



**CITY OF SALINAS  
COUNCIL STAFF REPORT**

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**DATE: JUNE 30, 2026**

**DEPARTMENT: HUMAN RESOURCES**

**FROM: MARINA HORTA-GALLEGOS, HUMAN RESOURCES DIRECTOR**

**BY: VENISSA ROSA, RISK & BENEFITS ANALYST**

**TITLE: EXTENSION OF AGREEMENT FOR SERVICES FOR WORKERS' COMPENSATION THIRD PARTY CLAIMS ADMINISTRATOR**

**RECOMMENDED MOTION:**

A motion to approve a Resolution delegating authority to the City Manager to negotiate and execute a three-year extension of the contract between the City of Salinas and CorVel Enterprise Claims, Inc. ("CorVel") for the administration of the City's Workers' Compensation Program in an amount not to exceed \$769,634 from July 1, 2026 to June 30, 2029.

**BACKGROUND:**

Workers' compensation coverage is a state law mandated benefit covering employees whose injuries arise out of employment or are caused by employment. Since 2014 the City has contracted with CorVel for workers' compensation Third-Party Administrator (TPA) services. TPA administration for the City's workers' compensation program includes claim intake and evaluation; communication with injured employees; coordination with medical providers, including the City's contracted occupational medical care facilities, Agile Occupational Medicine and ProActive Work Health Services; bill review; utilization review; nurse case management dispatch and care; coordination of benefits and payroll adjustments; and compliance with rules and regulations established by the state of California Division of Industrial Relations, Office of Self-Insurance Plans.

CorVel staffs the City's account with two full-time, City of Salinas-dedicated claims adjusters and additional account personnel that service the City, including an account supervisor, an account manager, a bill review specialist, the vice president of claims, and a case management and utilization review manager, among others. This CorVel team produces detailed monthly reports of open claims by department and communicates daily with City staff, including the Human Resources Department, which oversees the City's workers' compensation program, as well as departmentally with injured employees and their supervisors. On a quarterly basis, CorVel staff travel to the City to provide a presentation to the Human Resources Department and Office of the City Attorney regarding open claims, employee welfare and return to work status, litigation updates, and reviewing losses and projected losses.

The most recent contract extension is set to expire on June 30, 2026. The proposed agreement is to begin no later than July 1, 2026, for a 3-year term extension to June 30, 2029, at an annual rate of \$249,000 for the first extension year, \$256,470 for the second year, and \$264,164 for the third year. This pricing reflects an annual increase of 3%. The proposed rates are competitive and reflect the quality and scope of services provided.

CEQA CONSIDERATION:

**Not a Project.** The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No

STRATEGIC PLAN INITIATIVE:

Approval of the proposed action supports the City Council’s 2025 Strategic Goal of City Services by ensuring fiscal responsibility, demonstrating sound financial management, and providing high quality customer service.

DEPARTMENTAL COORDINATION:

The Human Resources Department manages the City’s Workers’ Compensation program, works closely with the City Attorney’s Office on claims review and settlement, and maintains contact with various affected departments regarding work status and accommodations for employees who have filed workers’ compensation claims. CorVel serves as the main point of contact for employees throughout the claims process, gathering information, facilitating communication, and ensuring compliance with legal and regulatory requirements.

FISCAL AND SUSTAINABILITY IMPACT:

The proposed agreement spans three fiscal years, with an end date of June 30, 2029. Funding for the first two years of the proposed agreement has been included in the budget for the 2026-2027 & 2027-2028 fiscal years. Funding for the third year shall be included in the budget development process for that fiscal year.

Fund	General Ledger Number (Operating/CIP)	General Ledger Account Name	Remaining Budget Appropriation	Amount Requested
7103	16.1247-64.4610	Other Charges Workers Comp Admin	\$250,000	\$249,000

ATTACHMENTS:

Resolution  
Agreement – 2014  
Amendment 7

Exhibit to Amendment 7