City of Joplin, MO
RFP 2015-13

REQUEST FOR PROPOSAL

Third Party Administrator
Claim Services

Property, Liability,
Workers' Compensation

Release Date:

August 11th 2015

Due Date:

September 11th 2015

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REQUEST FOR PROPOSALS

The City of Joplin, Missouri will accept Sealed proposals will be received until 5:00 p.m. 9/11/2015, at the City of Joplin, City Hall, 602 South Main Street, Joplin, Missouri 64801, 417-624-0820 EXT 210 Attn: Director of Human Resources and Risk Management.

City of Joplin
Third Party Administrators
Claim Services

Any proposals received after the specified deadline will be returned to the vendor.

The City reserves the right to evaluate all proposals, to reject any or all proposals and solicit again at a later date. The City may waive any irregularities in the proposal or negotiate variances from specifications, and make awards that are in the best interests of the City. The City will have final decision in all matters regarding acceptance of proposals and issuance of awards.

The City encourages minority and female owned businesses to submit proposals on all City purchases.

Leslie Haase, CPA

Finance Director

Publication Date: Tuesday, August 11, 2015

I. City Profile

The City of Joplin, is located in the Southwest corner of Missouri with a census population of over 50,000, and an average daytime population of 240,000. The City is the primary retail and business hub for the "four state" region comprised of SW Missouri, SE Kansas, NE Oklahoma and NW Arkansas. Joplin encompasses approximately 40 square miles. The City employees approximately 578 full time employees with another 150 seasonal throughout the year, with an average payroll of about $37 million. Average annual budget is approximately $110 million. The city's fiscal year begins on November 1.

The City staff delivers the following services; regional airport (with commercial flights daily), public works, wastewater, parks and recreation, health services, convention and tourism, planning and development, finance, human resources, risk management, legal, administration, code enforcement, permits, police, information systems, fire and public transportation. The City also is home to extensive art collection located at City Hall and is a frequent tour stop for individuals and groups.

II. Bid Process

Plan Effective Date:

Questions: All contacts must be made through Arthur J. Gallagher at:
12444 Powerscourt Drive - Suite 500
St. Louis, MO 63131
314.800.2294
steve_wightman@ajg.com

Please direct all requests for clarification via email to Steve Wightman at the address provided above.

Proposal Due Date: Sealed proposals will be received until 5:00 p.m. 9/11/2015, at the City of Joplin, City Hall, 602 South Main Street, Joplin, Missouri 64801, 417-624-0820 EXT 210 Attn: Director of Human Resources and Risk Management.

Proposal Documents Required

1. **Executive Summary**
2. **Completed Questionnaire**

Each proposal must be a printed document and be in a sealed envelope, the outside of which is plainly marked **"Third Party Administrator Claim Services"**, and addressed to the address above. Bids received after 5:00 p.m., 9/11/2015 will be returned unopened. Bids submitted by facsimile or email will be rejected.

Each proposal shall include one original clearly marked as such and three additional copies. All proposals become the property of the City of Joplin. The City will not photocopy your proposal documents for the purpose of complying with this provision requiring three additional copies of the proposal. Failure to provide the required number of complete duplicate copies may result in rejection of your proposal.

Any Contract that may be awarded in response to this Notice to Bidders shall be selected and offered at the complete and sole discretion of the City of Joplin. The City of Joplin reserves the right to reject any or all bids, and to waive informalities or irregularities in bids.

All proposal forms shall be properly executed by an officer of the firm making such proposal. All prospective Bidders shall be responsible for routinely checking the City of Joplin web site for other relevant information. City of Joplin shall not be responsible for the failure of a prospective Bidder to obtain addenda and other information issued at any time, related to this RFP. Please note that a proposal will not be accepted that does not contain an acknowledgment of all issued addenda.

The City of Joplin requires a signed Bidders Insurance Checklist with each proposal submitted. Insurance required per the specifications governing this work must be provided prior to the contract starting date and maintained in full effect and compliance during the entire contract period. Failure to comply with these provisions will cause termination of the contract.

The City intends to develop a multi-year contract with the minimum term being 3 years, renewable for up to 2 additional years. The annual renewal each year shall be subject to the appropriation of contract funds by the Governing Body. After the contract has been awarded, increases or decreases in service are allowable if mutually agreed upon in writing by the parties. Termination provisions will be included in the contract. The successful bidder will be required to execute an Agreement with the City of Joplin within twenty (20) days of notice being given that their bid was accepted.

III. Proposed Timeline

The following timeline has been identified to assist potential vendors with the scheduling of RFP events. Adherence to timeline is essential.

RFP ACTIVITY	DATE
RFP Distribution to Potential Vendors	8/11/2015
RFP Response Due Date	9/11/2015 5:00 PM CST
Selection of Finalist	Week of 10/5/2015
Presentation by Finalists at City Hall	Week of 10/19/2015
Selection of TPA	Week of 11/5/2015
Claims Administration Meeting with Selected TPA at Client	TBD
Plan Effective Date	1/1/2016

IV. Instructions

PROPOSALS: All proposals must be made on the forms provided in this package and/or narrative as outlined in these instructions. All proposals must be typewritten, no handwritten proposals will be accepted. No alterations in proposals or in the printed forms will be acceptable unless each alteration is signed or initialed by the Bidder; if initialed, the City of Joplin may require the Bidder to identify the alteration so initialed. No erasures, interpolations or other physical changes shall be made by anyone, in any bid, after its submission by the Bidder. Each proposal shall be enclosed in a sealed envelope.
A bid submitted in response to the Notice of Bidders is considered to be an offer, and is submitted by the Bidder as an offer. The Bidder understands and stipulates that a contract does not exist with the City of Joplin unless and until such time as the proposal submitted by the Bidder is accepted by the City of Joplin.

SIGNATURES OF BIDDERS: Each Bidder shall sign a proposal, using the customary name under which the Bidder does business, utilizing the customary signatures of an authorized representative, and providing a full business address, including identity of any registered or local agent. Bids by partnerships shall be signed with the partnership name by one of the members of the partnership or by an authorized representative, followed by the signatures and designation of the person signing. Bids by corporations shall be signed by the president, secretary or other person authorized to bind it in the matter. The names of all persons signing shall be typed or printed below the signature.

When requested to do so by the City, satisfactory evidence of corporate standing, domiciliary state, authorized agency, or authority of the officer signing on behalf of the corporation, shall be furnished immediately upon request. Failure to provide satisfactory business information, corporate status or evidence of an authorized bid within five (5) business days is considered evidence of a lack of responsibility which may disqualify a bidder from consideration as a best, responsible bidder.

QUALIFICATIONS OF BIDDERS: A determination of whether to award a bid and any successful bid will include but not be limited to consideration of the following qualifications of a Bidder: (a) maintenance of a permanent, stable or reputable place of business; (b) reputation for and providing personnel adequate necessary to perform the requested work properly, expeditiously and in compliance with generally accepted standards for quality, skill and performance of insurance services in a workmanlike manner; (c) reliability and trustworthiness; and (d) quality of references and appropriate experience.
Each Bidder may be required to show that former work performed has been handled in such manner that there are no just or proper claims pending against such work or Bidder. No Bidder will be acceptable if engaged in any other work or project, which impairs the Bidder's ability to finance or perform this Contract, or to provide proper personnel for the proper execution of this Contact. Each Bidder shall demonstrate ability and responsibility by meeting all requirements set forth in these Instructions to Bidders.

No Bidder may submit more than one (1) proposal. Two (2) proposals submitted under different names will not be received from one (1) firm or association.

FINANCE PARAMETERS: The City averages 200 liability and 140 workers' compensation claims each year. The average open claim count at any given time is 40-50 liability claims and 30-40 workers' compensation claims. The average percentage of indemnity claims is 14%.

- The City will establish a bank account that the TPA will use to pay out of claims using city checks, which will be replenished as needed. There will be separate accounts for liability and workers' compensation claims.
- The City will pay the TPA direct for claims handling fee on a monthly basis.

SCOPE OF SERVICE: The services to be provided will include, but not limited to, the following:

- Claims Investigation
    - Conduct an investigation of each qualified claim
    - Visit the scene of the incident when appropriate
    - Take photographs and/or prepare a video record
    - Contact appropriate City staff and review procedures, if applicable
    - Request medical records, if applicable
    - Interview claimant(s) and any witnesses to the incident
    - Maintain a file for each claim including all relevant City records
    - Contact claimants and City regularly with status reports
    - Maintain a loss information system with real time access to reports
    - Arrange for independent investigator or other experts to the extent deemed necessary in connection with the processing of a claim, if directed to do so.
    - Cooperate with the City in the handling of litigated claims.
    - Report losses to the respective Excess Carrier in a timely manner as required

- Provide a narrative and/or analytical report of all claims to the City and Risk Management Consultant.

- Financial Procedures and Claim Payment
  - Develop and maintain adequate claim reserves and provide continuous review of same to reflect changes. All reserving formulas and practices are subject to review by the City or its designated agent.
  - Issue payments from a City bank account on all approved claims. Auto/general liability settlements must initially be reviewed and approved by the City in accordance with its adopted procedures, i.e., staff/city council approval.
  - Provide a weekly check register to the City of Joplin Finance Department.
  - Investigate and pursue subrogation possibilities on behalf of the City.
  - Assist the City in processing damage claims against other parties where the City is not at fault.

- Reporting
  - Maintain a complete claim file for each claim that shall be available for review by the City at any time. The City preference is an electronic claim file format accessible to designated City employees during normal business hours.

  - Close all files within sixty (60) days of last activity and a summary closing report provided to the City
  - Submit monthly claim and expenses summary reports in a manner and format mutually agreed upon by the City and the successful Submitter. Submitter should include with their response a copy of the claim and expense summary report format currently used and identify any modification they would recommend to the format to meet the specific reporting needs of the City.
  - Conduct documented file reviews on a quarterly basis, or more frequently if requested by the City.
  - Assist the City in the analysis of claims to prevent similar occurrences, providing periodic reports identifying trends and major developments.
  - Provide telephone or email responses to City inquiries within 1 business day of receipt.

EVALUATION: Evaluation of proposals will be based on the following criteria:

25% Methodology - that the vendor will use to conduct work outlined in RFP and evidence of ability to perform the work described herein.

250% Experience – previous experience performing related projects of complex nature, including, but not limited to, similar size and type of organization.

15% References – will be based on references submitted as part of RFP, but can include clients not submitted.

2530% Cost of Services – must contain a cost for each project/process recommended as well as a "not to exceed" amount.

10% Staff - capability and availability of professional staff to serve the City.

VERIFICATION OF QUALIFICATIONS: Each Bidder shall, upon request of the City of Joplin, submit a statement of the Bidder's Qualifications, experience in performing and completing the type of work embraced herein, the organization and resources available for the work contemplated. The City of Joplin shall have the right to take such steps as it deems necessary to determine the responsibility and ability of the Bidder to perform the requested obligations and Bidder shall furnish all such information and data for this purpose when requested.

CONFLICT OF INTEREST: Each Bidder, by submitting a proposal, represents that the Bidder has no knowledge that any employee, representative or agent of the bidder is a City employee who has directly or indirectly participated on behalf of the City in the contemplated procurement, or that any City employee who has so participated or any member of such an employee's immediate family has a financial interest pertaining to the contemplated procurement from the Bidder, and represents that the Bidder reasonably believes that no employee, representative or agent of Bidder is a City employee who has so participated and that no City employee who has so participated or member of that employee's immediate family has a financial interest in the contemplated procurement from the Bidder. The Bidder will not provide any commission to the broker and all fees will be paid directly to the City of Joplin.

INTERPRETATION OF CONTRACT DOCUMENTS: If any person/company contemplating submitting a bid for the proposed Contract is in doubt as to the true meaning of any Instruction to Bidders, General Conditions, or Proposal, they may submit to Arthur J. Gallagher Risk Management Services a written request for an interpretation thereof. The person submitting the request will be responsible for its prompt and actual delivery. Any interpretation of such documents will be made only by Addendum duly issued and a copy of such Addendum will be mailed or delivered to each person receiving a set of such documents.

All questions shall be submitted in writing and received no later than 5:00 p.m. 8/31/2015, to the Arthur J. Gallagher Risk Management Services whose information is provided above. E-mail is the preferred method of contact for all inquiries concerning this RFP. No verbal interpretation to any respondent as to the meaning of any requirement shall be binding on the City of Joplin. All responses to questions regarding this RFP shall be issued in writing and

distributed as an addendum by the City of Joplin before expiration of the ultimate time set for the receipt of bids.

ACCEPTANCE AND REJECTION OF BIDS: The City of Joplin reserves the right to award or not to award, and to accept or reject any bid in the sole and complete discretion and judgment of the City of Joplin. The City of Joplin may award or reject any bid on and for the work covered by the proposal, and may reject any or all bids, or waive irregularities and informalities in any bid submitted, all within the sole discretion of the City of Joplin. All bids received are considered final and shall be binding for one hundred twenty (120) days following the bid due date.

INSURANCE: Each Bidder must submit a completed Bidder's Insurance Checklist. The required coverage and minimum limits may vary dependent upon the dollar amount of the contract, length of time of the contract, and the hazard level of the work or services to be performed. The types of insurance coverage may include: workers compensation, general liability, auto liability and/or professional liability. The insurer, insurance retention group, pool, or self-insurer must be authorized/licensed to provide such coverage within the State of Missouri and meet minimum financial ratings, if applicable, as supplied by Best or S & P. The City of Joplin shall retain sole and complete discretion to determine whether the proposed coverage and limits are appropriate for the described work, and the City of Joplin shall retain sole and complete discretion to require coverage or limits in addition to those proposed by the Bidder, as a condition of awarding a Contract to the Bidder.

Bidder, if selected shall provide certificates of insurance and renewals thereof on standard ACORD forms. This inclusion shall not make the City a partner or joint venture with the Contractor in its operations hereunder. The City shall be notified by receipt of written notice from the insurer at least thirty (30) days prior to material modification or cancellation of any policy listed in the certificate. Further, the City will be immediately notified of any reduction or possible reduction in aggregate limits of any such policy where such reduction, when added to any previous reductions, would exceed ten percent (10%) of the aggregate.

In the event of an occurrence, it is further agreed that any insurance maintained by the City of Joplin, shall apply in excess of, and not contribute with, insurance provided by policies named in this Contract.

Throughout the term of this Contract the (Bidder) Contractor shall maintain the coverage and limits as agreed upon by the City and the Contractor, as set forth in the Insurance Checklist submitted by the Contractor as approved by the City.

NON-DISCRIMINATION: During the performance of this Contract or any subcontract resulting therefrom, the Bidder and all subcontractors shall observe the provisions of Title VII of the Civil Rights Act of 1964 as amended and shall not discriminate because of race,

religion, color, sex, national origin, veteran status, age, disability, or low income. In all solicitations or advertisements for employees the Bidder, all subcontractors and contractors shall include the phrase "equal opportunity employer".

If the Bidder or subcontractor is found guilty of a violation of the Civil Rights Act of 1964, the Bidder, subcontractor or contractor shall be deemed to have breached this Contract, and this contract may be cancelled, terminated or suspended in whole or in part by the City.

The Bidder shall ensure compliance with these provisions by any subcontractor, employee or agent, and when executing subcontracts or purchase orders.

The Bidder shall include the above provisions in every subcontract or purchase order so that such provisions will be binding upon such subcontractor or contractor.

The Bidder further agrees that it shall abide by the Americans With Disabilities Act (42 U.S.C. 1201 et seq.) as well as all other federal, state and local laws, ordinances and regulations applicable to this project and shall furnish any certification required by any federal, state or local laws, ordinances and regulations applicable to this project and shall furnish any certification required by any federal, state or local governmental agency in connection therewith.

V. Third Party Administrator Questionnaire

GENERAL INFORMATION

1. Provide a brief description of the firm, including a list of offices which would handle the services for the City of Joplin.

2. What type of quality control management methods are used by your firm? Provide a copy of your Best Practices, if available.

3. What is your company's claim handling and administration philosophy?

4. For each line of coverage, state the minimum amount of settlement authority you wish to retain.

5. How are Special Claim Handling Instructions set up and administered to ensure compliance?

6. How are claim audits/ reviews conducted with your firm? How many are allowed within the course of a year?

7. How would you propose handling the overall administration of this account within your company?

8. Describe how your company will communicate with the client, both informally and formally.

9. Provide information about your claims reporting system, including any toll free telephonic or electronic systems available.

10. Provide the names of the senior executives ultimately responsible for this program.

STAFFING

1. Provide a list of all technical, supervisory and managerial personnel who will be involved in the handling of claims Provide and administration of the program, including resumes which describe experience and qualifications.

2. For each line of coverage, describe a staffing plan which includes claims handling (examiners), field investigations, fraud investigation, claims supervision, clerical and other support personnel. For Workers Compensation, please include information pertaining to medical management and cost control and vocational rehabilitation.

3. What is the ratio of supervisory to technical personnel?

4. What is the ratio of technical to support personnel?
   For each line of coverage, what are the average caseloads (per accident) for claim handlers?

5. Do supervisory staff handle a caseload?

6. What is the average tenure with your company for supervisory and technical personnel?

7. What is your turnover rate for supervisory and technical personnel during the past three years?

8. What type of training/ continuing education is offered to your technical personnel?

9. Provide information relating to employee performance criteria, describing how staff is evaluated and supervised?

10. In general terms, describe the technical and supervisory personnel compensation program.

11. Will you allow the client and/or their broker to interview prospective technical and supervisory personnel?

12. Availability of bilingual claims handlers?

13. Will you commit in writing that temporary employees will not be used to handle claims for this client?

CLAIMS PROCEDURES

For each line of coverage, describe the procedures and strategies used by your company with respect to the claims handling process. Include within this section details concerning:

1. Timely assignment of claims Investigations (including fraud)*
2. Communication with injured workers and third party claimants
3. Timely payment of benefits to injured workers (W/C)
4. Determination of compensability (W/C)
5. Claim denials
6. Evaluation of liability and damages
7. Reserving criteria, philosophy and supervisory controls (provide sample of reserve calculation worksheets)
8. Diary system
9. Medical management and cost control (W/C)*
10. Vocational rehabilitation (W/C)*
11. Litigation management and cost control, including ADR
12. Subrogation
13. Settlement authority requests
14. Reporting to file and client
15. Payments to claimants and outside vendors

MIS / DATA MANAGEMENT

1. Does your company provide on-line or web based interface for the client? What type of information and data is available? Is it real-time? What training is available?
2. Describe the MIS options available.

3. Provide information, including sample reports, concerning the frequency and type of MIS reports, turnaround time and the availability of customized or ad-hoc reports.

4. Does your system have capability to receive downloaded data from prior TPA's? Can this be done on an on-going basis? What is a potential time frame to complete such a project?

5. What is the capability of providing data electronically, via disc or magnetic tape to client, broker or insurance company?

6. Describe your internal and external electronic mail capabilities?

7. How is claims data verified for accuracy? What is the turnaround time for corrections?

8. What type of internal MIS reports are used for tracking timeliness of payments, closing ratios, diary and other supervisory functions?

9. Describe how 1099, Index Bureau Filing and OSHA reports(W/C) are completed?

ASSUMPTION OF CLAIMS FROM PRIOR TPA

1. Describe your company's ability to assume the continued administration and handling of open claims inventory from a prior TPA.

2. Describe how your firm will accomplish the timely and efficient transfer of open

claims from prior TPA, including a timeline for accomplishment of this task.

FINANCIAL/TRUST ACCOUNT

1. Provide information about the trust account/banking options available, including specific information relating to loss fund amount requirements.

2. Describe the security/audit procedures in place at your company to ensure the fiduciary responsibility required.

PRICING

Provide pricing options for the following:

1. Provide a cost proposal that includes a summary of all fees detailing services related to such fees, including full disclosure of sub-contractor fees associated with claim services to be provided through the TPA.

2. If more than one pricing alternative is available, describe in detail each option, including any flat fee option.

3. Include any pricing changes over the course of the service agreement and if you offer any flat rate guarantee.

4. Provide a bid for a monthly rate based on a per claim fee basis by type of claims (BI, PD, Prop. - For liability; Indemnity and MO for - work comp)

5. If requested, pProvide a fee schedule for "run in" and "run out" services based on a per claim fee, cradle to grave.

OTHER

1. Provide a list (including contact name, address and telephone number) of three current clients and any former clients who have terminated services with your firm during the past two years. References should include clients using your firm for Workers Compensation, Automobile, General or Product Liability TPA services.

2. Will it be possible to visit a claims office, including an MIS system demonstration, prior to selection of a TPA firm?

3. Please advise whether your company will assume responsibility for reporting of claims to excess insurers pursuant to their reporting requirements.

4. The City of Joplin will provide a sample contract for the bidders review.

5. Provide evidence of Professional Liability/E&O insurance coverage.

6. Will it be possible - bid for a monthly rate based on a per claim fee basis by type of claims (BI, PD, Prop. - For liability; Indemnity and MO for - work comp)