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COUNTY OF LOS ANGELES

Kenneth Hahn Hall of Administration
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CHIEF EXECUTIVE OFFICER

Joseph M. Nicchitta

"To Enrich Lives Through Effective and Caring Service"

June 16, 2026

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST APPROVAL TO EXECUTE SOLE SOURCE AMENDMENTS TO THREE CONTRACTS
FOR WORKERS' COMPENSATION MEDICAL AND DISABILITY MANAGEMENT AND COST
CONTAINMENT SERVICES
(ALL DISTRICTS) (3-VOTES)**

SUBJECT

Request approval to execute sole source amendments extending contracts for Workers' Compensation Medical and Disability Management and Cost Containment Services (MMCC Contracts) with Allied Managed Care, Inc., CorVel Healthcare Corporation, and Medata, Inc., which expire on June 30, 2026. The recommended action will authorize the Chief Executive Officer to enter into a six-month sole source contract extension of the MMCC Contracts. The purpose of the request is to maintain the necessary continuity of critical risk management services for the County of Los Angeles (County) Workers' Compensation Program while completing the competitive solicitation process for successor contract(s) and ensuring a smooth transition to a new service provider(s), if selected.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Chief Executive Officer or his designee, to execute six-month sole source contract extensions to MMCC Contracts with Allied Managed Care, Inc., CorVel Healthcare Corporation, and Medata, Inc., extending these agreements through December 31, 2026.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The MMCC Contracts discussed in this Board letter were originally awarded through a competitive solicitation. On August 1, 2017, the Board of Supervisors (Board) authorized the Chief Executive

Officer or his designee to execute contracts with Allied Managed Care, Inc., CorVel Healthcare Corporation, and Medata, Inc., to provide Workers' Compensation Medical and Disability Management and Cost Containment Services. These MMCC Contracts commenced on January 1, 2018, with an initial term ending December 31, 2021, four one-year renewal options extending the Contracts through December 31, 2025, and then a final six-month extension option extending the MMCC Contracts through June 30, 2026.

These MMCC Contracts provide essential services that support the County's Workers' Compensation Program by controlling medical and disability costs and delivering integrated cost-containment functions, including utilization review, medical and nurse case management, medical provider network administration, pharmacy benefit management, medical bill review, and telephonic reporting. The recommended extension periods should provide the Chief Executive Office (CEO) with sufficient time to complete the current solicitation, including the resolution of any potential bid protests, and to obtain Board approval of successor agreements for replacement services.

The MMCC Contracts were competitively bid in April 2016 and executed under Board authority in 2017. The Contracts have since been amended and all available extension options through June 30, 2026, have been exercised. In May 2025, the CEO released a Request for Proposals (RFP) for successor contracts. As recently reported to your Board, the competitive solicitation for Workers' Compensation Medical and Disability Management and Cost Containment Services is currently nearing completion. The protracted solicitation process was primarily due to an increased timeframe associated with both the evaluation process and the need to carefully analyze the proposed services detailed in each proposal.

The requested six-month extension period will allow the CEO to maintain continuity of services while completing the current RFP solicitation, securing Board approval for new contract(s), and completing the potential transition of these services to a successor contractor(s).

Implementation of Strategic Plan Goals

The recommended action supports the Countywide Strategic Plan: North Star 3, Realize Tomorrow's Government Today, by continuing vital State-mandated workers' compensation risk management services through independent contractors in order to support the efficiency and effectiveness of the County's Workers' Compensation Program.

FISCAL IMPACT/FINANCING

The recommended sole source amendments would extend the existing MMCC Contracts for six months. Funding for these extensions is fully offset by the Workers' Compensation Operating Budget and will not have an impact on net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On March 27, 2026, in accordance with Board Policy No. 5.100 – Sole Source Contracts and Amendments, the CEO notified the Board of its intent to enter into negotiations for the extension of the subject agreements. This Board letter has been reviewed by County Counsel and CEO Contracts. The CEO has approved the Sole Source Checklist (Enclosure A).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no anticipated impact on current services or projects. Approval of the recommendation above will allow for the continued and uninterrupted delivery of State-mandated Workers' Compensation risk management services.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Nicchitta".

Joseph M. Nicchitta
Chief Executive Officer

JMN:JG:DC
AT:LG:rn

Enclosures

c: Executive Office, Board of Supervisors
County Counsel



COUNTY OF LOS ANGELES BOARD OF SUPERVISORS POLICY 5.100 SOLE SOURCE CHECKLIST

Department Name: _____

- New Sole Source Contract
 - New Sole Source Contract for Replacement of Existing Services, or Amendments for Extension of Contracts for Existing Services
- Date Existing Contract First Approved: _____

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS AND AMENDMENTS TO EXTEND CONTRACTS Identify applicable justification and provide documentation for each checked item.
<input type="checkbox"/>	➤ Only one single source for the service exists.
<input type="checkbox"/>	➤ Compliance with applicable statutory and/or regulatory provisions.
<input type="checkbox"/>	➤ Compliance with State and/or federal programmatic requirements.
<input type="checkbox"/>	➤ Services provided by other public or County-related entities.
<input type="checkbox"/>	➤ Services are needed to address an emergent or related time-sensitive need.
<input type="checkbox"/>	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
<input type="checkbox"/>	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
<input type="checkbox"/>	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
<input type="checkbox"/>	➤ Maintenance services and/or support services agreements are required on equipment and/or software, which must be serviced by the original manufacturer, software provider, or an authorized service representative.
<input type="checkbox"/>	➤ It is in the best economic interest of the County (e.g., significant costs and time to replace an existing system or infrastructure, administrative cost and time savings and excessive learning curve for a new service provider, etc.). In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

Approved by:

Anthony Taras

Chief Executive Office

Date