

REQUEST FOR PROPOSAL

Third Party Claims Administration Services



City of College Station
City of College Station

RFP #03-94
DUE DATE July 23, 2003
@ 4:00 P.M. C.S.T.

CITY OF COLLEGE STATION, TEXAS
1101 Texas Ave.
College Station, TX 77842
(979) 764-3555
www.ci.college-station.tx.us

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INTRODUCTION

1. Introduction

- 1.1 The City of College Station is soliciting proposals (RFPs) for Third Party Claims Administration Services (TPA) from qualified Respondents.
- 1.2 It is the intent of the City of College Station to select a Respondent(s) to provide Professional Claims Administration as outlined in this Request for Proposal.
- 1.3 Sealed proposals will be accepted until **4:00 p.m. on July 23, 2003**, and should be addressed to:

*City of College Station Purchasing Department
Cheryl Turney, Purchasing Manager
1101 Texas Avenue
College Station, Texas 77842
979-764-3557*

- 1.4 In order to ensure a fair and objective evaluation, all questions related to this Request for Proposal shall be addressed **in writing** to the individual identified above. Contact with any City of College Station employee or official is prohibited without prior written consent from the Purchasing Manager. Offerors contacting any other employee(s) or official(s) without prior written consent risk elimination of their proposal from further consideration.
- 1.5 The tentative schedule for this Request for Proposals is as follows:

Release RFP to Respondents	July 2, 2003
Advertisement Dates	July 2 & 9, 2003
Proposal Submission Deadline	July 23, 2003
Respondent Selection	July 31, 2003
Earliest Award of Any One Contract	August 28, 2003
Contract Start Date	October 1, 2003

DEFINITIONS, TERMS, AND CONDITIONS

2. Definitions

2.1 In order to simplify and clarify the language throughout this Request for Proposal, the following definitions shall apply:

- 2.1.1 CITY** – City of College Station.
- 2.1.2 CITY COUNCIL** – The elected officials of the City of College Station, who have been given the authority to exercise such powers and jurisdiction of all City business as conferred by the State Constitution and Laws.
- 2.1.3 CONTRACT** – An agreement between the City of College Station and the Respondent to provide the Professional Services of Third Party Claims Administration for a specific period of time.
- 2.1.4 PURCHASING** – The City of College Station Purchasing Department
- 2.1.5 RFP** – Request for Proposal
- 2.1.6 TPA** - Third Party Administrator
- 2.1.7 BREP** - Board Representation for TWCC
- 2.1.8 OFFEROR/RESPONDENT/FIRM** – Organization offering a proposal in response to this RFP
- 2.1.9 LOCAL GOVERNMENT RECORD** - Shall mean any document, paper, letter, book, map, photograph, sound or video recording, microfilm, magnetic tape, electronic medium, or other information recording medium, regardless of physical form or characteristic and regardless of whether public access to it is open or restricted under the laws of the state, created or received by local government or any of its officers or employees pursuant to law including an ordinance, or in the transaction of official public business.

2.2 Terms and Conditions

2.2.1 Proposals

- 2.2.1.1** The submitted Proposal (s) must be received by the Purchasing Services Division prior to the time and date specified. The mere fact that the Proposal was dispatched will not be considered; the firm must insure that the Proposal is actually delivered and received on time.

- 2.2.1.2** Proposals received after the date and time specified shall be returned unopened and will be considered void and unacceptable. The Purchasing Department is not responsible for lateness of mail carrier, etc., and time/date stamp in the Purchasing Department shall be the official time of receipt.
- 2.2.1.3** Proposals will be received at 2:00 in the Purchasing Department and publicly acknowledged in the Fiscal Services Department's Conference Room immediately thereafter on the date specified. Offerors, their representative(s), and interested persons may be present. The proposals received will be publicly opened but not read aloud. Proposals shall remain valid for a period of one (1) year from the due date and time.
- 2.2.1.4** One certified original, plus three (3) copies of the proposal must be submitted.
- 2.2.1.5** By submitting a proposal, the Respondent certifies that he has fully read and understands this "Request for Proposal" and has full knowledge of the scope, quantity, and quality of the services to be furnished and intends to adhere to the provisions described herein. Failure to do so will be at the Offerors own risk, and he cannot secure relief on pleas of error. Neither law nor regulations make allowance for error of omission or commission on part of Respondents.
- 2.2.1.6** Any proposal which does not contain all of the information requested in this RFP will be considered incomplete and may be rejected by the City of College Station.
- 2.2.1.7** The City of College Station is by statue exempt from State Sales Tax and Federal Excise Tax, and the proposal price shall not include taxes.
- 2.2.1.8** The Offeror shall furnish any additional information as the City of College Station may require. The City of College Station reserves the right to make investigation of the qualifications of the Offeror(s) as they deem appropriate.
- 2.2.1.9** This proposal, when properly accepted by the City of College Station, shall constitute a contract equally binding between the successful Respondent and the City of College Station. No different or additional terms will become part of this Contract with the exception of a Change Order.
- 2.2.1.10** This Request for Proposal does not commit any individual participating entity to award a contract, to pay any cost incurred in the preparation of a proposal, or to procure a contract for services.

2.2.2 Interlocal Agreement

- 2.2.2.1** Respondent must agree to extend prices and terms to all City of College Station who have entered or will enter into a joint purchasing agreement with the City of College Station.

2.2.3 Reservations

- 2.2.3.1** City of College Station reserves the right to accept or reject any or all proposals as a result of this request, to negotiate with all qualified sources, or to cancel, in part or in its entirety, this Request for Proposal if found in the best interest of the City of College Station. All proposals become the property of the City of College Station's Purchasing Department.

2.2.4 Reimbursements

- 2.2.4.1** There is no expressed or implied obligation from the City of College Station to reimburse responding firms for any expenses incurred in preparing proposals in response to this Request for Proposal. The City of College Station will not reimburse responding firms for these expenses, nor will it pay any subsequent costs associated with the provision of any additional information or presentation, or to procure a contract for these services.

2.2.5 Communication

- 2.2.5.1.** The City of College Station shall not be responsible for any verbal communication between any employee of the City of College Station and any potential firm. Only written proposals will be considered.

2.2.6 Negotiations

- 2.2.6.1** Negotiations may be conducted with responsible Offeror(s) who submit proposals that are reasonably susceptible of being selected. All Offeror(s) reasonably susceptible of being selected based on criteria set forth in this RFP may be given an opportunity to make a presentation and/or interview with the Selection Committee. Following any presentation and/or interviews, Respondents will be ranked in order of preference and contract negotiations will begin with the top ranked firm. Should negotiations with the highest ranked firm fail to yield a contract, or if the firm is unable to execute said contract, negotiations will be formally ended and then commence with the second highest ranked firm, etc.

2.2.7 Disclosure

- 2.2.7.1 At the public opening, there will be no disclosure of contents to competing firms, and all proposals will be kept confidential during the negotiation process. Except for trade secrets and confidential information which the Respondent reasonably identifies as proprietary, all proposals will be open for public inspection after the contract award.

2.2.8 If Proposal Results in a Contract, the Following Terms and Conditions Will Apply

- 2.2.8.1 No oral statement of any person shall modify or otherwise change, or affect the terms, conditions, or specifications stated in the resulting contract. All Change Orders to the contract will be made in writing by the Purchasing Manager for the City of College Station.
- 2.2.8.2 Should there be a change in ownership or management, the Contract shall be cancelled unless a mutual agreement is reached with the new owner or manager to continue the contract with its present provisions and prices. This Contract is nontransferable by either party.
- 2.2.8.3 All invoicing shall be submitted in duplicate to each participating entity. If invoices are subject to cash discount, discount period is to be taken from the date of completion of order or date of receipt of invoice, whichever occurs last regardless of whether or not correct discount terms appear on invoice. All invoices are to be paid in full within 30 days after satisfactory delivery of services and billing.
- 2.2.8.4 No public official or City employee shall enter into a contract with the City that violates Local Government Code, Section 171.003.
- 2.2.8.5 Offerors are advised that all contracts are subject to all legal requirements provided in the City Charter and/or applicable City Ordinances, State, and Federal Statutes.
- 2.2.8.6 The City of College Station operations are funded on a fiscal year basis; accordingly, the City of College Station reserves the right to terminate, without liability, any contract for which funding is not available. Renewal of contract will be in accordance with Local Government Code 271.903 concerning non-appropriation of funds for multi-year contracts
- 2.2.8.7 The contract shall begin October 1, 2003 and will remain firm for a **minimum twelve (12) month period** from the date of contract award. The City of College Station reserves the right to extend this contract for **four (4) additional one-year periods** upon mutual agreement of all parties. The City

of College Station reserves the right to cancel the Contract, without penalty, provided thirty (30) days written notice is given to RESPONDENT.

INTENT AND SCOPE OF WORK

3. Intent and Scope

3.1 General

- 3.1.1** The City of College Station Purchasing Department is requesting proposals from providers of Third Party Claims Administration to establish a contract for the service in accordance with the requirements specified herein and including all provisions set forth in the accompanying documentation.
- 3.1.2** It is of primary importance to the City of College Station to have a quality benefits delivery program which will control costs and direct both Liability and Workers Compensation claims, ensure good employee relations, promote reduction in litigation, and control medical expenditures. This Request for Proposal's goal is directed toward the highest professional level of responsive claims handling. In an effort to maintain control, this would include regular ongoing communications with injured workers, from the inception to disposition of the claim. The City of College Station are committed to providing all statutory benefits covered under the Texas Workers' Compensation Act and to control costs within the confines of the Act and any other applicable laws.
- 3.1.3** The City of College Station desires to see all available service options and their costs. These should include, but are not limited to: Flat rate claim fee basis, Cost per claim basis, and any other services including TWCC Board Representation services. All options will be evaluated to determine the best value for the City of College Station.
- 3.1.4** It is estimated that the City of College Station will have approximately 175 new workers' compensation claims of which approximately 125 will be Medical Only, 25 Lost Time and 25 Incident Only. In addition, they will receive approximately 10 AL/GL bodily injury claims, 1-2 Police Professional claims and 0-1- Public Officials. These are estimated "new" claims counts to be administered under this RFP/contract. In the event the new claims count exceeds these limits, the City of College Station requests a Cost per Claim quote in addition to the flat fee basis. These estimates are included for the purpose of providing respondents with realistic figures to make rational proposals on the services sought, but do not guarantee these levels of claims. An average of the last 5 years claims history of the City of College Station are shown below:

Workers Compensation	
Medical Only	125
Lost Time	25
Incident Only	25
TOTAL	175
 Bodily Injury	 10

3.2 Liability Claims

- 3.2.1 TPA agrees to provide a Dedicated Liability Claims Adjuster to the City of College Station and City of College Station to investigate, adjust and provide subrogation information on all assigned claims handled under the Texas Tort Claims Act or other applicable State / Federal laws.
- 3.2.2 TPA will create and assign files within one (1) working day from receipt of the initial loss report.
- 3.2.3 TPA will have management level personnel assigning claims utilizing appropriate activity numbers.
- 3.2.4 TPA will attempt contact with claimant(s) within one (1) working day from receipt of initial report, either by telephone call or mailed contact letter.
- 3.2.5 TPA will employ an acceptable Diary System for timely file follow up every 30 days. Each file diary review must be documented in detail in the file notes. All file reserves will be monitored every scheduled diary review and adjusted accordingly along with an explanation for the adjustment.
- 3.2.6 TPA will assign an appraiser to inspect all property damage claims. Inspections should include an itemized description of damages along with photos.
- 3.2.7 TPA will report all injury cases to Southwest Index Bureau (SWIB), upon file creation with a copy retained in the file. TPA will resubmit index every six months until case is closed. **TPA will NOT allocate SWIB expenses to the City of College Station.**
- 3.2.8 TPA will make payments promptly after an investigation of negligence and liability being established, subject to City of College Station approval.
- 3.2.9 TPA'S adjusters will acknowledge and pursue all Subrogation exposures to the City of College Station.
- 3.2.10 TPA'S adjusters will acknowledge and pursue all Salvage recoveries to the City of College Station.

- 3.2.11 TPA will provide bi-monthly captioned reports on all open claims reserved at \$10,000 and greater.
- 3.2.12 TPA will provide City of College Station with a copy of all captioned reports to the excess insurance carrier as warranted by the severity and complexity of the claim.
- 3.2.13 TPA will provide reports through their Risk Management Information System (RMIS). Monthly, quarterly and annually by fiscal year on all new claims, reopens, litigation claims, indicating total paid, total reserved and sorted by department.
- 3.2.14 TPA will ensure Counsel will copy the City of College Station on all correspondence along with providing reports as mutually agreed upon on all **continuing** cases including evaluations, recommendations, and action plan.
- 3.2.15 TPA will attend all meetings that the City of College Station at no expense to the City of College Station, including City of College Station's Claims Board Meetings.
- 3.2.16 TPA will be responsible for storage of all closed claim files at no expense to the City of College Station during the term of the contract. Upon termination of the contract, all closed claim files must be returned to the City of College Station within 30 days along with the appropriate manifest listing of files.

3.3 Workers' Compensation Claims

- 3.3.1 TPA agrees to investigate, adjust and subrogate every open reported injury case in accordance with the Texas Workers' Compensation Act.
- 3.3.2 TPA shall make contact with lost time injured workers within 24 hours of receipt of Employers' First Report of Injury.
- 3.3.3 TPA shall personally notify the employee when impairment benefits are due.
- 3.3.4 TPA will maintain personal contact with all injured workers at least every 2–3 weeks, in order to maintain rapport and monitor medical progress status on all claims.
- 3.3.5 TPA'S adjusters will be required to meet with City of College Station's Risk Management staff on a monthly basis or "as needed basis" as determined solely by the City of College Station to discuss status of active files. Meetings may be more or less frequent dependent upon volume of cases and need for immediate discussion. These meetings will be at no expense to the City of College Station.

- 3.3.6** Respondent will report all workers' compensation cases to the Southwest Index Bureau (SWIB), upon file creation with a copy retained in the file. TPA will resubmit an index every six months until case is closed. **TPA will NOT allocate SWIB expenses to the City of College Station.**
- 3.3.7** TPA will employ an acceptable Diary System for timely file follow up every 30 days. Each file diary review must be documented in detail in the file notes. All file reserves will be monitored every scheduled diary review and adjusted accordingly along with an explanation for the adjustment.
- 3.3.8** TPA will provide bi-monthly captioned reports to the City of College Station on all open claims reserved at \$10,000 or greater.
- 3.3.9** TPA will provide copies of all written correspondence within the claim file to be available at any time at the City of College Station.
- 3.3.10** TPA'S adjusters are expected to provide a written summary to the Independent Medical Examiner (IME) doctor along with copies of all medical reports and films necessary for a successful and complete examination. City of College Station must be carbon copied on all correspondence.
- 3.3.11** TPA will actively pursue subrogation. The "at fault" party must be placed on notice within 30 days of receipt of TWCC-1. Follow up correspondence must be completed every 60 – 90 days to party at fault. All correspondence must be duplicated to the City of College Station. **Cases involving subrogation will NOT be considered a special claim allowing for allocated time and expense charges against the City of College Station.**
- 3.3.12** TPA will obtain approval from City of College Station on all subrogation agreements, which are less than 100% of the lien.
- 3.3.13** TPA shall diligently pursue contribution upon notice of prior history. Communication with various physicians and attempted apportionment must be pursued and documented prior to final resolution of an impairment rating.
- 3.3.14** TPA will guarantee daily mail delivery at no expense to the City of College Station.
- 3.3.15** TPA'S handling adjuster will attend all Texas Workers Compensation Commission (TWCC) administrative hearing levels. Assignment of counsel for hearings will be on a case by case basis depending on the severity and complexity of the case and approved by the City of College Station.
- 3.3.16** TPA will provide reports through their Risk Management Information System (RMIS). Monthly, quarterly, and annually by fiscal year on all new claims,

reopens, litigation claims, total paid, total reserved, sorted by department, along with a net closing ratio.

- 3.3.17** TPA will ensure Counsel will copy the City of College Station on all correspondence along with providing reports as mutually agreed upon on **continuing** cases including evaluations, recommendations and action plan.
- 3.3.18** TPA'S multiple use of an attorney on a case/hearing will **NOT** be an allowable allocated expense to the City of College Station.
- 3.3.19** TPA will agree attorney extra preparation or research performed by a substituting counsel will not be a covered allocated expense to the City of College Station.
- 3.3.20** TPA will agree standard and pre-drafted filings such as pleadings, interrogatories, etc. will not be billed as "drafting of documents" unless prior written approval has been obtained from City of College Station.
- 3.3.21** TPA agrees that Counsel will submit an itemized billing indicating services performed along with all applicable receipts. NO payment will be made without itemized bills and receipts.
- 3.3.22** TPA will obtain City of College Station's written approval on all allocated expenditures exceeding \$500.00 dollars. Authority may be reviewed and adjusted at the discretion of the City of College Station.
- 3.3.23** TPA shall **not** allocate to the City of College Station any delivery charges for which the adjuster is expected to perform in the handling of their claims.
- 3.3.24** TPA shall make the necessary document filings and/or electronic submissions with the Texas Workers' Compensation Commission, or any governmental agency designated by statute. TPA shall do so at no expense to the City of College Station.
- 3.3.25** TPA shall prepare and file, with the appropriate State agencies all forms required for the City of College Station to maintain its qualifications as a self-insured political subdivision, as authorized under V.T.C.A. Labor Code, Chapter 504. Expenses related to maintaining this status under the rules and regulations of Texas will be passed onto the City of College Station.
- 3.3.26** TPA shall be responsible for the storage of closed claim files at no expense to the City of College Station. Upon termination of the contract, all closed claims must be returned to the City of College Station within 30 days with appropriate paid printouts on each file to a facility of the City of College Station's choice.

- 3.3.27** TPA must keep the City of College Station apprised with regard to changes in the Workers' Compensation law and with continuing education courses offered in BRYAN-COLLEGE STATION area or the surrounding areas.
- 3.3.28** TPA shall provide a pre-check listing of all indemnity, medical and expense payments no later than 24 hours before checks are to be issued, at no additional cost to the City of College Station.
- 3.3.29** TPA shall provide a complete accounting for the program, which at all times is subject to review/audit by the City of College Station's assigned designee.
- 3.3.30** TPA agrees to reimburse the City of College Station within ten (10) working days in situations involving overpayments to employees, providers, billing the City of College Station incorrectly or duplicating payment to a provider.
- 3.3.31** TPA shall provide the City of College Station with an overpayment report by type, reason, and payee by fiscal year each month. This report will be submitted to the City of College Station by the tenth, (10th) working day of each month.
- 3.3.32** TPA agrees to comply with all rules, Federal, State and local procedures and guidelines be adopted and followed to the letter. TPA agrees to this standard and will hold City of College Station harmless for all fines and penalties levied against the TPA for its failure to comply with the Texas Workers' Compensation Act. In no way will TPA pass along or otherwise cause City of College Station to pay fines which are levied solely against the TPA or due to TPA'S negligence.

SPECIAL PROVISIONS

4. Special Provisions

4.1 Technical Requirements

- 4.1.1** Respondent shall provide a Risk Management Information System (RMIS) that can interface with different systems, such as a Medical Cost Containment Service provider.
- 4.1.2** Respondent shall provide an Internet based RMIS, which will allow log on access from any location. RMIS must be accessible 24/7 with real time data. RMIS must have the ability for the adjuster to scan reports and pictures at no additional cost.
- 4.1.3** Respondent(s) shall provide training and/or appropriate documented instructions to the City of College Station in the use of its Risk Management Information System. This shall include customer service /assistance and allow instruction for custom reports.

4.1.4 Respondent(s) must supply a toll-free number to provide 24-hour customer service at **no additional charge to the City of College Station**.

4.1.5 Respondent(s) shall provide technical assistance and support service to City of College Station staff throughout the term of the contract.

4.2 Ownership of Documents and Software

4.2.1 RESPONDENT in accordance with Texas law, RESPONDENT acknowledges and agrees that all local government records created or received in the transaction of official business or the creation or maintenance of which were paid by public funds are declared to be public property and subject to the provisions of Chapter 201 of the Texas Local Government Code and Subchapter J, Chapter 441 of the Texas Government Code. Thus, no such local government records produced by or on behalf of RESPONDENT pursuant to this RFP and/or Contract, (should RESPONDENT be selected), shall be the subject of any copyright or proprietary claim by RESPONDENT.

4.2.2 Subsection 2 notwithstanding, in the event RESPONDENT proposes to use proprietary software in the provision of services herein, RESPONDENT agrees to provide the City of College Station with a paid up license. RESPONDENT agrees to pay all fees associated with the software and agrees that Texas law shall govern any and all license agreements.

4.3 Billing Requirements

4.3.1 The City of College Station shall have one (1) account, will be billed independently, and will each receive **one** (1) monthly invoice in duplicate for all charges

4.3.2 Respondent(s) shall provide a local or toll-free number for help in resolving any disputes in the billing and resolve any such discrepancies at fault of the Respondent(s) within 30 days.

4.3.3 The City of College Station shall be exempt from paying late charges on disputed bills.

4.4 Service Requirements

4.4.1 The selected Respondent must be staffed with knowledgeable and experienced personnel in the requirements of the Texas Tort Claims Act and the Texas Workers Compensation Act. The City of College Station shall have **one** designated representative appointed to service their accounts.

- 4.4.2 Respondent(s) must provide an escalation list of personnel that can be contacted in the event of a major problem or emergency. Names, titles, and all phone numbers should be included.
- 4.4.3 Respondent(s) must indicate in the proposal the location of the service facility and hours of the facility operation.

INSURANCE REQUIREMENTS

5. Insurance Requirements

5.1 Warranty, Indemnification, and Release

5.1.1 Warranty

- 5.1.1.1 As an experienced and qualified professional, the Respondent warrants that the services provided by the Respondent reflects high professional and industry standards, procedures, and performances. The Respondent warrants the designation or selection of materials and equipment, the selection and supervision of personnel, and the performance of other services under this Contract, pursuant to a high standard of performance in the profession. The Respondent warrants that the Respondent will exercise diligence and due care and perform in a good and workmanlike manner all of the services pursuant to this Contract. Approval of the City of College Station shall not constitute, or be deemed, a release of the responsibility and liability of the Respondent, its employees, agents, or associates for the exercise of skill and diligence to promote the accuracy and competency of their services, nor shall the City of College Station approval be deemed to be the assumption of responsibility by the City of College Station for any defect or error in the aforesaid services prepared by the Respondent, its employees, associates, agents, or subcontractors.
- 5.1.1.2 The Respondent shall promptly correct any errors or omissions by the Respondent at no cost to the City of College Station. The City of College Station's approval, acceptance, use of, or payment for, all or any part of the Respondent's services hereunder or of the Services itself shall in no way alter the Respondents obligations or the City of College Station's rights hereunder.
- 5.1.1.3 In all activities or services performed hereunder, the Respondent is an independent contractor and not an agent or employee of the City of College Station. The Respondent and its employees are not the agents, servants, or employees of the City of College Station . As an independent contractor, the Respondent shall be responsible for the professional services and the final work product contemplated under this Contract. Except for materials furnished by the City of College Station, the Respondent shall supply all

materials, equipment, and labor required for the professional services to be provided under this Contract. The Respondent shall have ultimate control over the execution of the professional services. The Respondent shall have the sole obligation to employ, direct, control, supervise, manage, discharge, and compensate all of its employees or subcontractors, and the City of College Station shall have no control of or supervision over the employees of the Respondent or any of the Respondent's subcontractors.

- 5.1.1.4 The Respondent must at all times exercise reasonable precautions on behalf of, and be solely responsible for, the safety of its officers, employees, agents, subcontractors, licensees, and other persons, as well as their personal property, while providing services for the City of College Station or any of the work being done on or for the City of College Station. It is expressly understood and agreed that the City of College Station shall not be liable or responsible for the negligence of the Respondent, its officers, employees, agents, subcontractors, invitees, licensees, and other persons.

5.1.2 Indemnity

- 5.1.2.1 **The Respondent agrees to indemnify, defend, and hold harmless the City of College Station, its officers, employees, and agents (separately and collectively referred to in this paragraph as “Indemnitee”), from and against any and all claims, losses, damages, causes of action, suits, judgments, settlements made by Indemnitee, and liability of every kind, including all expenses of litigation, court costs, attorney’s fees, and other reasonable costs for damage to or loss of use of any property, for injuries to, or sickness or death of any person, including but not limited to Respondent, any of its subcontractors of any tier, or of any employee or invitee of Respondent or of any such subcontractors, that is caused by, arises out of, related to, or in connection with, any work or operations performed by Respondent or by any such subcontractors of any tier, under this Contract. This indemnity shall apply even though such damage, loss, injury, sickness, or death is caused in whole or in part by any defect in or condition of any area, facilities, equipment, tools, or other items that may be provided by Indemnitee, whether or not such defect or condition was known to Indemnitee. This indemnity shall apply regardless of whether or not any such damage, loss, injury, sickness, or death is contributed to by the negligence or fault of Indemnitee. However, in the event of such contributory negligence or other fault of Indemnitee, then Indemnitee shall not be indemnified hereunder in the proportion that the Indemnitee’s negligence or other fault caused any such damage, loss, injury, sickness, or death. The City of College Station and the Respondent expressly intend that the indemnity provided hereunder is indemnity by the Respondent to indemnify and protect the City of College Station from the consequences of Indemnitee’s own negligence while the City of College Station is**

participating in the Project, except that the Respondent will indemnify Indemnatee only for that pro rata portion (based on the percent of negligence) of any such damage, loss, injury, sickness, or death that was not caused by the negligence of Indemnatee. Furthermore, the indemnity provided for in this paragraph shall have no application to any damages, loss, injury, sickness, or death resulting from the sole negligence of Indemnatee, unmixed with the fault of any other person or entity.

5.1.3 Release

5.1.3.1 The Respondent releases, relinquishes, and discharges the City of College Station and its officers, agents, and employees from all claims, demands, and causes of action of every kind and character, including the cost of defense thereof, for any injury to, sickness or death of the Respondent or its employees and any loss of or damage to any property of the Respondent or its employees that is caused by or alleged to be caused by, arises out of, or is in connection with the Respondent's work to be performed hereunder. The City of College Station and the Respondent expressly intend that this release shall apply regardless of whether said claims, demands, and causes of action are covered, in whole or in part, by insurance and in the event of injury, sickness, death, loss, or damage suffered by the Respondent or its employees, but not otherwise, this release shall apply regardless of whether such loss, damage, injury, or death was caused in whole or in part by the City of College Station and any other party released hereunder, the Respondent, or any third party.

5.2 Insurance

5.2.1 The Respondent agrees to maintain the types and amounts of insurance required in this Contract throughout the term of the Contract. The following insurance policies shall be required:

1. Commercial General Liability
2. Business Automobile Liability
3. Workers' Compensation
4. Professional Liability
5. Employee Fidelity Bond and/or Commercial Crime Coverage

5.2.2 For each of these policies, the Respondent's insurance coverage shall be primary insurance with respect to the City of College Station and its officials, employees and volunteers. Any insurance or self-insurance maintained by the City of College Station and its officials, employees or volunteers, shall be considered in excess of the Respondent's insurance and shall not contribute to it. Certificates of insurance and endorsements shall be furnished to and approved by the City's

Risk Manager *before* any letter of authorization to commence planning will issue or any work commences. No term or provision of the indemnification provided by the Respondent to the City of College Station pursuant to this Contract shall be construed or interpreted as limiting or otherwise affecting the terms of the insurance coverage. **All Certificates of Insurance and endorsements shall be furnished to the City of College Station and Representative at the time of execution of this Agreement, attached hereto as Exhibit "C", and approved by the City of College Station before work commences.**

5.2.3 The Respondent shall include all subcontractors as additional insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

5.2.4 General Requirements Applicable to All Policies.

- (a) Only insurance carriers licensed and admitted to do business in the State of Texas will be accepted.
- (b) Deductibles shall be listed on the certificate of insurance and are acceptable only on a "per occurrence" basis for property damage only.
- (c) "Claims made" policies will not be accepted, except for Professional Liability insurance.
- (d) Each insurance policy shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) calendar days prior written notice has been given to the City of College Station by certified mail, return receipt requested.
- (e) Upon request, certified copies of all insurance policies shall be furnished to the City of College Station.
- (f) The certificates of insurance shall be prepared and executed by the insurance company or its authorized agent. Each certificate shall contain the following provisions and warranties: (a) that the insurance company is licensed and admitted to do business in the State of Texas; (b) that the insurance policy is underwritten on forms provided by the Texas State Board of Insurance or ISO; (c) all endorsements and coverages according to the requirements of this Contract; (d) the form of notice of cancellation, termination, or change in coverage provisions; and (e) original endorsements affecting coverage required by this Contract.
- (g) The City of College Station and its officials, employees, and volunteers are to be added as "Additional Insureds" to the Commercial General Liability and Business Automobile Liability Policies. The coverage shall contain no special limitations on the scope of protection afforded to the City of College Station and its officials, employees, and volunteers.

5.2.5 Commercial (Public) Liability requirements:

- (a) Coverage shall be written by a carrier with an "B+ VII" or better rating in accordance with the current Best Key Rating Guide.
- (b) Minimum requirement \$1,000,000 per occurrence for bodily injury and property damage; \$2,000,000 general aggregate.
- (c) Coverage shall be at least as broad as Insurance Service's Office Number CG 00 01.
- (d) No coverage shall be deleted from the standard policy without notification of individual exclusions being attached for review and acceptance.
- (e) The coverage shall include but not be limited to: premises/operations; independent contracts, products/completed operations, personal injury, and contractual liability (insuring the indemnity provided herein).

5.2.6 Business Automobile Liability requirements:

- (a) Coverage shall be written by a carrier with an "B+ VII" or better rating in accordance with the current Best Key Rating Guide.
- (b) Minimum Combined Single Limit of \$1,000,000 per occurrence for bodily injury and property damage.
- (c) The Business Auto Policy must show Symbol 1 in the Covered Autos portion of the liability section in Item 2 of the declarations page.
- (d) The coverage shall include owned or leased autos, non-owned autos, and hired cars.

5.2.7 Workers' Compensation Insurance requirements:

5.2.7.1 Pursuant to the requirements set forth in Title 28, Section 110.110 of the Texas Administrative Code, all employees of the Contractor, the Contractor, all employees of any and all subcontractors, and all other persons providing services on the Project must be covered by a workers' compensation insurance policy: either directly through their employer's policy (the Contractor's, or subcontractor's policy) or through an executed coverage agreement on an approved TWCC form. Accordingly, if a subcontractor does not have his or her own policy and a coverage agreement is used, Contractors and subcontractors *must* use that portion of the form whereby the hiring contractor agrees to provide coverage to the employees of the subcontractor. The portion of the form that would otherwise allow them not to provide coverage for the employees of an independent contractor may not be used.

5.2.7.2 The worker's compensation insurance shall include the following terms:

- (a) Employer's Liability limits of \$1,000,000.00 for each accident is required.
- (b) "Texas Waiver of Our Right to Recover From Others Endorsement, WC 42 03 04" shall be included in this policy.

- (c) Texas must appear in Item 3A of the Worker's Compensation coverage or Item 3C must contain the following: All States except those listed in Item 3A and the States of NV, ND, OH, WA, WV, and WY.

Pursuant to the explicit terms of Title 28, Section 110.110(c)(7) of the Texas Administrative Code, this Agreement, the bid specifications, and all subcontracts on this Project must include the terms and conditions set forth herein, without any additional words or changes, except those required to accommodate the specific document in which they are contained or to impose stricter standards of documentation:

5.2.8 Professional Liability requirements:

- (a) Coverage shall be written by a carrier with a "B+ VII" or better rating in accordance with the current Best Key Rating Guide.
- (b) Minimum of \$1,000,000 claims made policy and \$1,000,000 aggregate.
- (c) Coverage must maintain a minimum of two (2) year extended reporting period policy endorsement, after the termination of this Contract.

5.2.3 Employee Fidelity Bond requirements:

- (a) Minimum \$500,000 per occurrence.

EVALUATION FACTORS

6. Evaluation Factors

6.2 After receipt of proposals, the City of College Station will conduct a comprehensive, fair and impartial evaluation of all Proposals in response to this RFP. The City of College Station will appoint a Selection Committee comprised of staff members to perform the evaluation. Each Proposal will be analyzed to determine overall responsiveness and qualifications under the RFP. The Selection Committee may select all or some of the proposing RESPONDENTS for interviews. Criteria to be evaluated may include the items listed below. The Selection Committee has the authority to select one or more RESPONDENTS to provide services. Final approval of the selected RESPONDENT(S) is subject to the action of the City of College Station.

Criteria	Assigned Value
Responsiveness to the Request for Proposal 1. Requested information included & thoroughness of response. 2. Understanding and acceptance of the scope of services. 3. Acceptance of the RFP and Contract requirements. 4. Clarity and conciseness of the response.	25%
Economic evaluation of the Proposed Fee Schedule.	25%

Qualifications/experience/references	25%
Ability to provide services requested and substantiated in the Respondent's Qualification Questionnaire(s).	25%

6.2 Selection and Contract Award

- 6.2.1** Selection shall be based on the responsible Respondent(s) whose proposal is determined to be the **best value to the City of College Station**, considering the relative importance of the evaluation criteria listed above.
- 6.2.2** The City of College Station reserves the right to award contracts to **one or more Respondents** submitting the best overall proposal that is deemed to best represent the desires and needs of the City of College Station; however, it is the City of College Station's desire to contract with only one Respondent for all TPA services.
- 6.2.3** The City of College Station reserves the right to accept any proposal in its **entirety or in part**, whichever, in their opinions, best serves the interest of their organizations.
- 6.2.4** The rates, fees, etc. negotiated with the selected Respondent(s) will not change after initial award.
- 6.2.5** The City of College Station reserves the right to require oral presentations by senior management of the firm who has the ability to fully answer all questions regarding their proposal.
- 6.2.6** The City of College Station reserves the right to negotiate with any or all Respondents regarding their proposals.
- 6.2.7** This RFP **does not commit** the City of College Station to award a contract, issue a Purchase Order, or pay any costs incurred in the preparation of a proposal in response to this request.

Note: The City of College Station does not discriminate on the basis of race, color, national origin, sex, religion, age and disability in employment or the provision of service.

PROPOSAL FORMAT REQUIREMENTS

7. Proposal Format Requirements

7.1 Instructions

- 7.1.1** The following instructions describe the form in which proposals must be submitted. Proposal documents should provide a straightforward, concise description of the

Respondent's capabilities to satisfy the requirements of this RFP. Emphasis should be on completeness, clarity of content, and conveyance of the information requested by the City of College Station. The requirements stated do not preclude Offerors herein from furnishing additional reports, functions, and costs as deemed appropriate.

7.1.2 The original copy should be UNbound in a single volume where practical. All documentation submitted with the proposal should be UNbound in a single volume. Two electronic proposals shall be submitted in a PC compatible format on 3.5 diskette or CD Rom.

7.1.3 If the proposal includes any comments over and above the specific information requested in this RFP, it should be included as a separate appendix and placed at the end of the proposal.

7.2 Format - Respondents must submit proposals in the following format:

7.2.1 Tab A – Transmittal Cover Letter

Include a dated transmittal/cover letter addressed to the City of College Station Purchasing Manager that states the following, at a minimum:

- Name of Offeror's firm, address, telephone & fax numbers, and e-mail address
- Purchasing Department's RFP title and RFP number
- Name of Offeror's contact person, title, and telephone number

7.2.2 Tab B - References

Proposals shall include a list of four (4) organizations, preferably governmental entities, for which similar services have been provided. Please include organization name, contact person and title, telephone number, and email address. Also note types of services provided to each organization listed. This section should also include a brief summary of applicable past experience to show proven demonstrated ability to execute the requirements of this RFP.

7.2.3 Tab C - Proposed Services

This section shall include the Respondent's response to each of the requirements listed in Section 4, Special Provisions. The Questionnaires (Attachments A, B) shall also be included in this Section. If the proposal includes any additional information other than that what is required, it should be included as a **separate appendix** and placed at the end of the proposal document (Tab E).

7.2.4 Tab D – Cost of Services Form [Attachment C (TPA)]

7.2.5 Tab E - Any additional information not included elsewhere in the Proposal

ATTACHMENT A

GENERAL QUESTIONNAIRE

RESPONDENT QUALIFICATIONS

GENERAL QUESTIONNAIRE

The purpose of this Questionnaire is to assist in the initial stages of selecting a Third Party Claims Administrator for the City of College Station's self insurance program.

1. Name of Agency/Company:

2. Address:

3. Telephone/FAX:

4. If Joint Venture or Partnership, so state. List Prime firm and sub-firm(s) and state amount of work to be shared and area of work. Attach organizational chart and indicate Principal/Account Executives and their Primary Assistant.

5. Give brief description of the Company and it's qualifications for the service(s) you wish to propose.

6. Account Executive's Qualifications:

Number of Public Entity Clients:

Type of Public Entity Clients:

Number of Other Clients:

Number of Clients over 500 employees:

Local, State and /or National presence:

Length of Time with Company:

Length of Career in Insurance Claims or Risk Management:

Professional/Associate Designations:

Experience:

Years Safety/Loss Control _____ Years Medical Profession HCP _____

Years Commercial Claims _____ Years Medical Fee Guidelines (W/C) _____

Years Risk Management _____ Years PPO Contracts _____

7. Assistant's Qualifications:

Number of Public Entity Clients:

Number of Other clients:

Length of Time with Company:

Length of Career in Insurance Claims or Risk Management:

Professional/Associate Designations:

Experience:

Years Safety/Loss Control _____ Years Medical Profession HCP _____

Years Commercial Claims _____ Years Medical Fee Guidelines (W/C) _____

Years Risk Management _____ Years PPO Contracts _____

8. Company Qualifications:

(Note: If a national company, respond for the office or branch proposed to be on this account)

Date Founded/Opened:

Total Number of Employees:

Number of Public Entity Clients:

Approximate Average Size of all Accounts: \$ _____

Largest Single Account: \$ _____

9. Support Services Available: Please list other services and check the appropriate column

Service In-House Staff Available Through Affiliate

10. Coverage Lines of Adjustment Expertise:

	<u>In-House Staff</u>	<u>Available Through Affiliate</u>
Pollution Liability	()	()
Professional Liability	()	()
Owner Controlled Insurance Programs	()	()
Excess Workers' Compensation	()	()
Self-Insured Liability Programs	()	()
Special Events Liability	()	()
Commercial General Liability	()	()
Builders Risk	()	()
Excess Liability / Umbrella	()	()

11. List your three (3) largest Texas clients, preferably public entity, including address, telephone number, contact person and length of relationship.

a.

b.

c.

12. List the three (3) most recent Texas public entity clients that did not renew their contracts for your services, including address, telephone number and contact person.

a.

b.

c.

13. Does the Company anticipate any mergers, transfer of organization ownership, management reorganization, or departure of key personnel within the next twelve (12) months that may affect the organization's ability to carry out its proposal?

14. Is your company, its affiliates and/or subsidiaries subject to any contract that creates a conflict of interest with and/or prohibits you, your company, its affiliates and/or subsidiaries from providing Third Party Claims Administration Services and TWCC Board Representation Services to the City of College Station?

Yes _____ No _____

15. Is Company authorized and/or licensed to do business in Texas?

Yes _____ No _____

16. List amount of Errors and Omissions Insurance: Amount \$ _____

17. Do you or your partners qualify as a Small Business Enterprise? Yes _____ No _____
If yes, what percentage? _____%

18. Do you or your partners qualify as a Minority Business Enterprise?

Yes _____ No _____

If yes, indicate below:

_____ Black _____ American Indian or Alaskan Native

_____ Hispanic _____ Two or more different minority groups

_____ Asian or Pacific Islander

19. Do you qualify as a woman-owned business enterprise?

Yes _____ No _____

20. Do you qualify as a handicapped-owned business enterprise?

Yes _____ No _____

21. If yes to any of Questions 18 - 22, list owners and percentage of ownership:

22. If this is a joint venture that includes a minority business enterprise, indicate the percentage to which the minority member will participate: _____%

23. Are you a “Local” business within the corporate City limits of City of College Station ?

_____ **Yes** _____ **No**

If yes, indicate the length of time: Years _____ Months

24. Are you a “Local” business within the corporate Brazos County?

_____ **Yes** _____ **No**

If yes, indicate the length of time: Years _____ Months__

25. Provide receipt acknowledging any Amendments to this Proposal, if applicable.

26. Provide Executive Summary (Proposal Requirements).

27. Provide completed Fee Schedule found in Attachment C.

28. Provide completed Litigation Disclosure found in Attachment D.

29. Provide relevant company brochures, annual reports and other applicable data.

30. Provide Organizational Chart (Proposal Requirements)

31. Indicate contact person whom the City can call upon concerning your proposal or setting dates for meetings.

Name:

Address:

Telephone:

FAX:

ATTACHMENT B

THIRD PARTY ADMINISTRATOR QUESTIONNAIRE

SPECIFIC REQUEST FOR INFORMATION ON THE THIRD PARTY ADMINISTRATION

In addition to the completion of Attachment A by the RESPONDENT, the City of College Station desires more precise information from the RESPONDENT, while allowing the flexibility to thoroughly address all aspects of this RFP and the RESPONDENT'S own operations. This will be a major source of information to assist us in the evaluation process.

1. Does RESPONDENT use a formal claims procedure and performance manual, if so please describe in detail.
2. Advise on how you will arrange pick up and delivery of new claims, mail, lawsuits and other information from the City of College Station. Indicate frequency and time of pick up.
3. Explain the process of new claim file set up procedures your firm utilizes and the time line involved for the adjuster to receive the new loss.
4. Advise as to the average and maximum number of claim files adjusters must handle in your office. Please give both Liability and Workers' Compensation examples.
5. Describe if you have a formal program for managing lawsuits and litigation expense.
6. Advise how frequently your diary system allows claims supervisory personnel to review claim files in your system.
7. Explain your Claim Reserving Philosophy for both Liability and Workers' Compensation.
8. Describe your Data Conversion Process and include ALL associated costs involved in detail.
9. Advise us on your Risk Management Information System and provide sample copies of reports that can be generated.
10. Do you require Performance Measures for your offices' and if so, would you describe in detail your system.
11. Explain your company's definition of a Lost Time Claim.

ATTACHMENT C
THIRD PARTY CLAIMS ADMINISTRATION
COST OF SERVICES

ATTACHMENT D
LITIGATION DISCLOSURE

LITIGATION DISCLOSURE

Failure to fully and truthfully disclose the information required by this Litigation Disclosure form may result in the disqualification of your proposal from consideration or termination of the contract, once awarded.

1. Have you or any member of your Firm to be assigned to this engagement ever been indicted or convicted of a felony or misdemeanor greater than a Class C in the last five (5) years?

Circle One

YES

NO

2. Have you or any member of your Firm been terminated (for cause or otherwise) from any work being performed for the City of College Station and City of College Station or any other Federal, State or Local Government, or Private Entity?

Circle One

YES

NO

3. Have you or any member of your Firm been involved in any claim or litigation with the City of College Station and City of College Station or any other Federal, State or Local Government, or Private Entity during the last ten (10) years?

Circle One

YES

NO

If you have answered "YES" to any of the above questions, please indicate the name(s) of the person(s), the nature, and the status and/or outcome of the indictment, conviction, termination, claim or litigation, as applicable. Any such information should be provided on a separate page, attached to this form and submitted with your proposal.