Agreement, each pronoun and parenthetical reference and any defined terms will mean and be construed to include the singular and plural and the masculine, feminine and neuter.

7.10 Waiver. No waiver of any of the provisions of this Agreement will be deemed or will constitute a waiver of any other provision, nor will any waiver constitute a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver.

7.11 Confidentiality.

(a) Agreement. Each party agrees that this Agreement is confidential and that neither will disclose this Agreement or any part of it to any outside party without the prior written consent of the other party, either during or after its term, except to a party's attorneys, accountants or other advisors in confidence or unless compelled to do so by legal process. For purposes of this Agreement, Parent and Subsidiary Companies will not be considered outside parties.

(b) Information. Matrix understands that it may acquire from Glendale information, materials and knowledge about Glendale's business, including but not limited to, medical information about employees, documents protected by the attorney work product doctrine, products, processes, programming techniques, research, customers, Glendale and suppliers of Glendale and confidential information or trade secret information of third parties in possession of Glendale and results of services by Matrix and that all such knowledge, information and materials acquired are and will be the trade secrets and confidential and proprietary information of Glendale (collectively "Confidential Information"). Confidential Information will not include, however, any information which is or becomes part of the public domain through no fault of Matrix, or which Glendale regularly gives to third parties without restriction on use or disclosure, or is independently developed by Matrix without the use of Glendale's Confidential Information. Matrix agrees to hold all such Confidential Information in strict confidence, not to disclose it to others or use it in any way, commercially or otherwise, except in performing the Administrative and Supplemental Services, and to disclose it to Matrix's employees only on a need-to-know basis.

(c) Employees' Confidentiality Agreement. Matrix will ensure that each of its employees who will have access to Confidential Information executes an agreement (the "Confidentiality Agreement") obligating the employee to keep all Confidential Information confidential and not use or disseminate the Confidential Information in any way, commercially or otherwise, except in performing Administrative and Supplemental Services. Matrix agrees to notify Glendale of any known Breach of this Confidentiality Agreement by current or former employees.

7.12 Warranty. Matrix warrants that all Administrative and Supplemental Services will be performed in accordance with applicable industry standards and goods, and if any are delivered under this Agreement, will be free from defects in workmanship, material, and manufacture.

7.13 Insurance and Bonding. Matrix will, at its own expense, procure and maintain in force during the term of this Agreement the following policies of insurance and bonding:

(a) Broad form general liability insurance, including Errors and Omissions Endorsement with a limit of not less than two million dollars (\$2,000,000) per occurrence and annual aggregate;

(b) Automobile, bodily and property damage liability insurance of not less than one million dollars (\$1,000,000) combined single limit (CSL) covering Matrix's owned, leased, rented or hired vehicles; and

(c) A fidelity bond in the amount of not less than one million dollars (\$1,000,000) covering all employees and agents of Matrix.

7.14 Notices. Any notice, payment or other communication required or permitted under this Agreement will be deemed effective when delivered by United States mail, or express delivery, and addressed to Glendale, attention Risk Manager at 5850 W. Glendale Ave, Glendale, AZ 85301 or to Matrix at 181 Metro Dr., Suite 300, San Jose, CA 95110. Either party may change address for purposes of this Section by sending a notice of that changed address in accordance with this Section.

7.15 Arbitration. Any controversy, claim or dispute arising out of or relating to this Agreement, or any breach of it, including, but not limited to, any dispute concerning the scope of this arbitration clause and any tort action, will be settled in Superior Court, State of Arizona, County of Maricopa.

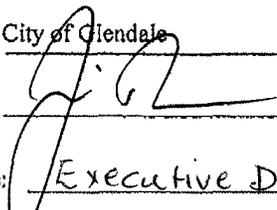
7.16 Performance Standards. Matrix will not be liable for expenses, losses or damages (a) resulting from actions of other parties beyond the control of Matrix or (b) where Matrix is denied the right to mitigate the loss through legal process or other appropriate means. Matrix will be liable for performance guarantee penalty fees when Matrix fails to meet pre-established standards mutually agreed to in writing and as documented by Glendale.

7.17 Audit. Matrix shall permit Glendale or Glendale's representative to examine and audit the records and supporting records during normal business hours and with reasonable advance notice.

IN WITNESS OF THIS AGREEMENT, the parties have caused their authorized officers to execute this Agreement on the dates set below.

CLIENT:

City of Glendale

By: 

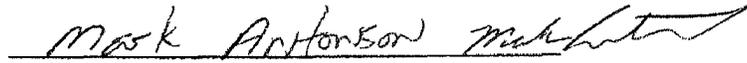
Title:

Executive Director HR & Risk Management

Date:

10-9-13

MATRIX ABSENCE MANAGEMENT, INC.:

By: 

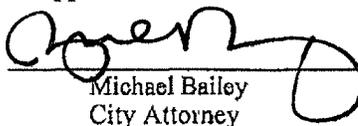
Title:

Assistant Vice President

Date:

10/7/13

Approved as to form:


Michael Bailey
City Attorney

ATTEST:


Pam Hanna, City Clerk

Addendum A

Administrator Service- Workers' Compensation Programs

A. Program Conversion / Documentation

1. Assist Glendale personnel in the development of directives, notices, and any other program communications to employees.
2. Provide claim reporting materials (including claim and accident report forms, required notices and procedural instructions) for distribution to existing Glendale – specified locations.
3. Create and maintain a procedure manual, as desired, for use by Glendale and Matrix.
4. Provide instructional meetings, as required, at Glendale-specified locations, to review and explain instructions and procedures.

B. Claim Administration

1. Receive all pertinent claim information from Glendale.
2. Review and determine compensability of each claim based upon information made available by Glendale and other sources.
3. Provide 3-point contact within 48 hours with claimant, Glendale and attending physician for time-loss and delayed cases only.
4. Provide claimants with notices of benefit entitlement.
5. Determine amounts of disability compensation due to claimants.
6. Determine reasonableness of amount of medical bills presented for payment through the use of a selected service provider.
7. Subject to terms of Article 5, item 54 (a) above, disburse payments for workers compensation benefits and Allocated Loss Adjustment Expenses as defined in Article I, item 1.12.
8. Consult with Glendale prior to: (a) reserve changes in excess of \$25,000, (b) submitting a claim for denial, (c) assigning surveillance, (d) pursuing subrogation and (e) before assigning a nurse case manager, vocational consultant or defense attorney.
9. Review case reserves every 30 days to ensure accuracy
10. Calculate estimated future claim payment on an ongoing basis.
11. Return phone calls within 24 hours.
12. Enter notes into claim system within 24 hours of obtaining new information
13. Maintain contact with attending physician, claimant and Glendale on an ongoing basis.
14. Utilize agreed-upon independent medical consultants, as necessary, to expedite return to work and make recommendations for further care.
15. Engage agreed-upon investigations, as necessary, to develop pertinent information on claims filed.
16. Engage agreed-upon legal counsel, as deemed necessary, to represent Glendale in litigated claims.
17. Consult with Glendale's legal counsel engaged to handle Workers' Compensation claims and assist such counsel in handling and evaluating Workers' Compensation claims, such assistance to include, without limitation, evaluation and assessment of claims, preparation of claims reports and litigation preparation and assistance in anticipation of trial.

- 18 Obtain settlement authority from Glendale on all claims.
19. Provide notification of all required information to excess insurance carriers as instructed by Glendale.
20. Administrator will participate and assist Glendale in coordination of this program with other associated disability and medical programs.
21. Maintain records in accordance with legal requirements.

C. State and Federal Reports

- 1 Prepare Self-Insurer's Annual Report for Glendale signature and submission to the States, as required.
 - a. Assist in preparation of Federal Information Return (Forms 1099) for applicable payments, as required.

D. Information Management System

1. Provide the following monthly, quarterly and annual reports to Glendale:
 - a. Claims Activity Report
 - b. New Claims Summary
 - c. Check Register
 - d. Period Basis Report
 - g. Quarterly Claims Statistics
 - h. Return-to-Work Report
 - i. Monthly Loss Run
 - j. Quarterly Claims Report:
 - a. Comparison of current year to prior year at same point in time, including claim counts, Time Loss v. Medical Only, incurred claim costs and paid claim costs.
 - k Any other reports as agreed upon by the parties
2. Matrix agrees to make available to Glendale on-line, view only, access to Glendale's automated claim database. Any hardware required to access the database is the Glendale's responsibility. Any services and support will be provided at rates to be agreed upon by the Glendale and Administrator.

E. Consulting

1. Provide an Annual Program Review which:
 - a. Analyzes past statistics, program costs and projects future trends.
 - b Recommends program changes to favorably impact costs and improve procedures.
- 2 Participate in meetings and training sessions as necessary to maximize program results.
3. Coordinate Claim Reviews to manage claim and integration issues.

F. Compliance

Provide all the aforementioned services in accordance with the applicable Worker's Compensation laws.

Addendum B Administration Fees

In consideration of the services provided by the Administrator under this Agreement, Glendale agrees to pay the Administrator as follows:

Workers' Compensation:

Per new claim during the Term, "medical only", "lost time" and "allocated expenses" are defined for fee purposes.

INDEMNITY	MEDICAL
\$1,105	\$172

For purposes of this Agreement, an "Indemnity Claim" shall mean any qualified Claim:

- For which an indemnity payment is made (i. e. not medical and not expense) on a Qualified Claim or at the time lost from work meets/exceeds the state prescribed waiting period; or
- For which an application for adjudication of a claim or hearing notice is received or otherwise involves litigation, or
- Where paid medical costs exceed \$5,000; or
- Denied or delayed claims requiring investigation beyond the initial 3 point contact and gathering of routine documents normally required to make an initial claim determination, or that otherwise would have been classified as Indemnity Claims; or
- Claims which Glendale requests to be investigated beyond the initial 3 point contact, gathering of routine documents normally required to make an initial claim determination and consultation with Glendale with written request for further investigation or
- Any claim for which subrogation is investigated or pursued beyond identification, initial notice and billed; and as further authorized in writing by the City of Glendale; or
- Any medical only claim open longer than twelve months, except those claims closed to active benefits during the first twelve months that remain open thereafter solely for the monitoring of supportive medical maintenance benefits.

Allocated Expenses include the following:

- Attorneys, Hearing Representatives, court costs, fees for service of process and other related expenses
- Independent medical exams and medical records/reports
- Cost containment services, including but not limited to fee schedule or bill review, PPO discounts, rehabilitation counselors, medical management nurses and related services. Matrix agrees to use its negotiated PPO networks to the extent available.

- o All field adjuster activities where personal contact, investigation and litigation involvement is necessary
- o Outside experts, and sub-contractors, including private investigators
- o Transcripts, public records, claim kits and Central Index Bureau filings
- o Depositions, court reporters, video statements, and transcription costs
- o State Workers' Compensation Board hearing representation
- o Pursuit of subrogation/recovery beyond identification and initial notice
- o Other extraordinary expenses including but not limited to photo copying (excess of 25 copies per file), travel, express mail, public records and similar expenses as may be incurred by Matrix in fulfilling its obligation

Addendum B Administration Fees

Definition of Matrix Managed Care Charges- Included as part of Allocated Adjustment Loss Expenses as defined in Agreement

Managed Care Costs and Terms	Matrix Charges
State Fee Scheduling	\$12.50 per bill
Usual, Customary and Reasonable Bill Review	\$12.50 per bill
PPO Hospital and Outpatient Care Networks (OCN)	25% of Savings (all PPO, whether inpatient or outpatient)
Out of Network Bill Review	25% of Savings
Hospital Certification Program	\$98.50 per certification
Utilization Review Program	\$98.50 per certification
Physician Advisor	\$250 per hour
Medical Case Management and Vocational Rehabilitation -Hourly	\$98 per hour
Hospital Bill Audit Program	25% of Savings

Matrix will allow for an independent hospitalization bill review service mutually agreed to by both parties.

Shoemake, Dianne

From: Jackson, Victoria
Sent: Wednesday, September 25, 2013 4:41 PM
To: Shoemake, Dianne
Subject: RE: Matrix Special Procurement Purchase Request
Attachments: SP Matrix Absence Mgnt APPROVED.pdf

Dianne,

Attached you will find the APPROVED Special Procurement for the short term agreement with Matrix Absence Management. Please proceed with "green sheeting" your request for legal review. Please make sure you include the attached packet with your green sheet request.

When entering the purchase requisition, please include the attachment and the response from Legal as your supporting documents.

Thanks,

Vickie

Victoria Jackson, CPPB

Contract Analyst

Materials Management

City of Glendale

5850 West Glendale Avenue, Suite 317

Glendale, Arizona 85301

623-930-2867

vjackson@glendaleaz.com

GLENDALE


 Please consider the environment before printing this e-mail

From: Shoemake, Dianne
Sent: Monday, September 23, 2013 4:05 PM
To: Jackson, Victoria
Subject: Matrix Special Procurement Purchase Request

As discussed today with Debbie Robberson, attached is the special procurement purchase request. Please let me know if you need anything else. I attached a copy of the email from Lorena to Matrix regarding the extension. She called Carol Coletti and discussed the extension and confirmed their conversation via email.

Thank you,

Dianne

*Dianne Shoemake
Risk Manager
City of Glendale
Risk Management Division
P: 623-930-2856
F: 623-847-5321*

dshoemaker@glendaleaz.com
5850 W. Glendale Ave., Suite B56
Glendale, AZ 85301

This message is confidential and intended only for the named recipients. This message may contain information that is privileged, attorney work product or exempt from disclosure under applicable law. If you are not the intended recipients, you are notified that reading, disseminating, distributing or copying this message is strictly prohibited. If you have received this message in error or are not the named recipient, please notify the sender by telephone, facsimile or e-mail and delete this message from your computer. Receipt by anyone other than the named recipient(s) is not a waiver of any attorney-client, work product or other applicable privilege.



Memorandum

DATE: September 24, 2013
TO: Candace MacLeod, Interim, Financial Services Executive Director
FROM: Victoria Jackson, Contract Analyst, Materials Management *VJ*
SUBJECT: SPECIAL PROCUREMENT PURCHASE REQUEST – MATRIX ABSENCE MANAGEMENT, INC.

This is a special procurement purchase request for "short term agreement" for the Risk Management, with Matrix Absence Management, Inc., in the amount not to exceed, \$45,000.

DETERMINATION SUMMARY

Matrix Absence Management has been providing the city with third party administration of our workers' compensation claims since 2008. This special procurement will provide Risk Management and Materials Management with the necessary time to finalize the RFP process for this service and will provide if the incumbent is not awarded the contract ample time for the transition from one vendor to another.

RECOMMENDATION

The not to exceed amount of \$45,000 for the purchase of "short term agreement" from Matrix Absence Management, qualifies as a special procurement single purchase. However, the service component requires the review the City Attorney's Office.

1. Approve as recommended.
2. Department to Green Sheet this entire package for Legal review and opinion (recommended by legal);
 - a. Determination by Legal to be included with Purchase Requisition.

BACKGROUND/HISTORY

On September 23, 2013, Risk Management, Materials Management and Legal met to discuss the how to proceed with a month to month contract agreement not to exceed \$45,000. It was determined, a short term agreement approved via a special procurement request would be in our best interest.

ATTACHMENTS

Sole Source Request Form, Letter from Vendor, and budget verification.

APPROVAL

Approval is hereby granted.

[Signature] ^① *9-24-13*
Candace MacLeod, Interim, Financial Services Executive Director Date

Procurement is under bid threshold. n/a

Brenda S. Fischer, City Manager

Date

① Approval based on 9-16-13 email from DShol make that legal advised a contract was not made at that time. WAS THE CONTRACT ACTION.



Materials Management Special Procurement Purchase Request

Revised 04-04-11

This form is not used for emergency or sole source requests.

REQUESTOR INFORMATION:

Requestor: Dianne Shoemake	Date: 9/23/13	Department: Human Res & Risk Mgmt
Phone Number: X2856		Fax Number: 623-847-5321

VENDOR INFORMATION:

Vendor Name: Matrix Absence Management, Inc.	Vendor Contact: Carol Coletti, Account Manager
Vendor Address: 181 Metro Drive, Suite 300,	
City, State and Zip Code: San Jose, CA 95110	Email: Carol.coletti@matrixcos.com
Vendor Phone: 408-361-7221	Vendor Fax:

SPECIAL PROCUREMENT INFORMATION:

Total Cost of this Order: \$NTE \$45,000	One time purchase: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Fund #:2560 / Department #: 18110 / Account # 518200	
Description of the product or service requested: workers' compensation third party claims administrator	

JUSTIFICATION:

A Special Procurement Purchase is that the nature of the materials or service:

- (1) Presents such limited competition that a competitive bid or proposal process cannot reasonably be used, or
- (2) Discourages the use of a competitive bid or proposal as it will result in a substantially higher cost to the city, or will otherwise impair the city's financial interests, or
- (3) Substantially impede the city's administrative functions or the delivery of services to the public, or
- (4) Does not qualify as a sole source or emergency, or
- (5) Has only one provider with the experience and capability to successfully perform the contract; or
- (6) Presents a significant time constraint as the need was not known in sufficient time to allow for competitive procurement and time is of the essence.



Materials Management Special Procurement Purchase Request

Revised 04-04-11

JUSTIFICATION:

Provide sufficient detail to justify the use of the special procurement process instead of competitive offers. Lack of detail may result in delays while additional information is obtained. Materials Management will determine the appropriateness of waiving the competitive process on a case by case basis.

Justification:

The Matrix contract, C6426, expired on June 30, 2013. Materials Management went out for an RFP in April, 2013. The responders requested additional time to respond to the RFP due to its complexity. The RFP time for response was extended through June, 2013. Five responses were received in response to the RFP. The committee is in the process of evaluating the proposals. The evaluation is expected to be completed and ready for council approval at its November 26, 2013 meeting.

Matrix agreed on May 9, 2013 to extend the existing contract at the current terms on a month to month basis until the RFP process is completed. We request to enter into a short term contract with Matrix from July 1, 2013 through February 28, 2014 not to exceed \$45,000, until a new contract has been awarded and if necessary claims transitioned to a new vendor.

REQUESTOR CERTIFICATION:

I hereby certify that I have conducted a good faith effort for determining the validity of the special procurement purchase.

Dianne Shoemake

Requestor Dianne Shoemake

Division Risk Management

Date 9/23/13

Vehicle Purchase

If this is a request for a vehicle or motorized equipment, a completed and approved Field Operations, New Vehicle & Motorized Equipment Request form must also be attached to the purchase requisition. The form is available on the Materials Management Intranet site.

Technology Purchase

If this is a request for a technology purchase such as software or hardware, a completed and approved Information Technology, Pre-Purchase Technology Review form must also be attached to the purchase requisition. The form is available on the Information Technology Intranet site.

Submittal Instructions— Please complete this document and email the request to the Materials Manager, requesting approval. Attach additional documents, if needed, to support your request.

The subject line of the email is to read:

"Request for approval of a special purchase"

The text of the email is to read:

"Your authorization to proceed with a special purchase is requested. The completed form is attached for your review."

<http://gmn.glendaleaz.com/MaterialsManagement/documents/SpecialPurchaseRequestFrm-protected-4-04-11.docx> rev9/23/2013

Shoemake, Dianne

From: Jackson, Victoria
Sent: Monday, September 16, 2013 5:27 PM
To: Shoemake, Dianne
Subject: RE: Matrix Contract Extension

Sensitivity: Confidential

Good question. I can get it done in the next few days.

Thanks,
Vickie

From: Shoemake, Dianne
Sent: Monday, September 16, 2013 4:51 PM
To: Jackson, Victoria
Subject: RE: Matrix Contract Extension
Sensitivity: Confidential

Vickie,
I talked with Nick. He advised that the contract Amendment for Matrix should be completed (like the example you provided for the 5 Generator Rental) and sent to the attorney's office along with the expiring contract and a green sheet. They will look at it, make any changes and approve it. Question is, who does it, us or you?
Thanks,
Dianne

*Dianne Shoemake
Risk Manager
City of Glendale
Risk Management Division
P: 623-930-2856
F: 623-847-5321
dshoemake@glendaleaz.com
5850 W. Glendale Ave., Suite B56
Glendale, AZ 85301*

This message is confidential and intended only for the named recipients. This message may contain information that is privileged, attorney work product or exempt from disclosure under applicable law. If you are not the intended recipients, you are notified that reading, disseminating, distributing or copying this message is strictly prohibited. If you have received this message in error or are not the named recipient, please notify the sender by telephone, facsimile or e-mail and delete this message from your computer. Receipt by anyone other than the named recipient(s) is not a waiver of any attorney-client, work product or other applicable privilege.

From: Jackson, Victoria
Sent: Thursday, September 05, 2013 8:46 AM
To: Shoemake, Dianne
Subject: RE: Matrix Contract Extension
Sensitivity: Confidential

Diane,

Share this email with Nick. I have looked through my files and I don't have the email below requesting the month-to-month. It appears the intent to extend was there and we did not formalize the request. I've attached the contract amendment we have used in the past. Please run this by Nick. If he is in agreement I will complete the form and submit it to the vendor.

Thanks,
vj

From: Shoemake, Dianne
Sent: Wednesday, September 04, 2013 5:13 PM
To: Jackson, Victoria
Subject: Matrix Contract Extension
Importance: High
Sensitivity: Confidential

Hi Vickie,

The notes I have in my file indicates that you asked me to confirm that Matrix would extend the contract for six months, which we did, see below. At that point, I just have a note that says Vickie to extend the contract and nothing else. So, as discussed, I will get a meeting with Nick. By the way, we pay Matrix monthly \$5,123.17. Though December we will have paid \$30,739, through February \$40,985. I feel confident that we will be below \$50K if we extend through February, 28, 2013 to give time for the conversion. Thoughts?

Thanks,
Dianne

*Dianne Shoemake
Risk Manager
City of Glendale
Risk Management Division
P: 623-930-2856
F: 623-847-5321
dshoemake@glendaleaz.com
5850 W. Glendale Ave., Suite B56
Glendale, AZ 85301*

This message is confidential and intended only for the named recipients. This message may contain information that is privileged, attorney work product or exempt from disclosure under applicable law. If you are not the intended recipients, you are notified that reading, disseminating, distributing or copying this message is strictly prohibited. If you have received this message in error or are not the named recipient, please notify the sender by telephone, facsimile or e-mail and delete this message from your computer. Receipt by anyone other than the named recipient(s) is not a waiver of any attorney-client, work product or other applicable privilege.

From: Sanchez, Lorena
Sent: Thursday, May 09, 2013 1:41 PM
To: Carol Coletti
Cc: Shoemake, Dianne
Subject: Contract Extension
Importance: High
Sensitivity: Confidential

Hi Carol,

Thanks for speaking with me this afternoon regarding the City's contract with Matrix. Per our telephone conversation, Matrix agrees to extend the current contract that ends June 30, 2013, on a month to month basis and for the current rates.

Victoria Jackson, Contract Analyst for the City of Glendale, will be in contact with you in the very near future. Also, according to Ms. Jackson, the signed contract can be submitted electronically.

If you have any questions, please feel free to contact me.

Thanks again,

Lorena Sanchez-Zumph

Risk & Safety Analyst

City of Glendale, AZ

T 623-930-2857

F 623-847-5322



City of Glendale, AZ
2014 YTD Budget Control Report Summary

Fund: 2560		Dept: 191 Human Resources		Division: 18110 Worker's Compensation			Run Date: 9/23/2013 12:23:24 AM	
Description	Account	Original Budget	Amended Budget	YTD Actuals	YTD Encumbered	YTD Expended	Available Balance	% Available
Professional and Contractual	518200	195,000.00	195,000.00	174,544.36	0.00	174,544.36	20,455.64	10.49 %
Insurance Claims - Recovery	540400	0.00	0.00	(2,622.30)	0.00	(2,622.30)	2,622.30	0.00 %
Insurance Claims	542600	1,212,000.00	1,212,000.00	120,859.11	0.00	120,859.11	1,091,140.89	9.03 %
	A7000-Operating	1,407,000.00	1,407,000.00	292,781.17	0.00	292,781.17	1,114,218.83	79.19 %
Division 18110-Worker's Compensation		1,407,000.00	1,407,000.00	292,781.17	0.00	292,781.17	1,114,218.83	79.19 %
Dept 191-Human Resources		1,407,000.00	1,407,000.00	292,781.17	0.00	292,781.17	1,114,218.83	79.19 %
Fund 2560-Workers Comp. Self Insurance		1,407,000.00	1,407,000.00	292,781.17	0.00	292,781.17	1,114,218.83	79.19 %