

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 10/11/22

M&C FILE NUMBER: M&C 22-0848

LOG NAME: 14REED GROUP SETTLEMENT AGREEMENT

SUBJECT

(ALL) Authorize Execution of a Settlement Agreement in the Amount of \$130,029.33 with Reed Group Management, LLC to Settle all Potential Claims Related to City Secretary Contract Number 51673 Created for the Purpose of Providing Family Medical Leave Act, Americans with Disabilities Act, and Americans with Disabilities Act Amendments Act Outsourcing Services

RECOMMENDATION:

It is recommended that the City Council authorize the execution of a Settlement Agreement with Reed Group, LLC. for FMLA, ADA, and ADA AAA claims for the City of Fort Worth, City Secretary Contract No. 51673, in the amount of \$130,029.33.

DISCUSSION:

The City of Fort Worth (City) and the Reed Group entered into Fort Worth City Secretary Contract (CSC) Number 51673 effective as of December 14, 2018, for the purpose of hiring a company to provide Family Medical Leave Act, Americans with Disabilities Act, and Americans with Disabilities Act Amendments Act Outsourcing Services and other certain services described in the contract. The City ultimately terminated the contract with this vendor on March 31, 2022, due to the services provided not being satisfactory, and entered into a new contract with our current vendor, FMLASource, Inc.

Based on provisions in the contract with the Reed Group, the vendor was entitled to the ability to renegotiate rates if case load volume with the City exceeded certain parameters. Given the unforeseen events of the COVID-19 pandemic, the case load was significantly higher than anticipated. The Reed Group presented the City an initial overage charge of \$430,878.60 due to the work performed by the vendor. The parties have negotiated in good faith a settlement down from \$430,878.60 to the amount of \$130,029.33.

Funding is budgeted in the Human Resources Department's Roll up within the General Fund.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the Fiscal Year 2021-2022 operating budget, as previously appropriated, in the General Fund to support the approval of the above recommendation and execution of the agreement. Prior to any expenditure being incurred, the Human Resources Department has the responsibility to validate the availability of funds.

Submitted for City Manager's Office by: Jessica L. McEachern 5804

Originating Business Unit Head: Dianna Giordano 7783

Additional Information Contact:

Expedited