



REQUEST FOR PROPOSAL

Third Party Administrator Services for Workers' Compensation RFP #21-0426

PROPOSAL DUE DATE: April 26th, 2:00 PM
PROPOSAL SUBMITTAL LOCATION: Human Resources
237 W Maple Avenue Burlington, NC 27215

ASSISTANT HUMAN RESOURCES DIRECTOR: Nichole Smith
TELEPHONE NUMBER: (336) 222-5149
EMAIL ADDRESS: nmsmith@burlingtonnc.gov

Competitive proposals for the specified service shall be received by the Human Resources Department, 237 W. Maple Avenue, Burlington, NC 27215, until the date and time cited. Please submit your proposal to the City of Burlington Human Resources Department, Attention: Nichole Smith, Assistant HR Director at one of the following address:

US Postal Service:
P.O. Box 1358
Burlington NC, 27216

Courier Service:
237 W. Maple Ave.
Burlington, NC 27215

Proposals must be in the actual possession of the Human Resources Department at the location indicated, on or prior to the exact date and time indicated above. Late proposals shall not be considered. The prevailing clock shall be the City of Burlington Human Resources Department clock.

Temporary Bid Opening Process: Formal In-Person Public Bid Openings have been suspended. During this public health emergency, the public can attend the bid openings via a live **Zoom Video**. **A link will be provided before the bid opening to those who submitted a bid.** There will be witnesses to affirm that all proposals remain sealed until the live bid opening. Sealed bids will be publicly read aloud at 2 pm April 26th, 2021 in the Human Resources Office.

INTRODUCTION

It is the intent of the City of Burlington to solicit proposals from qualified Third-Party Administrators (TPA) to assist the City of Burlington in managing its Workers' Compensation program. These specifications and instructions to proposers will be used to select a TPA.

TENTATIVE TIMETABLE

The following timeline contains the anticipated dates of major milestones related to this RFP and the subsequent process required for approval of the contract. Include the RFP title in all correspondence.

Proposal Solicited	March 25 th , 2021
Emailed Questions Due	March 31 st , 2021 at 5:00 p.m.
Responses to Questions Due	April 7 th , 2021 at 5:00 p.m.
Proposal Submission Due	April 26 th , 2021 at 2:00 p.m.
Anticipate Award	Within 60 days after submission date
Tentative contract start date	July 1 st , 2021

SCOPE OF WORK

Offerors shall provide a proposal based on the following scope of work:

The City of Burlington has 1050 employees, 603 full-time and 447 part-time. The City is self-insured up to \$850,000 where excess coverage is purchased beyond that limit. The below charts show the number of claims we have incurred in the past 5 years.

Year	Number of Claims
2016	53
2017	60
2018	54
2019	49
2020	67

The selected TPA will be expected to manage the City's Workers' Compensation claims and subrogation with input from the City. The selected Proposer must be recognized as an industry leader in the use of best practices and cost containment in claims management with a successful record of administering claims for public agencies.

SUBMISSION OF PROPOSAL

Proposers should prepare their proposals in accordance with the instructions outlined in this section. The proposal package must be signed by authorized agent. Each proposer is required to mail 1 hardcopy along with 1 electronic copy on a flash drive. The proposals shall be marked "**RFP #21-0426, Third Party Administrator Services for Workers' Compensation.**"

PROPOSAL FORMAT

In order to evaluate responses efficiently and equitably, responses must be submitted as identified below. Failure to submit this information may render your proposal non-responsive. Utmost attention should be given to accuracy, completeness, and clarity of content. All parts, pages, figures, or tables should be numbered and clearly labeled. Response information should be limited to pertinent information only.

The proposal should be organized into sections:

- Tab A: Company Data
- Tab B: Staffing/Administration
- Tab C: Communication
- Tab D: Cost Containment
- Tab E: Claim Management and Investigation
- Tab F: Litigation Management
- Tab G: Information System and Reporting
- Tab H: Risk Control
- Tab I: Proposed Pricing
- Tab J: Required Signature Forms

A. Company Data

1. What is the name, legal entity name or operating name of your company?
2. Where is your company headquartered?
3. What is the physical address of the office who will be handling the City's account?
4. What recent mergers or acquisitions have occurred with your company in the last three years?
5. Please provide a brief description and history of your company.
6. What percentage of your TPA business is Worker's Compensation?
7. What percentage of your business is self-insured vs. fully insured?
8. Provide a listing of other "public entity" clients where you serve as the workers' compensation TPA.
9. What differentiates your company from industry competitors? Identify your differentiated services? What services do you provide that are unique?
10. Provide references from three current "public entity" clients where you serve as the workers' compensation TPA. Include the following:
 - Name of individual contact:
 - Name of company/entity:
 - Nature of business:
 - Mailing address:
 - E-mail address:
 - Phone number:
 - Number of years doing business with the reference:

11. How would your company handle transferring current open claims?
12. Provide a copy of certificate of insurance showing Professional Liability and Network Security and Privacy limits.

B. Staffing/Administration

1. Identify the service team structure responsible for administering the account. Who will be the liaison with the client regarding contract administration, staff changes, etc.?
2. What are the claim adjusters' average caseloads?
3. Describe funding options for indemnity and medical payments.

C. Communication

1. State your company's policy for returning phone calls, and responding to written correspondence and how compliance is tracked.
2. Describe claim reporting procedures and special handling instructions.
3. Describe your company's procedures for obtaining settlement authority.
4. Describe your company's procedures for recommending denial of claims.
5. Describe your company's recommendations for conducting claims reviews with the client.
6. Describe your company's standard level of interaction and communication, between your claims team and the client, for self-insured accounts.

D. Cost Containment

1. Provide a list of medical cost containment services available to the client and the cost for each service.
2. Describe cost containment services for prescription medications.
3. Please provide a statement as to how your company will ensure complete transparency of fees related to cost containment efforts.
4. Do you charge per line, or per claim, medical cost containment charges and to whom are those fees paid? Please provide details of the specific fees related to cost containment including retention of fees by the claims administrator.
5. Please describe any cost sharing and contingent fee arrangements between your company and any cost containment organizations whether performed by a separate company, or wholly owned or partially owned by your company.
6. Provide a sample medical cost saving report with details of savings and charges related thereto.
7. Describe your company's capabilities for implementing a return to work program including required client cooperation and training.

E. Claim Management and Investigation

1. Explain your company's procedures for establishing contact with the injured workers and the client.
2. Describe the criteria for taking recorded statements from injured workers. At what point in the claims process are recorded statements taken?
3. Describe your claim triage process, and how you determine the required level of investigation.
4. Describe your process for prescriptions.
5. Describe your company's use of the index bureau and any other similar resources.
6. Describe your fraud control procedures.
7. Describe the requirements of adjusters to maintain a claims diary.
8. Describe the supervisor's involvement in the claims file.

F. Litigation Management

1. Describe your litigation management strategies including assignment of defense counsel.
2. Describe your company's procedures for maintaining current information in case law or changes in laws and regulations.

G. Information System and Reporting

1. Provide a description and sample of your current claims information systems.
2. How long has the system been in place?
3. When was the last major software update to the system?
4. Do your clients have access to the system, including adjuster's notes, payments, etc.? Is the information available in "real time"? Is the access included in your fee?
5. What types of customizable features will the City of Burlington have with your management system; i.e. ability to enter notes, change data fields, etc.
6. What, if any forms are available to the City through this system? Please provide sample forms.
7. How long do you retain detailed claim information in your system?
8. Describe your data back-up procedures and disaster recovery plans?
9. How is the data secured/stored?
10. If a data breach occurred, what are your measures to address this? What notification protocols do you implement/follow?
11. Do you carry cyber liability insurance? What are your limits?
12. Is on-line claim reporting available?
13. Is reporting available to a toll-free, 24 hour, seven days a week phone system?
14. Do you have predictive modeling capabilities? If yes, what do you predict? What can you predict?
15. Provide the results your predictive modeling is generating. Demonstrate that your use of predictive analytics is attributing to better outcomes.
16. Provide examples of no more than 10 samples of reporting matrixes you feel are most important to the administration of a worker's compensation program.
17. Is OSHA log tracking included with quote? Will the City have the ability to run OSHA Form 300, 300A, and 301 forms through the Risk Management System?

18. Describe your process for reporting qualifying claims to the excess carrier?

H. Risk Control

1. Describe your company's risk control capabilities.
2. Describe your ability to identify loss trends and to recommend actions to mitigate or eliminate those trends.
3. How do you establish risk control needs of a client?
4. Does your organization have expertise in material handling, fall prevention, safe driver programs, and ergonomics?
5. Do you offer a library/online access to safety training materials?

I. Proposed Pricing

The TPA shall include in their proposals all sources of revenue to be derived from the account, to include, but not limited to, a flat annual administrative charge, annual fee to handle existing claims, medical records review fees, and nurse review fees.

Please provide fee options for claims services and other administration. All fees must be disclosed for total transparency of costs.

An itemization of any expenses other than claim service fees listed above must be included. This includes medical bill review for fee schedule compliance, bill review, any other cost containment programs, data transfer fees, risk control, nurse case management, etc.

What, if any, additional fee do you charge for:

- Section 111 Mandatory Reporting purposes.
- Take-over fee for indemnity and medical only claims.
- Data transfer fee.
- OSHA reporting fee.
- Fee for subrogation recovery.
- Other (Explain).

J. Required Signature Forms

Proposers should include signed copies of the following documents:

- Proposal Submission Form, Appendix A
- Addenda Receipt and Anti-Collusion, Appendix B

EVALUATION CRITERIA

The City reserves the right to determine the suitability of proposals on the basis of a proposal's meeting administrative requirements, technical requirements, the evaluation team's assessment of the quality, performance of the services proposed, and cost. During the evaluation process, the City may require a bidder's representative to answer questions with regard to the proposal and/or require certain bidders to make a formal presentation to the evaluation team.

CRITERIA	WEIGHT
AMINISTRATIVE REQUIREMENTS	30%
TECHNICAL REQUIREMENTS	25%
QUALIFICATIONS/RESOURCES	20%
PRICE	15%
OTHER	10%

GENERAL SPECIFICATIONS & INSTRUCTIONS TO BIDDERS
APPLICABLE TO ALL ITEMS

1. Bidders may submit with their proposals, manufacturer's specifications, illustrations, and descriptive literature of the product proposed to be furnished. If the product proposed does not meet specifications as written the variations must be described in detail and attached to the proposal
2. TAXES: The City of Burlington is exempt from federal excise tax, including the federal transportation tax. The City pays all sales tax but this amount must be listed as a separate item.
3. The City reserves the right to reject any or all proposals, waive technicalities, and to be the sole judge of suitability of the product for the use by the City for intended purposes. Factors to be considered in awarding the proposal will be price, quality, history of satisfactory performance, time required to make delivery and the availability of item/services offered. The contract will be awarded after evaluation of all proposals has been made. In the interest of suitability to the City's needs and/or economy; equipment or furnishings other than the cheapest in price may be selected. The City of Burlington shall have a period of sixty days after the opening of proposals to make the award and may award in total or by line item, whichever is in the best interest of the City.
4. The specifications enclosed are intended to obtain competitive proposals. Any reference to brand names is strictly for denoting the type and quality of item desired, and is not done to limit or restrict the proposals.
5. Any corrections or errors found in the specifications must be submitted in writing and mailed to the attention of the Assistant Human Resources Director prior to the opening of proposals. Any deviations from the specifications must be in writing and submitted as part of the proposal. Any addenda to these proposal documents shall be issued in writing; no oral statements, explanations or commitments by whosoever made shall be of any effect unless incorporated in the addenda.

6. No bid deposit is required with this proposal. The City of Burlington has waived this requirement as allowed by N.C. General Statutes.
7. No Federal Excise Tax is to be included as the City of Burlington is exempt under federal laws and will furnish proper exemption certificate or number upon request. In computing freight, federal transportation tax is not to be included as the City of Burlington is exempt. North Carolina state and local taxes are applicable, but must be shown separate from the item(s) being quoted
8. Pursuant to the provisions of G.S. 143-54 under penalty of perjury, the signer of the proposal certifies this proposal has not been arrived at collusively or otherwise in violation of Federal or North Carolina Antitrust laws. The owner or an officer of the firm must sign all proposals.
9. By signing this proposal form the contractor affirms that they are registered with and participates in the Federal work authorization program, E-Verify as it relates to their company and mandated by law in North Carolina by G.S. 160-20.1
10. **PROPOSAL/SUBMITTAL FORMAT:** One original should be submitted in the format specified in the RFP. The material should be in sequence and related to the RFP. The sections of the submittal should be tabbed, clearly identifiable and should include a minimum of the following sections: the completed Offer and Acceptance Form, all signed Amendments, a copy of this RFP document and the Offeror's response to the Evaluation Criteria including the completed Price Page. Failure to include the requested information may have a negative impact on the evaluation of the offeror's proposal.
11. **PUBLIC RECORD:** All proposals submitted in response to this Request for Proposal shall become the property of the City and shall become a matter of public record when opened.
12. **DISCUSSIONS:** The City reserves the right to conduct discussions with offerors for the purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the proposal in order to clarify an offer and assure full understanding of, and responsiveness to, solicitation requirements.
13. **VENDOR APPLICATION:** Prior to the award of a Contract, the successful offeror shall register with the City's Purchasing Division. Registration can be completed at:
<http://burlingtonnc.gov/2017/Vendor-Registration>
14. **CONTRACT AMENDMENTS:** This Contract shall be modified only by a written contract amendment signed by the City's Assistant HR Director and persons duly authorized to enter into contracts on behalf of the Contractor.
15. **CONTRACT:** The Contract shall be based upon the Request for Proposal issued by the City and the Offer submitted by the Contractor in response to the Request for Proposal. The offer shall substantially conform to the terms, conditions, specifications and other requirements set forth within the text of the Request for Proposal. The City reserves the right to clarify any contractual terms with the concurrence of the Contractor; however, any substantial non-conformity in the offer, as determined by the City's Assistant Human Resources Director, shall be deemed non-responsive and the offer rejected. The Contract shall contain the entire agreement between the City of Burlington and the Contractor relating to this requirement and shall prevail over any and all previous agreements, contracts, proposals, negotiations, purchase orders, or master agreements in any form.

16. **PAYMENT:** Progress payments, when requested, will be made after the City receives a detailed invoice and confirmation that the work has been performed to the specifications required for the requested payment.
17. **FORCE MAJEURE:** Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of Force Majeure. The term "Force Majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Force Majeure shall not include late performance by a subcontractor unless the delay arises out of a Force Majeure occurrence in accordance with this Force Majeure term and condition. If either party is delayed at any time in the progress of the work by Force Majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practical, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be hand-delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by contract author for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.
18. **INDEMNIFICATION:** To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless the City of Burlington, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, including claims of patent or copyright infringement, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions caused in whole or part by Contractor relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees.
19. **INDEPENDENT CONTRACTOR:** It is understood that each party shall act in its individual capacity and not as an agent, employee, partner, joint venture, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other party for any purpose. The Contractor shall not be entitled to compensation in the form of salaries, paid vacation or sick days by the City. The City of Burlington will not provide any insurance coverage to the Contractor, including Worker's Compensation coverage. The Contractor is advised that taxes, social security payments, and other withholdings shall not be withheld from a City payment issued under this Contract and that Contractor should make arrangements to directly pay such expenses.
20. **INSPECTION AND ACCEPTANCE:** All material or service is subject to final inspection and acceptance by the City. Material or service failing to conform to the specifications of this Contract shall be held at the Contractor's risk and may be returned to the Contractor. If returned, all costs are the responsibility of the Contractor. Noncompliance may be deemed a cause for possible Contract termination.

21. **LICENSES:** Contractor shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this Contract.
22. **PROTECTION OF GOVERNMENT PROPERTY:** The Contractor shall use reasonable care to avoid damaging existing buildings, equipment, and vegetation (such as trees, shrubs, and grass) on City property. If the Contractor fails to do so and damages such property, the Contractor shall replace or repair the damage at no expense to the City, as determined and approved by the City's Purchasing Agent. If the Contractor fails or refuses to make such repair or replacement, the City will determine a cost and the Contractor shall be liable for the cost thereof, which may be deducted from the Contract price.
23. **PROVISIONS REQUIRED BY LAW:** Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall be amended to make such insertion or correction.
24. **RIGHTS AND REMEDIES:** No provision in this document or in the Contractor's proposal shall be construed, expressly or by implication, as a waiver by either party of any existing or future right and/or remedy available by law in the event of any claim, default or breach of contract. The failure of either party to insist upon the strict performance of any term or condition of the Contract, to exercise or delay the exercise of any right or remedy provided in the Contract or by law, or to accept materials or services required by this Contract or by law shall not be deemed a waiver of any right of either party to insist upon the strict performance of the Contract.
25. **SUBCONTRACTS:** No subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein without the advance written approval of the City's Assistant Human Resources Director. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.
26. **SAFETY:** Contractor shall at all times enforce by adequate supervision and training of supervisory personnel a safe working environment for all employees including the supervision of all services which relate to the general safety and welfare of any persons exposed to the services performed under this Contract by Contractor. Contractor agrees to fully cooperate with the City in any employee and public safety program sponsored by the City. Contractor agrees to conduct all of its operations with due diligence and care for the safety of all persons at all times.
27. **SITE INVESTIGATION:** The contractor acknowledges that he has investigated and satisfied himself as to the conditions affecting the work, including but not restricted to those bearing upon transportation, disposal, handling and storage of materials, availability of labor, water, electric power, roads and uncertainties of weather, river stages, or similar physical conditions at the site, the conformation and conditions of the ground, the character of equipment and facilities needed preliminary to and during the prosecution of the work. The contractor further acknowledges that he has satisfied himself as to the character, quality and quantity of surface and subsurface materials or obstacles to be encountered

insofar as this information is reasonably ascertainable from an inspection of the site. Any failure by the contractor to acquaint himself with the available information will not relieve him from responsibility for estimating properly the difficulty or cost of successfully performing the work. The City assumes no responsibility for any conclusions or interpretations made by the contractor on the basis of the information made available by the City.

28. **CONFLICT OF INTEREST:** Contractor shall be prohibited from proposing on this RFP if Contractor has attempted or made contact with any elected or non- elected City Official in an attempt to influence the award of this RFP or alter it in any manner. Future conflicts shall be grounds for contract default.
29. **LIQUIDATED DAMAGES:** From the nature of the services to be rendered, the Contractor and City agree that it is extremely difficult to fix actual damages, which may result from failure on the part of the Contractor to perform certain obligations and to determine the resulting loss to the City. Therefore at the election of the City, for acts, or failure to act, as described in this section, the Contractors liability should be limited to, and fixed at, the sums stated, as liquidated damages and not a penalty, which sums the parties acknowledge to be reasonable estimates of the damages the City would suffer; provided however, that with respect to breaches other than the types described in this section, the City may pursue any other remedy available by law or equity, this or including, without limitations, the termination of contract.
30. **TERMINATION OF CONTRACT:** This Contract may be terminated at any time by mutual written consent, or by the City, with or without cause, upon giving thirty (30) days written notice. The City, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination. The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract. The City will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will endeavor to notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

INSURANCE

Certificates for Workers Compensation, General Liability and Vehicle/Equipment Insurance will be required and submitted as part of the proposal package. The Contractor, at its own expense, shall keep in force and at all times maintain during the Agreement:

<u>Insurance Type</u>	<u>Each Occurrence</u>	<u>Aggregate</u>
<u>General Liability</u>		
Bodily Injury & Property Damage Combined Single Limit	\$1,000,000	\$3,000,000
<u>Automobile Liability</u>		
Bodily Injury & Property Damage Combined Single Limit	\$1,000,000	
<u>Owners Protective Liability or Project Specific Aggregate</u>		
Bodily Injury & Property Damage Combined Single Limit	\$1,000,000	\$3,000,000
<u>Excess Liability</u>	\$5,000,000	\$10,000,000

The City of Burlington must be named as an additional named insured on the Contractor’s insurance policy.

The following statement must be on the certificate of insurance: a blanket waiver of subrogation shall apply in favor of the City of Burlington and all additional insured’s as required by contract.

Workers’ Compensation Coverage

Full and complete Worker’s Compensation Coverage, as required by the State of North Carolina, shall be required.

Appendix A: Proposal Submission Form

RFP

Third Party Administrator Services

This proposal is submitted by:

Provider Name: _____

Representative (Printed): _____

Representative (Signed): _____

Address: _____

City/State/Zip: _____

E-Mail Address: _____

Phone: _____

Appendix B: Anti-Collusion Statement

RFP

Third Party Administrator Services

I certify that this proposal is made in good faith and without collusion with any other proposer or officer or employee of the City of Burlington.

Print Name

Date

Authorized Signature

Title

Company Name