



Amendment No. 5
to
Contract No. NA160000036
for
Worker's Compensation Third Party Administrator and
Utilization Review Agent Claims Management Audit
between
J.H. Albert International Insurance Advisors, Inc.
dba Albert Risk Management Consultants
and the
City of Austin

- 1.0 The City hereby exercises this extension option for the subject contract. This extension option will be February 29, 2020 through February 28, 2021. One option will remain.
- 2.0 The total contract amount is increased by \$56,000.00 by this extension period. The total contract authorization is recapped below:

Action	Action Amount	Total Contract Amount
Initial Term: 03/01/2016 – 02/28/2017	\$56,000.00	\$56,000.00
Amendment No. 1: Option 1 – Extension 03/01/2017 – 02/28/2018	\$56,000.00	\$112,000.00
Amendment No. 2: Option 2 - Extension 03/01/2018 – 02/28/2019	\$56,000.00	\$168,000.00
Amendment No. 3: Option 3 - Extension 03/01/2019 – 02/28/2020	\$56,000.00	\$224,000.00
Amendment No. 4: Name Change 02/27/2020	\$0.00	\$224,000.00
Amendment No. 5: Option 4 - Extension 02/29/2020 – 02/28/2021	\$56,000.00	\$280,000.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 By signing this Amendment the Contractor certifies that the vendor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the GSA List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Sign/Date:

Stuart T. Cowart

2/28/2020

Printed Name: Stuart T. Cowart, President
Authorized Representative

J.H. Albert International Insurance Advisors, Inc.
dba Albert Risk Management Consultants
72 River Park Street, 2nd Floor
Needham, MA 02494
781.726.6617

Sign/Date:

Cyrenthia Ellis
Ellis 2/28/20

Cyrenthia Ellis
Procurement Manager

City of Austin
Purchasing Office
124 W. 8th Street, Ste. 310
Austin, Texas 78701



Amendment No. 3
to
Contract No. NA160000036
for
Worker's Compensation Third Party Administrator and
Utilization Review Agent Claims Management Audit
between
Bickmore
and the
City of Austin

- 1.0 The City hereby exercises this extension option for the subject contract. This extension option will be March 1, 2018 through February 28, 2019. Two options will remain.
- 2.0 The total contract amount is increased by \$56,000.00 by this extension period. The total contract authorization is recapped below:

Action	Action Amount	Total Contract Amount
Initial Term: 03/01/2016 – 02/28/2017	\$56,000.00	\$56,000.00
Amendment No. 1: Option 1 – Extension 03/01/2017 – 02/28/2018	\$56,000.00	\$112,000.00
Amendment No. 2: Option 2 - Extension 03/01/2018 – 02/28/2019	\$56,000.00	\$168,000.00
Amendment No. 3: Option 3 - Extension 03/01/2019 – 02/28/2020	\$56,000.00	\$224,000.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 By signing this Amendment the Contractor certifies that the vendor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the GSA List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Sign/Date:

Catherine Wells

Printed Name:

Authorized Representative

Catherine Wells

1/31/19

Sign/Date:

Cyrenthia Ellis 2/1/2019

Cyrenthia Ellis

Procurement Manager

City of Austin

Purchasing Office

124 W. 8th Street, Ste. 310

Austin, Texas 78701

Bickmore

1750 Creekside Oaks Drive, Suite 200

Sacramento, California 95833

(916) 244-1154



Amendment No. 2
of
Contract No. NA160000036
For
Worker's Compensation Third Party Administrator and
Utilization Review Agent Claims Management Audit
between
Bickmore
and the
City of Austin

- 1.0 The City hereby exercises the extension option for the above-referenced contract. Effective March 1, 2018, to February 28, 2019. Three options remain.
- 2.0 The total contract amount is increased by \$56,000.00 for the extension option period. The total Contract authorization is recapped below:

Term	Action Amount	Total Contract Amount
Basic Term: 03/1/2016 – 02/28/2017	\$56,000.00	\$56,000.00
Amendment No. 1: Option 1 03/1/2017 – 02/28/2018	\$56,000.00	\$112,000.00
Amendment No. 2: Option 2 03/1/2018 – 02/28/2019	\$56,000.00	\$168,000.00

- 3.0 MBE/WBE goals were not established for this contract.
- 4.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this Amendment is hereby incorporated into and made a part of the above-referenced contract.

Signature & Date: Jeffrey Grubbs 1/17/18
Printed Name: Jeffrey Grubbs
Authorized Representative

Signature & Date: Beatrice Washington 1-15-18
Beatrice Washington, Contract Management Specialist III
City of Austin
Purchasing Office

Bickmore
1750 Creekside Oaks Dr Ste 200
Sacramento, CA 95833



Amendment No. 1
of
Contract No. NA160000036
For
Worker's Compensation Third Party Administrator and
Utilization Review Agent Claims Management Audit
between
Bickmore
and the
City of Austin

- 1.0 The City hereby exercises the extension option for the above-referenced contract. Effective March 1, 2017, to February 28, 2018, four options remain.
- 2.0 The total contract amount is increased by \$56,000.00 for the extension option period. The total Contract authorization is recapped below:

Term	Action Amount	Total Contract Amount
Basic Term: 03/1/2016 – 02/28/2017	\$56,000.00	\$56,000.00
Amendment No. 1: Option 1 03/1/2017 – 02/28/2018	\$56,000.00	\$112,000.00

- 3.0 MBE/WBE goals were not established for this contract.
- 4.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this Amendment is hereby incorporated into and made a part of the above-referenced contract.

Signature & Date: [Signature]
Printed Name: Jeffrey Gumbles
Authorized Representative

Signature & Date: Beatrice Washington 2-15-17
Beatrice Washington, Contract Compliance Specialist Senior
City of Austin
Purchasing Office

Bickmore
1750 Creekside Oaks Dr Ste 200
Sacramento, CA 95833



City of Austin

Purchasing Office, Financial Services Department
P.O. Box 1088, Austin, TX 78767

December 30, 2015

Bickmore
Jeffrey C. Grubbs
Senior Vice President/COO/CFO
1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833
jgrubbs@bickmore.net

Dear Mr. Grubbs:

The City of Austin approved the execution of a contract with your company for Worker's Compensation Third Party Administrator Audit in accordance with the referenced solicitation.

Responsible Department:	Human Resources Department – Risk Management Division
Department Contact Person:	Leslie Milvo
Department Contact Email Address:	Leslie.milvo@austintexas.gov
Department Contact Telephone:	512-974-3245
Project Name:	Worker's Comp Third Party Audit
Contractor Name:	Bickmore
Contract Number:	MA 5800 NA160000036
Contract Period:	3/1/2016 – 2/28/17
Dollar Amount	\$56,000
Extension Options:	5 x 12 month (\$56,000 per option)
Requisition Number:	15082000490
Solicitation Type & Number:	RFP GLB0300

Thank you for your interest in doing business with the City of Austin. If you have any questions regarding this contract, please contact the person referenced under Department Contact Person.

Sincerely,

Georgia L. Billela
Buyer II
City of Austin
Purchasing Office

cc: Leslie Milvo
Lin Kindred

**CONTRACT BETWEEN THE CITY OF AUSTIN ("City")
AND
Bickmore ("Contractor")
for
Worker's Compensation Third Party Administrator and Utilization Review Agent Claims
Management Audit.
MA 5800 NA160000036**

The City accepts the Contractor's Offer (as referenced in Section 1.1.3 below) for the above requirement and enters into the following Contract.

This Contract is between Bickmore having offices at Sacramento, CA 95833 and the City, a home-rule municipality incorporated by the State of Texas, and is effective as of the date executed by the City ("Effective Date").

Capitalized terms used but not defined herein have the meanings given them in Solicitation Number RFP GLB0300.

1.1 This Contract is composed of the following documents:

- 1.1.1 This document
- 1.1.2 The City's Solicitation, Request for Proposal (RFP), GLB0300 including all documents incorporated by reference
- 1.1.3 Bickmore Offer, dated 10/14/2015

1.2 Order of Precedence. Any inconsistency or conflict in the Contract documents shall be resolved by giving precedence in the following order:

- 1.2.1 This document
- 1.2.2 The City's Solicitation as referenced in Section 1.1.2, including all documents incorporated by reference
- 1.2.3 The Contractor's Offer as referenced in Section 1.1.3

1.3 Term of Contract. The Contract will be in effect for an initial term of twelve (12) months and may be extended thereafter for up to five (5) twelve (12) month extension option(s), subject to the approval of the Contractor and the City Purchasing Officer or his designee. See the Term of Contract provision in Section 0400 for additional Contract requirements.

1.4 Compensation. The Contractor shall be paid a total Not-to-Exceed amount of \$56,000 for the initial Contract term and \$56,000 for each extension option as indicated in the Bid Sheet, RFP Section 0600. Payment shall be made upon successful completion of services or delivery of goods as outlined in each individual Delivery Order.

1.5 Quantity of Work. There is no guaranteed quantity of work for the period of the Contract and there are no minimum order quantities. Work will be on an as needed basis as specified by the City for each Delivery Order

This Contract (including any Exhibits) constitutes the entire agreement of the parties regarding the subject matter of this Contract and supersedes all prior and contemporaneous agreements and understandings, whether written or oral, relating to such subject matter. This Contract may be altered, amended, or modified only by a written instrument signed by the duly authorized representatives of both parties.

In witness whereof, the City has caused a duly authorized representative to execute this Contract on the date set forth below.

Bickmore

Jeffrey Grubbs

Printed Name of Authorized Person

[Signature]

Signature

SVP - COO/CFO

Title:

December 30, 2015

Date:

CITY OF AUSTIN

Georgia Billela

Printed Name of Authorized Person

[Signature]

Signature

Buyer II

Title:

12/30/15

Date:



Proposal for City of Austin

For Worker's Compensation Third Party
Administrator and Utilization Review Agent
Claims Management Audit RFP GLB0300



October 14, 2015



October 14, 2015

City of Austin, Municipal Building
Purchasing Office-Response Enclosed for Solicitation # RFP GLB0300
Mr. Jonathan Dalchau, Senior Buyer
124 W 8th Street, Rm 308
Austin, Texas 78701

Via Email: jonathan.dalchau@austintexas.gov

RE: Worker's Compensation Third Party Administrator and Utilization Review Agent Claims
Management Audit RFP GLB0300

Dear Mr. Dalchau,

Bickmore appreciates the opportunity to submit a proposal for Worker's Compensation Third Party Administration to the City of Austin (the City). While we present services designed to meet needs expressed in the request for proposal, we are happy to refine the proposed scope at your request.

Since 1984, Bickmore has provided consulting services to cities, pools and individual public and private entities. We are confident in our capacity to provide the depth of analysis and solid recommendations the City seeks.

Your contact for Bickmore is:

Ms. Jo Ann Wood, Manager Claims Consulting
1100 Town & Country Road, Suite 1550
Orange, CA 92868
714.426.8509
jwood@bickmore.net

We appreciate your confidence in considering Bickmore and look forward to working with you on this important project.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "J. Alltop", is written over a light blue circular stamp.

John Alltop, FCAS, MAAA
Senior Vice President, Consulting & Risk Finance

Table of Contents

Tab 1 – Executive Summary	1
A. Background and Purpose	1
B. Proposal Approach	1
Tab 2 – City of Austin Purchasing Documents	3
A. Offer and Award Sheet	3
B. Section 0605 - Local Business Presence Identification Form	3
C. Section 0700 - Reference Sheets	3
D. Section 0835 - Non-Resident Bidder Provisions	3
E. Completed and Signed Section 0900	3
Tab 3 – Authorized Negotiator	4
Tab 4 – Business Organization	5
Tab 5 – Project Concept and Solution	7
A. Project Concept	7
B. The Bickmore Solution	8
Tab 6 – Program	9
A. Work Program Description	9
B. Technical Factors	11
C. Grading Scale for Technical Factors	17
D. Detail of Work Steps	18
Tab 7 – Project Management Structure and Personnel	21
Tab 8 – Prior Experience	23
Tab 9 – Cost Proposal	25
Tab 10 – Exceptions to the Proposal	26
Tab 11 – Proposal Acceptance Period	27

Appendices

- A. Organization Chart for York and Bickmore
- B. Resumes
- C. Bickmore Public Client List
- D. Data Request
- E. Sample Workers Compensation Claims Audit
- F. Addendum 1, Signed
- G. Addendum 2, Signed
- H. Addendum 3, Signed

Tab 1 – Executive Summary

A. Background and Purpose

The City of Austin, Texas (the City), seeks proposals from qualified firms to provide a comprehensive workers' compensation claims management audit of its Third Party Administrator (TPA) and Utilization Review Agent (URA). Currently the City's almost 14,000 employees incur 1,400 workers' compensation claims per year. The City is self-insured for workers' compensation and does not have excess coverage in place. The City's current TPA is The JI Companies dba York Risk Services Group Inc., (JI). The City seeks to determine whether the program is run well, identify performance areas in need of improvement, and obtain recommendations for improvement.

B. Proposal Approach

In April, 2014 Bickmore was acquired by York Risk Services Group, Inc. (York). We continue to operate as an independent consulting business unit, but we disclose the acquisition to all current and potential clients. To avoid any perceived conflict of interest to the City, Bickmore has chosen to utilize only Bickmore personnel rather than any of our York staff located in York's Austin, Texas offices.

For the purposes of this proposal, the consultants are based out of Bickmore offices in Sacramento and Orange, California.

In addition to our Sacramento office, we have regional offices in Oakland and Orange, California as well as Portland, and Medford, Oregon. Personnel in our headquarters support the provision of services through personnel in our regional offices to ensure timeliness and quality.

As a current provider of claims management audit services to the City, our team has a history and background with the City, and is familiar with its philosophy and procedures. From our years of providing these services to the City, we have developed an understanding of JI's operations. We believe this 360 degree view, enhances our capability to serve the City with the most comprehensive audit services.

The preceding proposal contents provide the following information:

- The City's purchasing documents in Tab 2, supplemented by Appendix F, Addendum 1, Signed;
- Information about our authorized negotiator in Tab 3, executed by the Bickmore executive.
- Information about our business organization in Tab 4.
- Our understanding of the City's project concept and our solution in Tab 5.

- Our steps for completing the work required to provide our solution including statistical sampling approach in Tab 6.
- Our project management structure and personnel in Tab 7, supplemented by resumes included in Appendix B.
- Our prior experience including detailed information on references in Tab 8.
- Our cost proposal in Tab 9.
- Our confirmation of no exceptions to the request for proposal in Tab 10.
- Our confirmation of intent to honor our proposal for a full 180 days after closure of the bid period in Tab 11.

The contents of this proposal shall remain valid for a period of one hundred and eighty (180) calendar days from the date of closing.

Tab 2 – City of Austin Purchasing Documents

A. Offer and Award Sheet

B. Section 0605 - Local Business Presence Identification Form

C. Section 0700 - Reference Sheets

D. Section 0835 - Non-Resident Bidder Provisions

E. Completed and Signed Section 0900

The undersigned, by his/her signature, represents that he/she is submitting a binding offer and is authorized to bind the respondent to fully comply with the solicitation document contained herein. The Respondent, by submitting and signing below, acknowledges that he/she has received and read the entire document packet sections defined above including all documents incorporated by reference, and agrees to be bound by the terms therein.

Company Name: Bickmore

Company Address: 1750 Creekside Oaks Drive, Suite 200

City, State, Zip: Sacramento, CA 95833

Federal Tax ID No. [REDACTED]

Printed Name of Officer or Authorized Representative: Jeffrey C. Grubbs

Title: Senior Vice President/COO/CFO

Signature of Officer or Authorized Representative: 

Date: 10/14/2015

Email Address: jgrubbs@bickmore.net

Phone Number: 800.541.4591

*** Proposal response must be submitted with this Offer sheet to be considered for award**

Section 0605: Local Business Presence Identification

A firm (Offeror or Subcontractor) is considered to have a Local Business Presence if the firm is headquartered in the Austin Corporate City Limits, or has a branch office located in the Austin Corporate City Limits in operation for the last five (5) years, currently employs residents of the City of Austin, Texas, and will use employees that reside in the City of Austin, Texas, to support this Contract. The City defines headquarters as the administrative center where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located. The City defines branch office as a smaller, remotely located office that is separate from a firm's headquarters that offers the services requested and required under this solicitation.

OFFEROR MUST SUBMIT THE FOLLOWING INFORMATION FOR EACH LOCAL BUSINESS (INCLUDING THE OFFEROR, IF APPLICABLE) TO BE CONSIDERED FOR LOCAL PRESENCE.

NOTE: ALL FIRMS MUST BE IDENTIFIED ON THE MBE/WBE COMPLIANCE PLAN OR NO GOALS UTILIZATION PLAN (REFERENCE SECTION 0900).

USE ADDITIONAL PAGES AS NECESSARY

OFFEROR:

Name of Local Firm	N/A - We are not using our local office for this proposal.	
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
OR		
Has your branch office been located in the Corporate City Limits for the last 5 years?		
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

SUBCONTRACTOR(S):

Name of Local Firm	N/A	
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
OR		
Has your branch office been located in the Corporate City Limits for the last 5 years	Yes	No
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

SUBCONTRACTOR(S):

Name of Local Firm	N/A	
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
OR		
Has your branch office been located in the Corporate City Limits for the last 5 years	Yes	No
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

Section 0700: Reference Sheet

Please include the following information if required in the solicitation:

Responding Company Name Bickmore

1. Company's Name Texas Association of School Boards (TASB)
Name and Title of Contact Dubravka Romano, Assoc. Director of Risk Management
Present Address 12007 Research Blvd.,
City, State, Zip Code Austin, TX 78759
Telephone Number (512.) 467.3510 Fax Number (510) 758.7358
Email Address dubravka.romano@tasb.org

2. Company's Name Texas Association of Public Schools (TAPS)
Name and Title of Contact R. Lamar Sawyer, Jr., Executive Director
Present Address 342 W. Woodlawn Avenue, Ste. 300
City, State, Zip Code San Antonio, TX 78212
Telephone Number (210) 736.2644 Fax Number (210) 736.2699
Email Address lamar.sawyer@TAPSPLF.org

3. Company's Name California State Association of Counties - Excess Insurance Authority (CSAC)
Name and Title of Contact Ms. Kathy McLean, Workers Compensation Claims Manager
Present Address 75 Iron Point Circle, Suite 200
City, State, Zip Code Folsom, CA 95630
Telephone Number (916) 850.7300 Fax Number (916) 850.7800
Email Address kmclean@csac-eia.org

Section 0835: Non-Resident Bidder Provisions

Company Name Bickmore

- A. Bidder must answer the following questions in accordance with Vernon's Texas Statutes and Codes Annotated Government Code 2252.002, as amended:

Is the Bidder that is making and submitting this Bid a "Resident Bidder" or a "non-resident Bidder"?

Answer: Non-Resident Bidder

- (1) Texas Resident Bidder- A Bidder whose principle place of business is in Texas and includes a Contractor whose ultimate parent company or majority owner has its principal place of business in Texas.
(2) Nonresident Bidder- A Bidder who is not a Texas Resident Bidder.

- B. If the Bidder is a "Nonresident Bidder" does the state, in which the Nonresident Bidder's principal place of business is located, have a law requiring a Nonresident Bidder of that state to bid a certain amount or percentage under the Bid of a Resident Bidder of that state in order for the nonresident Bidder of that state to be awarded a Contract on such bid in said state?

Answer: No Which State: _____

- C. If the answer to Question B is "yes", then what amount or percentage must a Texas Resident Bidder bid under the bid price of a Resident Bidder of that state in order to be awarded a Contract on such bid in said state?

Answer: _____

Section 0900: Minority- and Women-Owned Business Enterprise (MBE/WBE) Procurement Program No Goals Form

SOLICITATION NUMBER:	GLB0300
PROJECT NAME:	WORKERS' COMPENSATION CLAIMS MANAGEMENT AUDIT

The City of Austin has determined that no goals are appropriate for this project. Even though goals were not assigned for this solicitation, the Bidder/Proposer is required to comply with the City's MBE/WBE Procurement Program, if areas of subcontracting are identified.


If any service is needed to perform the Contract and the Bidder/Proposer does not perform the service with its own workforce or if supplies or materials are required and the Bidder/Proposer does not have the supplies or materials in its inventory, the Bidder/Proposer shall contact the Small and Minority Business Resources Department (SMBR) at (512) 974-7600 to obtain a list of MBE and WBE firms available to perform the service or provide the supplies or materials. The Bidder/Proposer must also make a Good Faith Effort to use available MBE and WBE firms. Good Faith Efforts include but are not limited to contacting the listed MBE and WBE firms to solicit their interest in performing on the Contract, using MBE and WBE firms that have shown an interest, meet qualifications, and are competitive in the market; and documenting the results of the contacts.

Will subcontractors or sub-consultants or suppliers be used to perform portions of this Contract?

No ☒ If no, please sign the No Goals Form and submit it with your Bid/Proposal in a sealed envelope

Yes ☐ If yes, please contact SMBR to obtain further instructions and an availability list and perform Good Faith Efforts. Complete and submit the No Goals Form and the No Goals Utilization Plan with your Bid/Proposal in a sealed envelope.

After Contract award, if your firm subcontracts any portion of the Contract, it is a requirement to complete Good Faith Efforts and the No Goals Utilization Plan, listing any subcontractor, sub-consultant, or supplier. Return the completed Plan to the Project Manager or the Contract Manager.

I understand that even though goals were not assigned, I must comply with the City's MBE/WBE Procurement Program if subcontracting areas are identified. I agree that this No Goals Form and No Goals Utilization Plan shall become a part of my Contract with the City of Austin.	
Bickmore	
Company Name	
Jeffrey, C. Grubbs, Senior Vice President/COO/CFO	
Name and Title of Authorized Representative (Print or Type)	
	10/13/2015
Signature	Date

Minority- and Women-Owned Business Enterprise (MBE/WBE) Procurement Program No Goals Utilization Plan
(Please duplicate as needed)

SOLICITATION NUMBER:	GLB0300
PROJECT NAME:	WORKERS' COMPENSATION CLAIMS MANAGEMENT AUDIT

PRIME CONTRACTOR / CONSULTANT COMPANY INFORMATION

Name of Contractor/Consultant	Bickmore		
Address	1750 Creekside Oaks Drive, Suite 200		
City, State Zip	Sacramento, CA 95833		
Phone Number	800.541.4591	Fax Number	855.242.8919
Name of Contact Person	Jeffrey C. Grubbs, Senior Vice President/COO/CFO		
Is Company City certified?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> MBE/WBE Joint Venture <input type="checkbox"/>		

I certify that the information included in this No Goals Utilization Plan is true and complete to the best of my knowledge and belief. I further understand and agree that the information in this document shall become part of my Contract with the City of Austin.

Jeffrey C. Grubbs, Senior Vice President/COO/CFO

Name and Title of Authorized Representative (Print or Type)

10/13/2015

Signature

Date _____

Provide a list of all proposed subcontractors / sub-consultants / suppliers that will be used in the performance of this Contract. **Attach Good Faith Effort documentation if non MBE/WBE firms will be used.**

Sub-Contractor / Sub-Consultant	N/A		
City of Austin Certified	MBE <input type="checkbox"/> WBE <input type="checkbox"/> Ethics / Gender Code: <input type="checkbox"/> Non-Certified		
Vendor ID Code			
Contact Person		Phone Number	
Amount of Subcontract	\$		
List commodity codes & description of services			

Sub-Contractor / Sub-Consultant			
City of Austin Certified	MBE <input type="checkbox"/>	WBE <input type="checkbox"/>	Ethics / Gender Code: <input type="checkbox"/> Non-Certified
Vendor ID Code			
Contact Person		Phone Number	
Amount of Subcontract	\$		
List commodity codes & description of services			

FOR SMALL AND MINORITY BUSINESS RESOURCES DEPARTMENT USE ONLY:

Having reviewed this plan, I acknowledge that the proposer (HAS) or (HAS NOT) complied with City Code Chapter 2-9A/B/C/D, as amended.

Reviewing Counselor _____ Date _____
 Director/Deputy Director _____ Date _____

Tab 3 – Authorized Negotiator

The Authorized Negotiator for Bickmore is:

Mr. Jeffrey C. Grubbs, CPA, MST
Senior Vice President/COO/CFO
1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833
916.244.1115
jgrubbs@bickmore.net

Tab 4 – Business Organization

Bickmore is a California C Corporation headquartered in Sacramento, California with over thirty years of experience in risk management, actuarial, and claim consulting. As disclosed on page 1, Bickmore was acquired by York Risk Services Group, Inc. (York) in April 2014. We continue to operate as an independent consulting business unit, but we disclose the acquisition to all current and potential clients.

The current organization structure detailing Bickmore's location within the York organization is included in Appendix D.

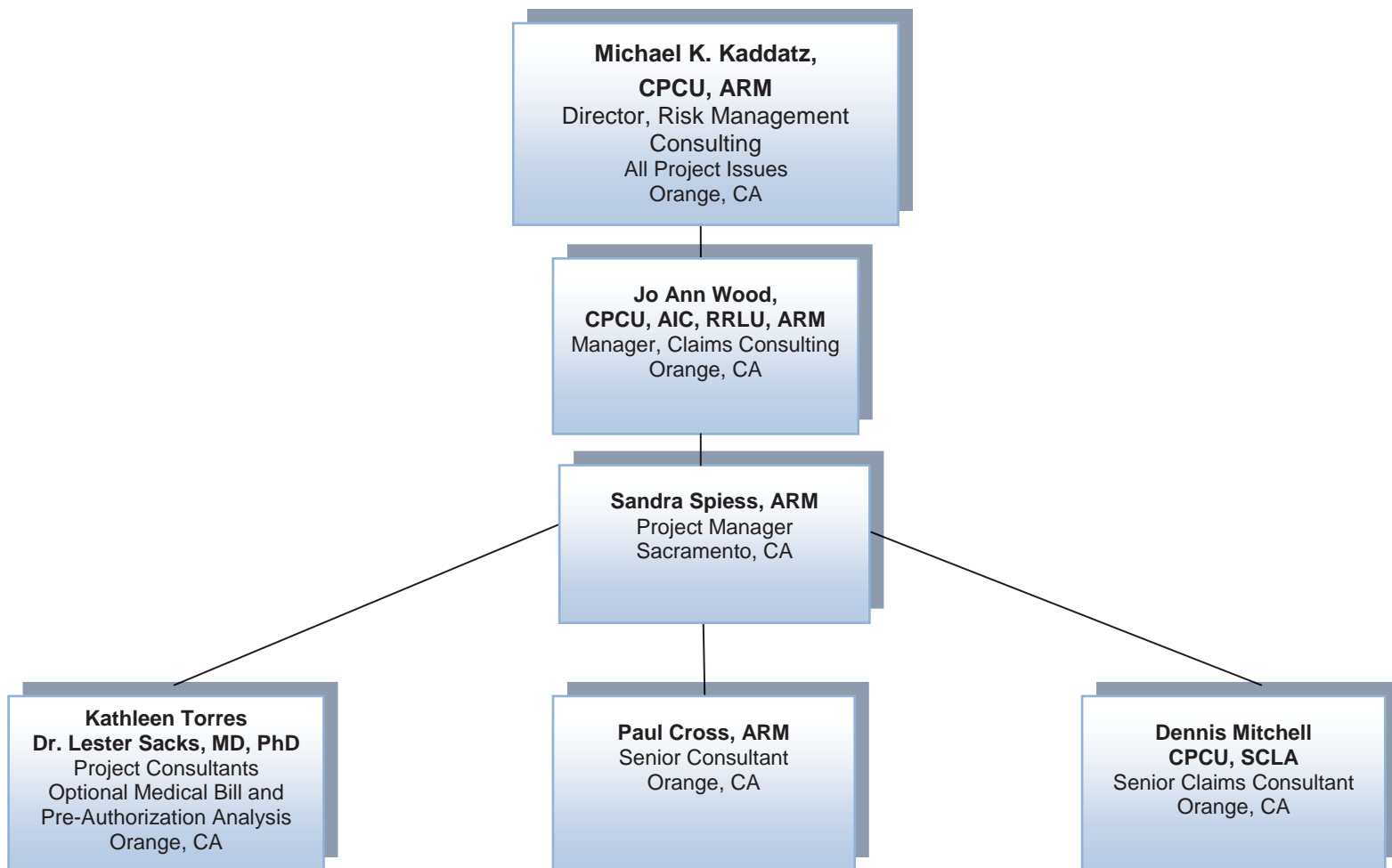
Individuals who will provide services under this contract are located in Orange, California and reflected in the organization chart provided in Exhibit I-1. The team will be discussed further under Tab 7.

We certify we are in good standing with all Federal and State licensing requirements. There are no licensing requirements for the work proposed; however, Jo Ann Wood, who will lead in the claims audit, holds a Texas workers compensation adjuster's license (number 397705).

Bickmore is incorporated in the State of California, and licensed to do business in over 40 U.S States. We are pleased to provide a full list of client locations upon request.

Figure I-1

Project Management Structure



Tab 5 – Project Concept and Solution

A. Project Concept

The City seeks a multi-year contract with an independent consultant to annually review and evaluate the administration of:

- Workers' compensation benefits provided to the City's almost 14,000 employees by JI;
- Medical benefit distribution to providers of services by the City's Utilization Review Agent;
- Pre-authorization and utilization review to ensure medical services are appropriately billed, these services are provided by the City's Utilization Review Agent (URA); and
- Policy and procedures in place to ensure compliance with the Medicare Secondary Payer Recovery (MSPR) requirements for coordination of benefits.

The City seeks claims audit services to ensure JI:

- Meets minimum contractual requirements;
- Complies with the Texas Labor Code and the Texas Department of Insurance – Division of Workers' Compensation (DWC) Administrative Rules;
- Complies with applicable provisions of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA) regarding MSPR requirements;
- Manages the ancillary services it provides through contracted vendors, including:
 - Medical bill review;
 - Medical utilization review;
 - Case management and vocational rehabilitation; and
 - Pre-authorization services.
- Is assessed penalties where contract non-compliance is identified;
- Improves performance in the event non-compliance is determined; and
- Meets timeliness and accuracy standards established for:
 - Issuing benefit payments;
 - Medical bill processing and pre-authorization; and
 - DWC electronic data interface (EDI) requirements.

B. The Bickmore Solution

We will fulfill the City's purpose by:

1. Evaluating each audit component in Attachment C of the City's RFP to verify compliance with industry standards and the City's requirements;
2. Determining compliance with timeliness and accuracy requirements for each item listed in RFP Section 0500, Paragraph 3.1.5;
3. Providing JI an opportunity for rebuttal to findings during the claims audit;
4. Reporting findings and recommendations for improvement to the City, allowing for City review and input prior to finalizing recommendations;
5. Presenting findings and recommendations, as appropriate, to interested City personnel and JI.

A **detailed plan** is provided in Tab 6.

Tab 6 – Program

This section details how we will accomplish the work detailed within the Scope of Work, Section 0500.

A. Work Program Description

We will conduct a claims management audit of JI's performance by:

1. Evaluate the level of service for overall claims administration.

Evaluating JI performance for compliance with components listed in Attachment C ("Scope of Work") of the City's RFP will include:

- a. Reviewing claims data, City procedures, and JI procedures;
- b. Reviewing the scope of work required in the claims administration contract;
- c. Interviewing City and JI staff members to determine procedures, staff dedication, and workflow established to attain minimum requirements;
- d. Selecting a sample of claims as shown in Table 6.1. This approach to sample selection contemplates a cross-section of open claims and claims closed within the past six months. We have used this sampling strategy in prior audits, and feel it will provide at least a 90% probability of detecting claims administration trends, when combined with interviews of JI and City staff; and
- e. Reviewing the claims sample for Technical Factors shown in Section B on-site¹ at the JI offices in Austin, Texas. We will review each claim for minimum requirements and provide detailed findings to JI for each component listed on the City's Claim File Worksheet.

Table 6-1
Proposed Claims Sample

Claim Type	Number Claims
Open claims with indemnity paid less than \$25,000	26
Open claims with indemnity paid equal to or greater than \$25,000	26
Indemnity claims closed within past six months	24
Medical only claims	24
Total claims	100

¹ We anticipate auditing activities described in A (3) and A (4) will be conducted offsite with JI providing sufficient data and documentation on the selected claims.

2. Evaluate compliance with selected performance standards.

We will use the same claims sample selected per Table 6-1 for review of performance for:

- a. Payment of income benefits as required by TDI-DWC;
- b. Processing of medical bills as required by TDI-DWC; and
- c. Timely and accurate electronic submissions of claim and medical bill data required by the DWC.

We will provide detailed findings on the compliance percentage for performance during the most current calendar year to allow the City to determine whether penalties are due.

3. Evaluate the level of service for medical bill review.

We will audit the statistical sampling of claim files as shown in Table 6-1 and assess the overall quality and effectiveness of medical management by testing the accuracy of the re-pricing function (both manual and system-driven). We will use a random sample of 100 bills selected from the claims sample and:

- a. Ensure the sample includes a cross-section of physician, hospital, outpatient, ambulatory surgical center, pharmacy and durable medical equipment (DME)bills;
- b. Verify payment complies with DWC medical bill guidelines;
- c. Verify application of Preferred Provider Organization (PPO) discounts;
- d. Assess the level of compliance with each component listed in Attachment C ("Bill Review) of the City's RFP; and
- e. Provide detailed findings to JI for each component listed on the City's Bill Review Worksheet.

4. Evaluate the level of service for pre-authorization and UR services.

We will evaluate the overall process and procedures of Pre-Authorization (both manual and system-driven) using a random sample of 60 pre-authorization requests derived from claims in the audit sample and:

- a. Ensure the sample includes a cross-section of approved and denied surgery, non-surgery, and DME requests;
- b. Verify compliance with TDI guidelines for time frame requirements;

- c. Assess the level of compliance for each component listed in Attachment C ("Pre-Authorization");
- d. Verify files document pre-authorization activity; and
- e. Provide detailed findings to JI for each component listed in the City's Pre-Authorization Worksheet.

The Medical Bill Review sampling and Pre-authorization functions will assess the overall quality and effectiveness of medical management, and uncover any systemic issues present.

We anticipate completing this portion of the project off-site with JI providing sufficient data and documentation on the selected claims. At the City's option (please refer to Tab 9 for pricing), we will include an onsite review to:

- 1. Interview staff responsible for the medical bill review and pre-authorization processes;
- 2. Observe workflows; and
- 3. Evaluate systems that support these processes.

5. Provide JI an opportunity for rebuttal.

Claim File Worksheets will be submitted daily to JI to facilitate resolution while we are on site. We will review rebuttal information, if any. Criticisms resolved in JI's favor will be removed from the report.

6. Report findings and recommendations for improvement to the city, allowing for the city to review and provide input prior to finalizing recommendations.

Our audit findings and recommendations will be detailed in a written draft report. Results will be documented for components of the worksheets in Attachment C of the RFP.

7. Present findings and recommendations, as appropriate, to interested city personnel and JI.

We will be available to discuss findings and recommendations telephonically. At the City's option (please refer to Tab 9 for pricing), we will provide a personal presentation of findings and recommendations.

B. Technical Factors

1. Claims Administration Requirements

Evaluation of **Claims Administration Requirements** will include review of contracted claims administration service components, including:

- a. **Overall Claims Management.** We will review and determine whether claims management includes:
 - 1. Compliance with applicable laws, rules policies, and advisories;
 - 2. Substantial compliance with the claims administration contract;
 - 3. Properly imaged claim files for each reported claim;
 - 4. Claim adjustments that reasonably meet the needs of injured employees and comply with the Texas Labor Code; and
 - 5. Appropriate diary management to adhere to the guidelines with any exceptions noted.
- b. **Claims Investigations.** We will evaluate whether JI appropriately investigates claims by:
 - 1. Assigning claims within one day of receipt of the first notice of injury;
 - 2. Determining compensability within 14 days of receipt of the first notice of injury with justification for the decision;
 - 3. Obtaining a thorough investigation, including recorded statements when facts warrant; and
 - 4. Filing a Southwest Index Bureau report on claims involving eight or more days of lost time and documenting results.
- c. **Claim File Contacts and Documentation.** We will review documentation for claim assignment to the adjuster within one day, and the following contacts on all reported claims:
 - 1. Injured employee. We will review for:
 - a. Contact within three working days of receipt of notice of injury;
 - b. Contact within three days of modified duty notice from DWCR;
 - c. Case Manager contact within three days of hospitalization; and
 - d. Bi-weekly contact with all employees currently losing time from work or on modified duty.

2. DWCR and Risk Management Staff. We will review for:
 - a. Contact with the DWCR within three working days of notice of injury;
 - b. Weekly contact with the DWCR to confirm work status;
 - c. Adjuster notification to the DWCR of any pre-authorized surgery;
 - d. Contact with the DWCR and the City's Return-to-Work Coordinator to facilitate employee return to modified/full duty; and
 - e. Request for the employee's essential job functions within ten working days of the employee losing 14 or more days from work.
 3. Treating physician. We will review for regular contact with the employee's physician, including:
 - a. Adjuster verification of description and diagnosis of injury within three working days of notification; and
 - b. Documentation that the physician was notified of the applicable treatment/disability guidelines and the City's Return-to-Work program.
 4. We will review for one-day response to telephone calls or e-mail from any source.
- d. **Reserves.** We will review:
1. Reserve adequacy. We will review indemnity files for a reserve worksheet with breakdown of reserve amounts by category. We will review medical only claims for average reserve methodology. We will review initial reserve timeliness for the requirement of ten working days from DWC-1 receipt. We will review adequacy for the life of the claim;
 2. Reserve review. We will review files for documentation of reserve accuracy within 25 days of initial settling and every 60 days thereafter, for active claims;
 3. Reserve methodology. We will review criteria used when evaluating reserve for requirements including: extent of injury, injury type, investigation facts, anticipated medical expense, projected income

benefits, projected disability, and potential use of outside experts (rehabilitation services, private investigators, legal counsel, etc.); and

4. Reserve reporting. We will verify timely reporting of reserve changes to Risk Management.

e. Supervision. We will review:

1. Evidence of supervisory direction. We will review diaries for evidence of periodic review and direction by the supervisor. We will review controls in place to monitor for state compliance, best practices, and City procedures;
2. Documentation of steps taken in appropriate cases to ensure protection of Medicare's secondary payer status; and
3. Documented details of adjuster and dedicated nurse follow up related to supervisor's review/directions. We will review for activity within three days of supervisor review/direction.

f. Medical Management. We will review the quality of JI's medical cost containment services:

1. Adjuster coordination of medical documentation to ensure impairment ratings, peer review, required medical examinations (RME), and designated doctor (DD) reports of superior quality;
2. Dedicated nurse (DN) review of claims when temporary total disability (TTD) exceeds 14 days or modified TTD exceeds 30 days;
3. Field case management assignments are appropriate and include: documented communications, action plan, and recommendations.
4. Field case management are timely and document goals and progress;
5. Documented communication between adjuster and Dedicated Nurse on issues related to pre-authorization;
6. Medical bill review documentation to ensure services provided are appropriate; and
7. Appropriate communication with the pharmacy benefit manager, when necessary.

g. Use of the City's Dedicated Nurse (DN). We will review files assigned to the DN and verify:

1. Application of the Occupational Disability Guidelines (ODG) as treatment guidelines and Medical Disability Advisor (MDA) for disability guidelines on files assigned to the DN; and
2. The DN's contribution to overall case management by documenting:
 - a. Timely written review of medical and disability issues;
 - b. Efforts to manage the claim to ensure best outcome;
 - c. Communications with adjusters to facilitate coordination of medical and disability management; and
 - d. Contact with injured employees and medical providers when warranted.

h. Disability Management. We will review:

- a. Timeliness and adequacy of communication among the adjuster or DN, the medical provider, and the City to return injured employees to modified or full duty, in accordance with the City's return-to-work program;
- b. Adequacy of claim file documentation relative to ODG diagnoses and treatment references;
- c. Adequacy of diary to ensure effective disability management;
- d. Documentation of job description or essential functions to facilitate return to work; and
- e. Appropriate verification of impairment ratings greater than 10%.

i. Litigation Management and Subrogation. We will assess:

1. Performance of the City's retained counsel when a Benefit Review Hearing or Contested Case Hearing is requested;
2. Adequacy of communication between adjuster and counsel; and
3. Identification of potential subrogation and written referral to the City's Law Department.

2. Selected Performance Measures. For performance measures potentially subjecting the TPA to penalty, we will review:

a. Timeliness of income benefits:

1. Temporary income benefits (TIBs) initiated timely. We will review initial TIBs payments for timeliness per DWC requirements. We will track the number of initial payments within the audit sample and the number paid timely;
2. TIBs timely week to week. We will review all subsequent TIBs for timeliness. We will calculate all subsequent TIBs payments within the audit sample, and the number paid timely;
3. Waiting period issued timely. We will review all claims within the audit sample requiring payment for the waiting period and the number paid timely;
4. Impairment income benefits (IIBs) initiated timely. We will review all initial IIBs payments for timeliness per DWC requirements. We will track the number of initial payments within the audit sample and the number paid timely;
5. IIBs timely week to week. We will review all subsequent IIBs for timeliness. We will calculate all subsequent IIBs payments within the audit sample and the number paid timely; and
6. Supplemental (SIBS) and Lifetime Income benefits (LIBS) initiated and paid timely. We will calculate all SIBS and LIBS in the audit sample and the number paid timely.

b. Timeliness of medical bill processing:

1. The number of medical bills paid or denied within 45 days. We will calculate the number of medical bills in the audit sample and the number paid or denied timely; and
2. The number of medical bills received after the 95th day from date of service for action taken. We will calculate the number of medical bills received after the 95th day and the number denied.

c. Timeliness and accuracy of EDI reporting:

1. First Report of Injury (FROI);
2. Supplemental Report of injury (SROI); and
3. Medical and Pharmacy bill processing.

For each Selected Performance Measure, we will calculate a percentage for each category for comparison with the City's contractual requirement. Each late payment will be identified to facilitate verification of any applicable penalty.

3. Medical Bill Processing.

Evaluation of medical bill processing includes:

- a. Review the protocols and workflow for the manual and system-driven medical bill re-pricing functions;
- b. Sample 100 bills and independently re-price the bills for compliance with DWC medical fee guidelines, application of PPO discounts, and the City's own procedures; and
- c. Complete the City's worksheet provided in Attachment C to the RFP for each medical bill reviewed.

4. Pre-Authorization / UR Program.

We will evaluate how well JI's process and workflow meets industry best practices and complies with Texas regulations by:

- a. Reviewing 60 pre-authorization requests for compliance with state-mandated utilization review and pre-authorization rules; and
- b. Completing the City's worksheet provided in Attachment C to the RFP for each pre-authorization request reviewed.

C. Grading Scale for Technical Factors

We will evaluate each of the Claims Administration service components noted in Section B (1), "Technical Factors," Sections (a) through (i) on the "yes," "no," and "not applicable" scale shown in Table 6-2. For Sections B (3) and B (4) we will apply the same scale to the components listed in the City's worksheets included in Appendix C for "Bill Review" and "Pre-Authorization."

For Section B (2), we will calculate a percentage of compliance for each component to allow a comparison with the City's contractual requirements. Each late payment or late or inaccurate EDI submission will be identified to facilitate verification of any applicable penalty.

Table 6-2
Grading Scale

Evaluation	Grading Criteria
Yes	Complete compliance with industry best practices and internal procedures, and state requirements. File reflects active steps are taken to resolve claim.

Evaluation	Grading Criteria
No	Lack of compliance with industry best practices, internal procedures, or state requirements. Evidence of substandard claims handling, creating exposure to penalties, or disbursement of undue benefits.
Not Applicable	The claim does not present a need for claims handling in the component area.

Findings for 'Yes' are divided by possible findings ('yes' plus 'no' findings) to determine the percentage of compliance. Using the scale shown in Table 6-3, we assess performance. This approach prevents a criterion involving a few claims from unduly influencing the overall score.

Table 6-3
Performance Evaluation Scale

Performance	Average Grade
Superior	95% - 100%
Exceeds Industry Standard	90% - 94%
Meets Industry Standard	85% - 89%
Poor	Below 85%

D. Detail of Work Steps

To complete this project, we will proceed as follows:

1. Annually conduct an initial telephone discussion with the City's project manager to confirm project details and to establish meeting dates and interim deadlines;
2. Receive the information in the Data Request included in Appendix C from JI and the City;
3. Make a preliminary analysis of information received and submit the claims sample selection to City for approval, then to JI;
4. Meet with the City's project manager and, if available, several department members to discuss the project plan and issues of particular importance to them. We anticipate these interviews will take place in Austin;
5. Meet with key personnel from JI. These interviews will be conducted in Austin (in conjunction with step 4). During these interviews, we will:
 - a. Discuss services JI provides;
 - b. Evaluate such material as monthly reports, check registers, claims system records, and similar material;

- c. Review claim procedures and interview JI staff to assess claims handling services; and
 - d. Audit the selected claim files and complete the City's worksheet for each claim. We will provide copies to JI and the City if desired.
6. Conduct follow-up telephone discussions with the City and JI personnel to obtain additional information, clarify ambiguities, and refine our conclusions;
 7. Hold internal meetings of project team members to discuss data and finalize conclusions;
 8. Prepare a written report. Our reports are written to provide management the information needed to analyze important issues and to move forward. The report will address each issue set forth in the Scope of Work section of this proposal. Three copies of the report (in addition to an electronic copy) will be provided to the City within ten working days of completion of the audit;

We design our reports to be practical working documents. They are written in terms understandable to non-insurance professionals. The major findings will be highlighted in an Executive Summary, and all recommendations will be documented and supported by individual claim findings. Frequently, our reports are used in strategic planning and Council meetings for three to five years following completion of our work; and

9. At the City's option, we will make a personal oral presentation. Presentation via teleconference will be provided at no additional charge.

Throughout the course of this project, we will be in contact with the City by telephone, mail, and e-mail, to communicate our progress and to ensure we receive any input the City wishes to provide.

Schedule

We are flexible and will meet the City's schedule requirements. However, we propose the schedule in Table 6-3 below for all work associated with the project.

Table 6-3
Proposed Schedule

Activity	Target Completion Date
Notice to proceed	Upon Receipt
Initial telephone interview	Within 3 Days
Data received	January 2, 2016
Claims sample selection submitted	February 4, 2016
Onsite review (we anticipate ten auditor days to complete)	By February 26, 2016

Data and findings analysis completed	March 18, 2016
Rebuttals reviewed and findings revised, if any	March 28, 2016
Draft report submitted	April 18, 2016
Draft report discussed and amendments completed to deliver final report	May 1, 2016

Meeting this proposed schedule depends upon the availability of parties and claims data.

Tab 7 – Project Management Structure and Personnel

Bickmore has selected the following consultants to handle this project for the City of Austin. Full resumes can be reviewed in Appendix A.

Michael M. Kaddatz, CPCU, ARM

Michael is the Director of Strategic Risk Management at Bickmore. He will serve as the Project Director, and ensure all work on the project is delivered in a timely manner. Michael will participate in all significant client meetings and will lead the evaluation of the Risk Programs Department.

Michael has more than 30 years of consulting experience for governmental risk pools. An author and sought-after speaker, he is nationally recognized as an expert on risk management, insurance underwriting, self-insurance, contractual risk transfer, and governmental risk pool operations. Michael is a co-founder of ARM Tech, and from 1982 to 2008 was the Managing Director at ARM Tech, Aon Global Risk Consulting. In 2009 he joined Bickmore as Director, Strategic Risk Management. He also has experience as an insurance underwriter for a major carrier, and he managed a city property and liability pool for 4 years. He has directed or played a major role in consulting projects for governmental and other risk pools in New York, Colorado, Wyoming, North Dakota, South Dakota, Wisconsin, Michigan, Virginia and California. His article, *Evaluating Group Risk Finance Programs*, in Appendix B, addresses how to evaluate risk pools and similar programs.

Ms. Jo Ann Wood, CPCU, AIC, RPLU, ARM

Jo Ann is Manager of Claims Consulting at Bickmore. She has over 30 years of experience in claims handling with an emphasis on liability, property, and workers' compensation in multiple jurisdictions, including Texas. As a claims manager with home office experience, she has skills in evaluating claims management strategies including managed care. She has performed scores of claims consulting projects for public and private entities since 2001, including claim audits, vendor solicitations and development of procedure manuals. She will lead the auditing activities for this project.

Mr. Dennis Mitchell, CPCU, SCLA, ARM

Dennis is a Senior Claims Consultant and has over 30 years of experience in liability, property, and workers' compensation claims. Dennis has performed numerous claims consulting projects for public and private entities since 2004. He will apply his experience with claims management and delegation of responsibilities to this project. Prior to joining Bickmore, Dennis served as Claims Manager for the Hartford Financial Services Group. He will participate in the auditing activities for this project.

Mr. Paul Cross, ARM

Paul Cross is a Consultant with Bickmore. He has 17 years of experience with information systems, benchmarking claims, and actuarial data. Paul has published or contributed to a variety of benchmarking and cost allocation studies. He holds the Associate in Risk Management designation and has passed one actuarial examination. He will provide support for data extraction, manipulation and analysis.

Ms. Sandra Spiess, ARM, MBA

Sandra Spiess is a Project Manager at Bickmore. Sandra has served as Project Manager for multiple large projects throughout the United States. She will coordinate all aspects of communication and project management to ensure timely delivery of documents and other deliverables.

Ms. Kathleen Torres

Ms. Torres, Project Consultant, will participate in the Bill Re-Pricing and Pre-Authorization assessment. She has 16 years of experience in providing medical management services in multiple jurisdictions, including medical bill review in Texas.

Dr. Lester Sacks, MD, PhD

Dr. Sacks, Project Consultant, will participate in utilization review, Managed Care, and Pre-Authorization assessment. He has over 35 years of experience in providing medical management services in multiple jurisdictions, including Texas.

This project team has participated in the annual audits for the City since 2010 Tab 8 – Prior Experience. Should there be any staffing changes needed during the course of the awarded contract, Bickmore will obtain the City's approval.

Bickmore is proud to present the following references to the City for your review. A complete list of our public clients can be found in Appendix C.

Tab 8 – Prior Experience

Bickmore is proud to present the following references to the City for your review. A complete list of our public clients can be found in Appendix C.

	Entity Name	Contact	Address	Phone Number
1.	Texas Association of School Boards (TASB)	Dubravka Romano	12007 Research Blvd Austin, TX 78759	512.467.3510 Dubravka.romano@tasb.org
Description of Services: Workers' compensation and liability claims audits 2007 – 2011.				

	Entity Name	Contact	Address	Phone Number
2.	Texas Association of Public Schools (TAPS)	R. Lamar Sawyer, Jr. Executive Director	342 W. Woodlawn Avenue, Ste. 300 San Antonio, TX 78212	210.736.2644 Lamar.sawyer@TAPSPLF.org
Description of Services: Claims audit consulting.				

	Entity Name	Contact	Address	Phone Number
3.	California State Association of Counties – Excess Insurance Authority (CSAC)	Ms. Kathy McLean, Workers Compensation Claims Manager	75 Iron Point Circle, Suite 200 Folsom, CA 95630	916.850.7300 kmclean@csac-eia.org
Description of Services: Workers' compensation claim audits from 2004 – 2009 and 2012 and continuing.				

	Entity Name	Contact	Address	Phone Number
4.	City of Ontario	Ann Richey	303 East B St. Ontario, CA 91764	909.395.2440
Description of Services: Bill Review, Utilization Review, Nurse Case Management. Services provided by Kathy Torres.				

	Entity Name	Contact	Address	Phone Number
5.	San Francisco Unified School District	Dave George	555 Franklin St. San Francisco, CA 94102	415.241.6307
Description of Services: Utilization Review, Nurse Case Management. Services provided by Kathy Torres.				

Entity Name		Contact	Address	Phone Number
6.	City of Richmond	Kim Greer	450 Civic Center Plaza Richmond, CA 94804	510.620.6605
Description of Services: Bill Review, Utilization Review. Services provided by Kathy Torres.				

Entity Name		Contact	Address	Phone Number
7.	CHRISTUS Health	Mr. Gary Shope, Director of Risk Finance and Occupational Health	919 Hidden Ridge Irving, TX 75038-3813	469.282.2347 ghshrm2@yahoo.com
Description of Services: Analysis of workers compensation, liability and property risk costs, 2008 to present				

Entity Name		Contact	Address	Phone Number
8.	State of Colorado Legislative Audit Committee, Office of the State Auditor	Sarah K. Aurich, Legislative Audit Manager	200 East 14th Avenue Denver, Colorado 80203-2211	303.869.2819 sarah.aurich@state.co.us
Description of Services: Risk management performance audit including claims administration for property, liability and workers' compensation programs, 2010				

Tab 9 – Cost Proposal

Project Fees

Audit Services (Flat Fee)	Contract Year 2016	Contract Year 2017	Contract Year 2018	Contract Year 2019	Contract Year 2020	Contract Year 2021
Requirements to complete the audit per the 0500 Scope of Work	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500
Optional Bill Review Program and Pre-Authorization Program on-site review three days to study workflow and obtain documentation	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
Optional personal presentation	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Total Not To Exceed Price	\$55,500	\$55,500	\$55,500	\$55,500	\$55,500	\$55,500

Fees shown are flat fees. They include all professional fees and expenses for the work proposed. Each invoice is due upon presentation. Our flat fees will remain constant for the duration of the contract unless the City requests application specified index for price adjustment.

Tab 10 – Exceptions to the Proposal

Bickmore does not take any exceptions or make any additions to this RFP. By submitting our proposal we agree to all terms and conditions herein.

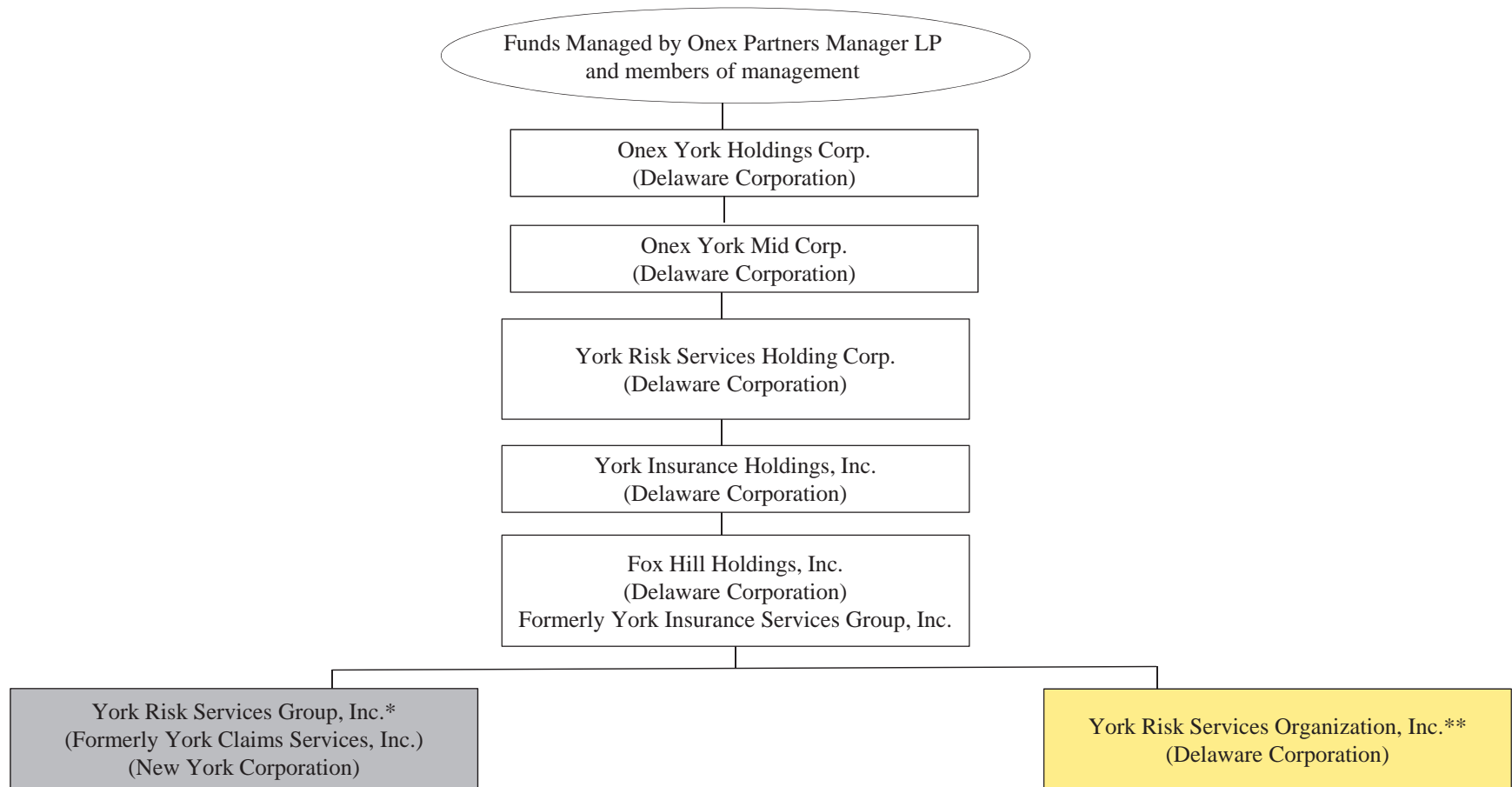
Tab 11 – Proposal Acceptance Period

Bickmore verifies this proposal is valid for a period of one hundred and eighty (180) calendar days from the RFP closing date.

Appendix A

Organization Charts

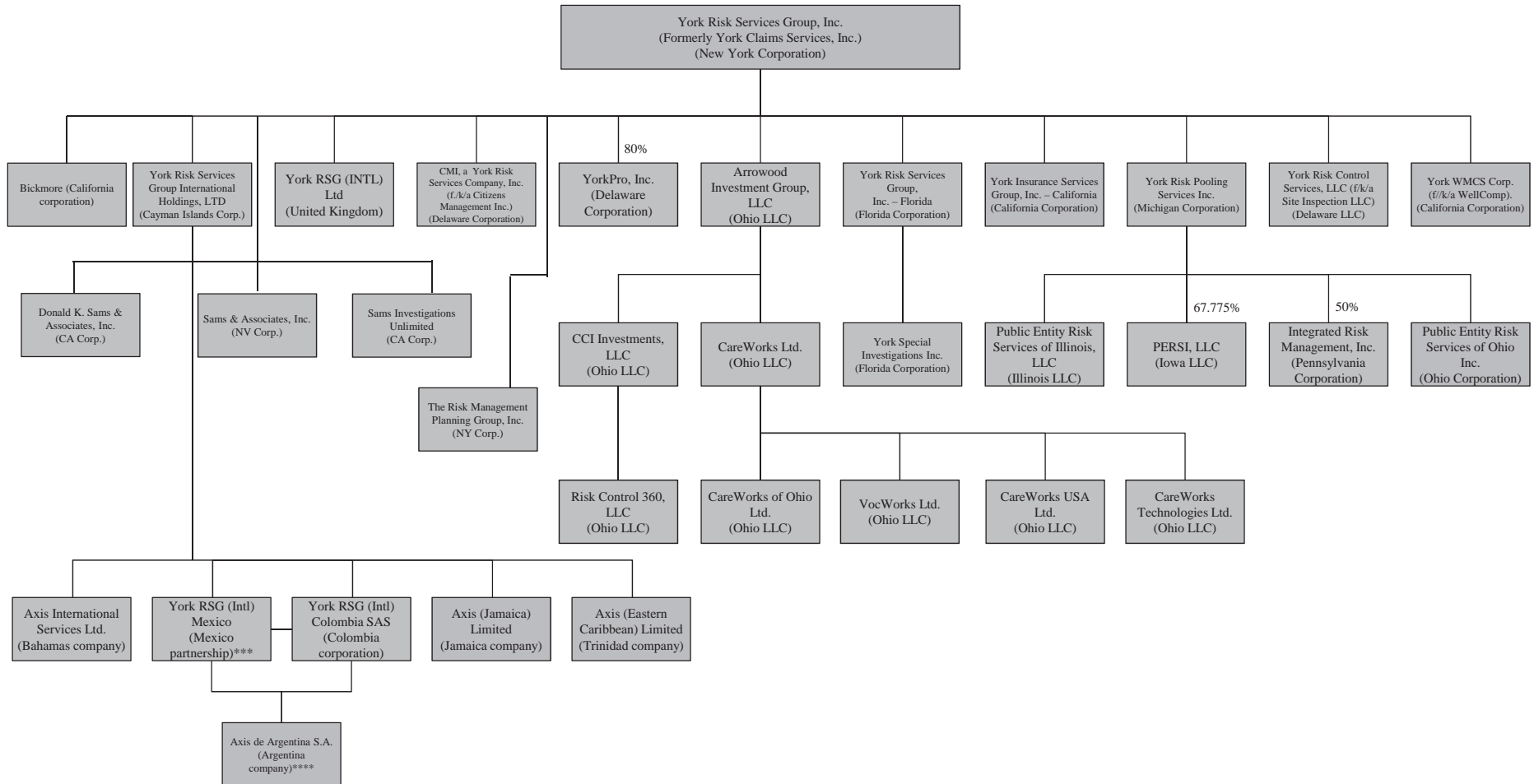
ORGANIZATIONAL STRUCTURE OF YORK



* See page 2

** See page 3

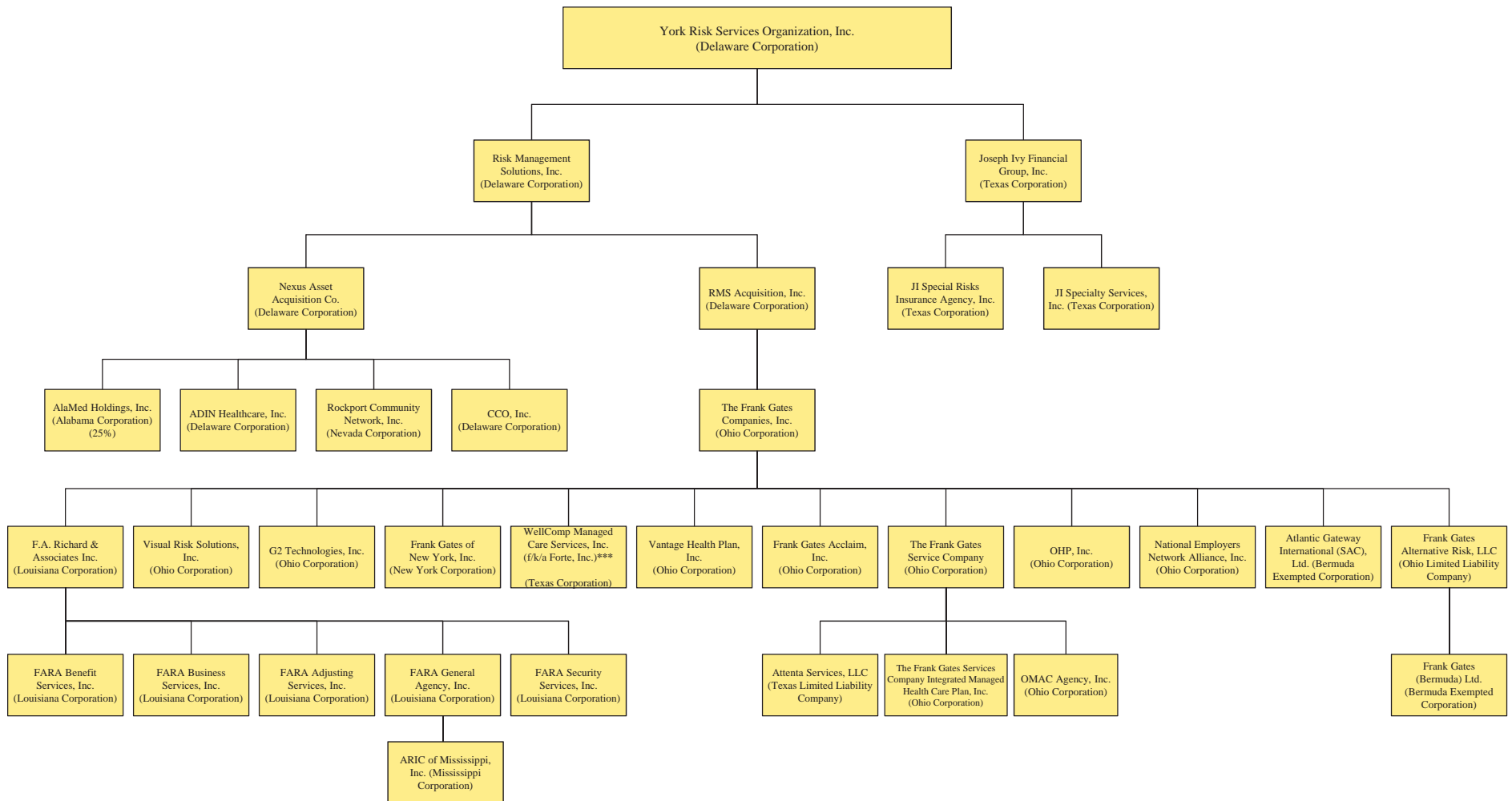
Organizational Structure of York Risk Services Group, Inc.



***Mexico entity is co-owned by York (Cayman) (0.001%) and York (Colombia) (99.999%)

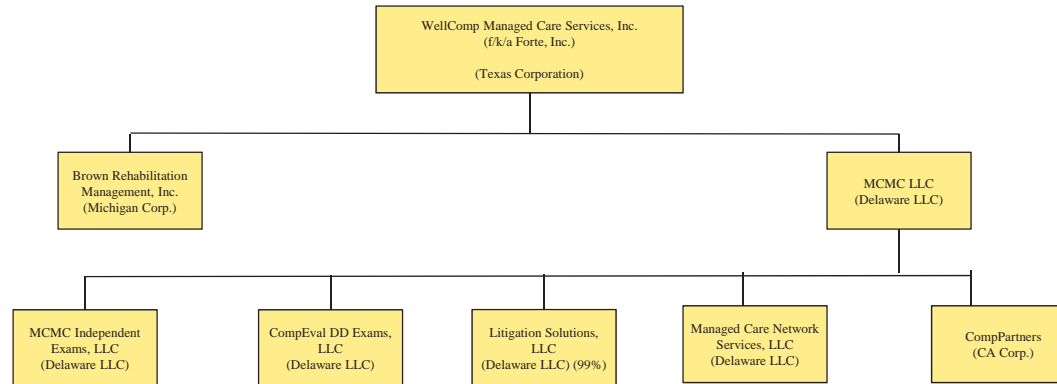
****Argentina entity is co-owned by Mexico entity and Colombia entity

Organizational Structure of York Risk Services Organization, Inc.



*** See page 4

Organizational Structure of WellComp Managed Care Services, Inc.



Appendix B

Resumes



Michael Kaddatz, CPCU, ARM
Director, Strategic Risk Management

<http://www.linkedin.com/in/michaelkaddatz>

Michael Kaddatz is a consultant to businesses, public agencies and associations on risk management, insurance, self-insurance, risk retention pools, captive insurers, contractual risk transfer and other risk treatment programs.

EXPERIENCE

Prior to joining Bickmore as a Director of Strategic Risk Management, Michael was Managing Director at ARM Tech, Aon Global Risk Consulting from 1982 to 2008. Prior to co-founding ARM Tech in 1982, he worked for two years as an insurance analyst for Southern California Edison. Michael managed a multi-project owner-controlled property/casualty insurance program and the casualty insurance portfolio, including nuclear and marine programs. He reviewed vendor contracts and negotiated insurance-related contract terms.

Prior to Southern California Edison, Michael worked three years as a casualty underwriter for Employers Insurance of Wausau. He underwrote liability, crime and workers compensation insurance for large commercial accounts. Michael specialized in retrospective and other loss responsive rating plans.

EDUCATION

Bachelor of Science, Business Administration and Economics – University of Wisconsin, Stevens Point
 Graduate studies, Finance – California State University, Long Beach

PUBLICATIONS

“Mergers & Acquisitions – Risk Analysis,” Society of Risk Management Consultants and *Practical Risk Management*, published by International Risk Management Institute (IRMI), Dallas, Texas
Contractual Risk Transfer, contributing author, published by IRMI
 “Selecting the Right Risk Retention Level,” ASHRM, PARMA, PRIMA and *Practical Risk Management*
 “Best Practices to Elevate Your Risk Retention Pool’s Performance”, The Conf. for Risk Retention Pools
 “Evaluating Group Risk Finance Programs”, *The Risk Report*, published by IRMI, Dallas, Texas
 “Benchmarking & Risk Management Performance Measures”, ASHRM, STRIMA, PRIMA, PARMA
 “Contractual Risk Transfer,” RIMS, PRIMA, American Public Power Association (APPA), Insurance Educational Association, Construction Risk Conference and *Practical Risk Management*
 “Strategic Planning for Risk,” RIMS and *Practical Risk Management*

PROFESSIONAL CERTIFICATIONS

Associate in Risk Management (ARM) – Insurance Institute of America
Chartered Property Casualty Underwriter (CPCU)

PROFESSIONAL AFFILIATIONS

Society of Chartered Property Casualty Underwriters – Past Governing Chair, Risk Management Section
Society of Risk Management Consultants – Past President





Jo Ann Wood, CPCU, AIC, RPLU, ARM

Manager, Claims Consulting Solutions

<http://www.linkedin.com/in/joawood>

Jo Ann Wood is a consultant to various public agencies and corporations on claims management subjects. She specializes in the areas of claims best practices from intake through disposition strategies with emphasis on policies and procedures, staffing and quality control to develop claims solutions.

EXPERIENCE

Jo Ann has over 35 years of claims industry experience, including eight years as a consultant to private entities, public entities, and risk pools nationwide. Prior to joining the firm, Jo Ann was the Claims Consulting Practice Leader for ARM Tech/Aon Global Risk Consulting, and served clients by performing claim audits, preparing procedure manuals, assisting with claim administration selections, and evaluating claim processes, staffing, and organization. Her focus is to ensure compliance with tort or workers' compensation laws, claims administration and peripheral service contract terms, and industry best practices. Her expertise encompasses auto liability, general liability, workers' compensation, professional liability, and property claims handling.

Jo Ann's career began with field claims, handling and examining positions for major insurance carriers, progressing to Home Office Specialist with management responsibilities for multi-line claims in multiple jurisdictions. She later served as the Claims Manager for insured and self-insured clients of a multi-line third party administrator in Arizona and California. This responsibility included managing claims for safety employees and has prepared her for teaching the Advanced Workers' Compensation, Workers' Compensation and Medical Aspects of Claims, courses and coursework for the Registered Professional Liability Underwriter designation on behalf of the Insurance Educational Association.

EDUCATION

Bachelor of Science, Business – Arizona State University

PROFESSIONAL CERTIFICATIONS

Insurance Institute of America Designations:

Chartered Property Casual underwriter (CPCU) and Continuing Professional Development Certificate;

Associate in Claims (AIC); and

Associate in Risk Management (ARM)

Registered Professional Liability Underwriter (RPLU) Designation – Professional Liability Underwriting Society

PROFESSIONAL AFFILIATIONS

Society of Chartered Property Casualty Underwriters – Member

Professional Liability Underwriting Society – Member

California Self Insurance Plans Certification

Multi-Line Adjustor License – Arizona, Florida, Louisiana, and Wyoming

Workers' Compensation Adjustor License – Texas





Dennis Mitchell, CPCU, SCLA, ARM

Senior Claims Consultant

<http://www.linkedin.com/in/dennismitchell3>

Dennis Mitchell provides claim auditing and consulting services to public and private sector clients. He provides multi-state clients with a thorough analysis of their claims administration program. Dennis audits claims, analyzes results, and makes recommendations to help clients improve quality, provide better service, and realize savings.

EXPERIENCE

Dennis Mitchell has over 35 years of experience in the claims industry, primarily managing full-service, multi-line claim operations for national insurance carriers. His service expertise encompasses claim audits; procedure and workflow analysis; litigation management; and auto, general liability, workers' compensation, and property claims handling. In addition to providing a thorough analysis of client claim administration programs, Dennis evaluates compliance with state laws, claim administration contracts, and industry best practices.

Prior to joining Bickmore, Dennis was a Senior Claims Consultant at ARM Tech/Aon Global Risk Consulting. He was responsible for leading and assisting with claim audits for a variety of public and private sector clients, working with them and their claim administrators to improve the quality of claim outcomes.

Dennis began his career at The Hartford, advancing to increasingly responsible positions. Ultimately, he managed workers' compensation, commercial liability, and property claims for the company's Southern California Division until his retirement in 2000. Following the Hartford, he served for three years managing multi-line claims for a small, commercial national carrier.

EDUCATION

Bachelor of Arts, History – Saint Francis College, New York

Associate in Risk Management (ARM) Designation – Insurance Institute of America

Self-Insured Administrator Certification – California Department of Industrial Relations, Office of Self Insurance Plans

Senior Claim Law Associate (SCLA) Designation - American Educational Institute

PROFESSIONAL AFFILIATIONS

Society of Chartered Property and Casualty Underwriters (CPCU)

Insurance Educational Association – Instructor; Advanced Workers' Compensation Classes

Member, Claims and Litigation Management Alliance, Municipal Law Committee



Paul Cross, ARM
Senior Consultant

<http://www.linkedin.com/in/pauledwardcross>

In his role as Senior Consultant at Bickmore, Paul Cross provides data analysis, database application development, and reporting activities for Risk Management Consulting projects. He has been with Bickmore since 2009.

EXPERIENCE

From 1994 to 2009, Paul held positions as an actuarial analyst, information systems director, and risk management consultant at ARM Tech/Aon Global Risk Consulting. He designed and developed compSTATS, an online workers' compensation benchmarking application for public entities. Paul specialized in premium allocations, cost of risk benchmarking, and experience modification projects. He has demonstrated expertise in manipulating, converting, and parsing large, complex data sets and providing quick and flexible relational database applications, VBA programming, scripting, and web solutions.

EDUCATION

Master of Science, Statistics – University of California, Davis
 Bachelor of Arts, Human Ethology – Pomona College

PROFESSIONAL CERTIFICATIONS

Associate in Risk Management (ARM) Designation – Insurance Institute of America

TECHNICAL BACKGROUND

Databases – Microsoft SQL Server, MS Access
 Programming – SQL, VBScript, CSS, ActionScript, VBA, ColdFusion
 Development – MS SQL Server Integration (SSIS), MS Access, LogiStudio
 Design – Adobe Creative Suite Design Premium applications, Cinema 4D

PUBLICATIONS

Compilation of Workers Compensation Data of Self-Insured California Public Entities, California Institute for Public Risk Analysis
Cost Allocation and Risk Management Information Systems, (contributing author), International Risk Management Institute (IRMI)

PROFESSIONAL CERTIFICATIONS

Actuarial Exam-P Probability – Casualty Actuarial Society



Sandra Spiess, MBA, ARM

Project Coordinator

www.linkedin.com/in/sandraspiess

Sandra Spiess is a Project Coordinator in the Risk Management Consulting practice. She is responsible for coordinating all aspects of communication and project management from project inception to quality control and timely delivery of project deliverables.

EXPERIENCE

In her career at Bickmore, Sandra served as Analyst/Project Coordinator for the Auto Dealers Compensation of California, Inc. (AD-COMP), a private self-insurance group consisting of over 270 automobile dealers across the state. She provided oversight of day-to-day activities, including member management, state reporting, and new member underwriting, and served as liaison between the State Office of Self-Insurance Plans and the Group. Sandra also supported workers' compensation and risk control activities.

Sandra has also served as Analyst/Project Coordinator for the California Affiliated Risk Management Authorities (CARMA) Joint Powers Authority, and the California Private Schools Self-Insurance Group (CAP-SIG). In that role, she provided oversight of day-to-day activities, including member management and state reporting.

Sandra's experience as Project Coordinator includes a multitude of projects, including large assignments for the State of New York Workers' Compensation Board, the State of Colorado Office of the State Auditor, the State of Rhode Island Department of Labor and Training, the Arizona Department of Transportation, the State of Montana, the California Department of Corrections and Rehabilitation, the University of California, the California Self-Insurers' Security Fund, the California Department of Industrial Relations, Office of Self-Insurance Plans, the Los Angeles County Metropolitan Transportation Authority, the Oregon University System, the California State Association of Counties Excess insurance Authority and the California Commission on Health and Safety and Workers' Compensation.

EDUCATION

Master of Business Administration – Golden Gate University

Bachelor of Science, Business Administration and Marketing – California State University, Sacramento

PROFESSIONAL AFFILIATIONS

Associate in Risk Management (ARM) – Insurance Institute of America

Lester L. Sacks, MD, PhD

Project Consultant

CURRENT RESPONSIBILITIES

Dr. Sacks provides consulting services to ensure effective administration of medical services for insured, self-insured, public, and private entities. He performs procedural reviews against nationally accepted protocols, including those adopted by the Texas Workers' Compensation Act and makes recommendations to ensure compliance.

EXPERIENCE

Dr. Sack's involvement in the workers' compensation medical treatment and billing practices oversight industry spans more than 35 years. His prior clinical experience, spanning over 20 years, has positively impacted his ability to achieve a working relationship between clinical and administrative skills. He utilizes his academic, clinical, and administrative experiences to effectively provide consulting to the:

- University of California Irvine – currently training residents in utilization review.
- Medex HealthCare, Inc. – provided Health Care Organization (HCO) and Medical Provider Network (MPN), Utilization Review (UR), Nurse Case Management (NCM), and Medical Bill Review (MBR) services in California, for two years.
- Decision UR Inc. of Newport Beach, California – provided UR software to insured and self-insured public and private entities as Principal/Medical Director, for seven years.
- CompWest Insurance Company – a self-administered workers' compensation carrier with policy holders throughout the Western States where he served as Medical Director, overseeing the utilization review and medical billing review protocols for the most recent two years.
- Police Department of Costa Mesa, California – served as a Medical Consultant for thirteen years.
- Rockport HealthCare, Inc. of Houston, Texas – served as Director of Credentialing for seven years.
- American College of Occupational and Environmental Medicine – served as a National Delegate, Reform Committee Member, and Member of the Board of Directors for 25 years with input to the Official Disability Guidelines in 2010.
- H. H. C. Group of Gaithersburg, MD – provided UR and MBR to health care insurance providers, for seven years.
- Total Healthcare Management – a workers' compensation managed care company where he helped provide MPN, NCM and MBR services to employers and their administrators in multiple states, including TX, for eight years.

ACADEMIC BACKGROUND

- Candidate Masters Public Health - University of California, Los Angeles, 1986
- Residency Program - General Preventive Medicine, UCLA, 1983 - 1984
- Mini-Residency Program University of Cincinnati, June-October 1983
- Toxicology Training - Wayne State University, October 1983
- Completed Ph.D. Program - College of Oriental Studies, 1982
- Fellow for Faculty Department (Administrative Fellow) Charles R. Drew Postgraduate Medical School, 1978 - 1980
- Mini-Residency Program/Occupational Medicine - UC San Francisco, 1980 - 1981
- M.D. - College of Medicine, UC Irvine, 1962
- Internship, Parkview Hospital, Los Angeles, CA, 1956 - 1957
- D.O. Degree - College of Osteopathic, Los Angeles, CA, 1952 - 1956
- Bachelor of Science, Long Island University, NY, 1952

PROFESSIONAL CERTIFICATIONS

- Licensed Medical Doctor – CA #A28341, 1975; NY #078480-1/CERT6355598

Kathleen Torres

Project Consultant

CURRENT RESPONSIBILITIES

Ms. Torres provides consulting services to insured, self-insured, public, and private entities to:

- Develop best in class programs in the field of medical management for workers' compensation and group health benefits.
- Set high performance standards for contracted vendors and employees including integration of software systems and time management to effectively complete work assignments in compliance with contract requirements and regulations, including those of Texas.

EXPERIENCE

Ms. Torres has workers' compensation medical treatment and billing practices oversight experience obtained while working for the following:

- Medex HealthCare, Inc., a specialty Workers' Compensation Managed Care company providing Health Care Organization (HCO), Medical Provider Network (MPN), Utilization Review (UR), Nurse Case Management (NCM), and Medical Bill Review (MBR) services for California employers and claims administrators as Program Management Consultant, for two years.
- Decision UR Inc. of Newport Beach California, providing Utilization Review software to public and private entities that are insured and self-insured, as Managing Partner, for seven years.
- Total HealthCare Management Inc., providing MPN, UR, NCM, and MBR services for employers in multiple jurisdictions, including Texas, from Irvine, California as Founder / President and CEO, for eight years through 2009.
- CCN, Inc. providing Preferred Provider Organization (PPO), UR, NCM, and MBR services for employers in multiple jurisdictions as Senior Account Executive of Sales and Management from San Diego California, for two years.

PROFESSIONAL ORGANIZATIONS

- Public Agency Risk Management Association (PARMA)
- Public Risk Management Association (PRIMA)
- Risk Insurance Management Society (RIMS)
- Employee Benefits Council
- California Coalition on Workers' Compensation (CCWC)
- California Association of Joint Powers Authorities (CAJPA)
- Council of Self-Insured Public Agencies (COSIPA)
- National Association of Women Business Owners (NAWBO)
- Women President's Organization

Appendix C

Bickmore Public Client List

Our Clients - Public Sector / Government

States

- Alaska
- Alabama
- Arizona
- California
- Colorado
- Florida
- Hawaii
- Idaho
- Illinois
- Kentucky
- Massachusetts
- Maryland
- Michigan
- Montana
- Nebraska
- New Hampshire
- New Jersey
- Nevada
- New York
- Ohio
- Oklahoma
- Oregon
- Pennsylvania
- Rhode Island
- Texas
- Utah
- Virginia
- Washington
- Wisconsin
- Wyoming
- Washington, DC

Counties

- Alameda
- Alpine
- Amador
- Butte
- Calaveras
- Cecil, MD
- Colusa
- Del Norte
- Denver
- El Dorado
- Fresno
- Humboldt
- Imperial
- Inyo
- Kings
- Lake
- Lassen
- Los Angeles
- Madera
- Marin
- Mariposa
- Mendocino
- Merced
- Modoc
- Mono
- Monterey
- Morris
- Napa
- Nevada
- Niagara, NY
- Orange
- Placer
- Plumas
- Riverside
- Sacramento
- San Benito
- San Bernardino
- San Diego
- San Joaquin
- San Luis Obispo
- Santa Barbara
- Santa Clara
- Santa Cruz
- Shasta
- Sierra
- Siskiyou
- Solano
- Sonoma
- Stanislaus
- Summit, UT
- Sutter
- Tehama
- Trinity
- Tulare
- Tuolumne
- Ventura

State Agencies

- California Department of Industrial Relations
- California Department of Corrections and Rehabilitation
- California Department of Insurance
- New York State Workers' Compensation Board
- California Employment Development Department
- California Division of Workers' Compensation



Corporate Headquarters:

1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833

916.244.1100 • 800.541.4591 • www.bickmore.net

Sacramento • Orange • Oakland • Portland • Ashland • Providence • El Dorado Hills • Dana Point

Appendix D

Data Request

Data Request

To complete this project, we request to receive:

1. Claims administration manual and description of City programs requiring compliance.
2. Personnel listing, curriculum vitae of personnel and job descriptions for workers' compensation claims personnel.
3. Claims data is preferred in a Microsoft Excel spreadsheet or tab-delimited/single-line-per-claim text format including all open claims and claims closed within the past six months. Claims data organization is requested with column headings, including:
 - Claim number
 - Claimant name (reduced to first three letters of last name, and first name).
 - Claimant's year of birth.
 - Claimant's gender.
 - Department name.
 - Assigned adjuster
 - Date of loss.
 - Date reported to employer.
 - Date received by administrator.
 - Date of initial reserve.
 - Incurred costs to date, separately for indemnity, medical, rehabilitation, legal and other expense, clearly indicating current outstanding reserve, amount paid-to-date and recoveries.
 - Denial date, if any.
 - Litigation status.
 - Method of resolution.
 - Most recent closure date, if any.
 - Reopening date, if any.

During the course of this project, additional data may be requested. We will keep requests to a minimum and contained to items necessary to conduct a thorough analysis

We will need access to the bill review system and claims information system as well as the claim files when performing the on-site audit work and any remote work.

Appendix E

Sample Worker's Compensation Claims Audit



Sample Report

Workers Compensation Claims Audit



Client
Street Address
City, State Zip

Attn: Contact Name
Title

Workers Compensation Claims Audit

This report presents the results of our analysis of the claims handling practices of the third party administrator (TPA) for Client.

We addressed issues set forth in our proposal by:

- Reviewing current policies and procedures, written and unwritten.
- Interviewing key personnel, regarding:
 - Current claims administration contract and practices.
 - Workflow.
 - Issues related to resolving claims.
- Reviewing a sample of 89 workers compensation claim files. The sample claims list is shown in Appendix A.
- Validating our findings in wrap-up discussions.

Our key findings are set forth in the Executive Summary. The details of our analysis are in the body of the report.

We wish to thank everyone contacted for their assistance. Respectfully submitted,

Bickmore

By _____
Name
Manager, Claims Consulting Solutions

Table of Contents

I. Executive Summary	1
II. Findings and Recommendations	7
A. Claims Reporting and Set Up	7
B. Initial Contacts	7
C. Investigation	8
D. Statutory Compliance	9
E. Subrogation (Critical Deadlines)	10
F. Claims Information System (CIS) Usage	11
G. Medical Management	12
H. Cost Containment	13
I. Litigation	14
J. Vocational Rehabilitation	16
K. Settlement Authorization	17
L. Reserves	17
M. Excess Insurance	18
N. Staff Supervision	19

Exhibits

I-1 Component Score Summary	5
I-2 Graphic Comparison of 2009 and 2005 Component Scoring	6

Appendices

A. Claims Audit List	
B. Component Score Summary	
C. Component Score Detail with Exception Claims	
D. Individual Claim Scores	
E. Recommended Reserve Changes	
F. UR Guidelines	

I. Executive Summary

The ABC Unified School District (the District) is self-insured for workers compensation and administered by XYZ Risk Management (XYZ) since October 1, XXXX. The purpose of this audit is to evaluate XYZ's administration of the program and determine whether claims are handled in accordance with industry best practices, state law and the District's requirements. To complete this project, we:

- Analyzed claims data.
- Reviewed the claims administration contract.
- Examined a sample of 89 claims by reviewing the paper claim files and information stored within XYZ's risk management information system provided by Valley Oak Systems (VOS)

The original sample included 100 claims; however, a fire at XYZ's Signal Hill, California server headquarters delayed the audit. The District agreed to limit the number of claims due to the auditor's inability to schedule a return visit to XYZ within the month.

- Reviewed and discussed with XYZ management their internal procedures applicable to the administration of the District's claims.
- Reviewed the organization and qualifications of staff dedicated to handling the District's claims.
- Evaluated XYZ's claims handling for the fourteen components listed in Exhibit I-1.

We conclude the following:

- XYZ's claims administration meets industry best practices, the District's requirements and XYZ's own requirements in all areas, with the exception of Vocational Rehabilitation. The shortfall in this component is related to timely filing of required administrative forms.
- XYZ demonstrates particular strength in its contact management by:
 - Thoroughly documenting efforts to contact the claimant, employer and medical treatment provider.
 - Persistently following up with parties until contact is accomplished.

- XYZ's staff that is assigned to administer the District's claims demonstrates knowledge of the Labor Code and required procedures.
- XYZ's internal procedures are well documented and promote consistency in claims handling.

We find that XYZ is effectively providing claims service to the District, and is meeting industry best practices, state law and the District's own guidelines with an overall audit result of 95%. This is a **Commendable** result and exceeds XYZ's performance in the previous claims audit.

To arrive at our conclusion, we graded each claim shown in Appendix A on the fourteen claim components shown in Exhibit I-1, "Component Score Summary." Results are shown graphically in Exhibit I-2. For each component category, we determine whether the administrator complies with what we consider claims handling best practices. These subcomponents are listed in Appendix C, "Component Score Detail with Exception Claims." We then develop a compliance ratio and express it as a percentage.

We evaluate performance using the scale reflected in Table I-1.

Table I-1
Performance Evaluation

Performance	Average Grade	Percentile
Superior	3.81 to 4.00	Above 95%
Commendable	3.56 to 3.80	89% to 95%
Acceptable	3.38 to 3.68	85% to 88%
Needs Improvement	Below 3.38	Below 85%

Component opportunities for improvement are identified where the overall percentile is below the commendable level identified in Table I-1. Our Recommendations Summary is provided in Table I-2.

Table I-2
Performance Enhancement Recommendations

Component Opportunities for Improvement	Performance Enhancement Recommendations
Subrogation (Critical Deadlines)	<p>We recommend XYZ:</p> <ul style="list-style-type: none"> • Develop a form letter to update the lien amount to the responsible party or insurance carrier at 45-60 day intervals, • Work with defense counsel to: <ul style="list-style-type: none"> — Evaluate recovery potential. — Develop a recovery strategy suitable for the claim. — Estimate costs associated with the strategy. • Facilitate a cost-benefit analysis with the District.
Vocational Rehabilitation	<p>We recommend XYZ:</p> <ul style="list-style-type: none"> • Obtain District approval to provide injured workers with a notice of offer to return to modified or regular duty, immediately upon return to modified duty to allow the District to reduce permanent disability benefits by 15%. • Provide the injured worker with notice of potential supplemental job disability benefit no later than ten days after payment of the final temporary disability benefit payment.

Detailed findings and recommendations are provided in Chapter II, and a Claims Audit List is provided in Appendix A.

Detailed results are provided in Appendices B through E.

Appendix B provides an overall summary of performance, including the number of claims reviewed for each component and the overall score compared to the target for Acceptable performance. It includes a financial summary of outstanding reserves and our recommendations for revisions.

Appendix C provides detail for each component and includes the factors we evaluate in determining whether the results meet claims best practices. Each claim scoring below 100% for each component is listed.

Appendix D provides results by claim and includes the scoring for each component and comments related to claim handling. This was provided to XYZ during the course of the audit for rebuttal.

Appendix E lists each claim where our reserve recommendation differed from the file reserve, and includes the rationale for our recommendation. We recommend nine reserve increases and eight decreases for a net increase of \$376,222.

We recommend our report be read in its entirety.

Exhibit I-1
Component Score Summary

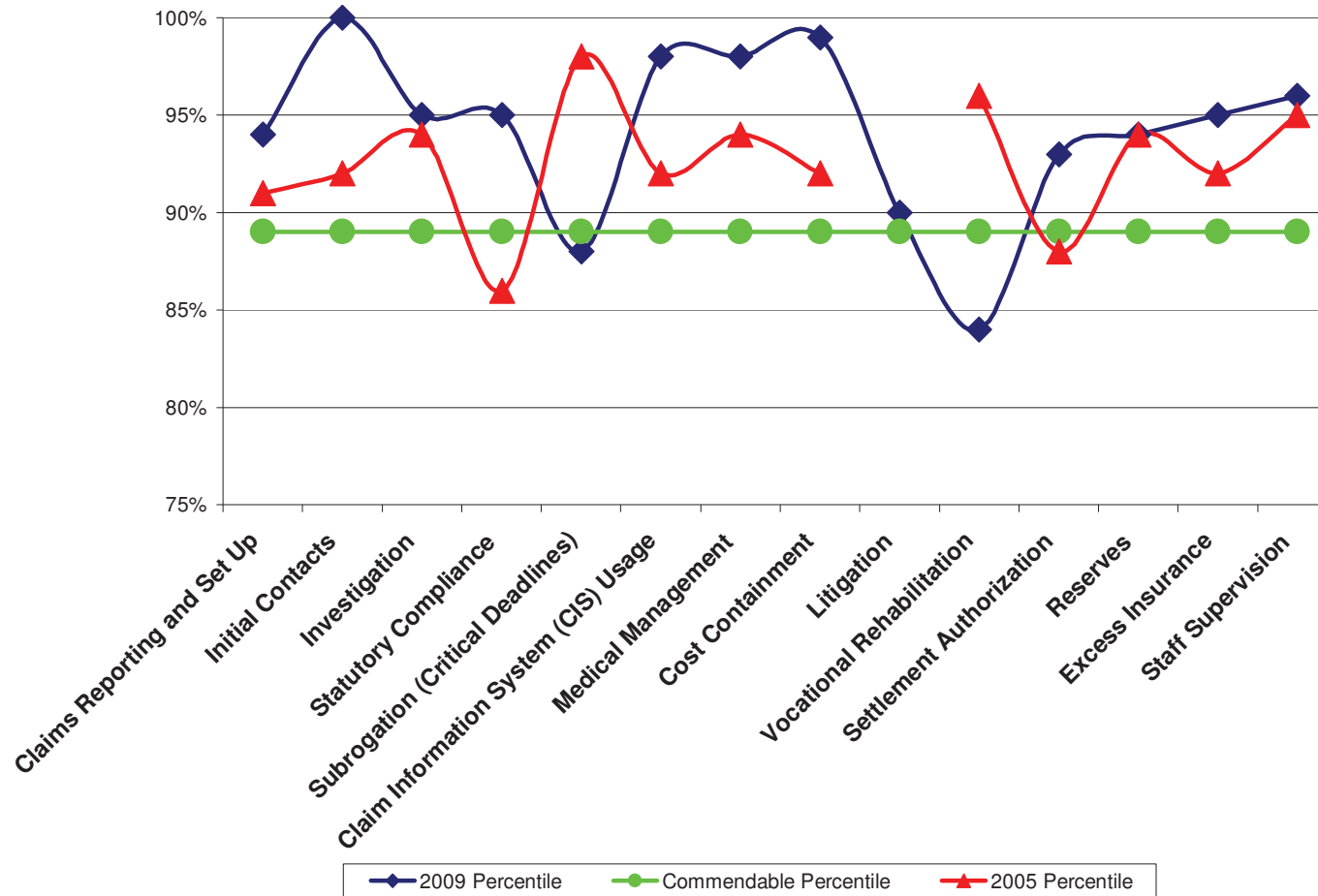
Claims Administration Components	Current Sample			Past Sample ¹		
	Actual Percentile	Acceptable Percentile	Claims Graded	Actual Percentile	Acceptable Percentile	Claims Graded
1. Claims Reporting and Set Up ²	94%	85%	47	91%	85%	28
2. Initial Contacts	100%	85%	45	92%	85%	27
3. Investigation	95%	85%	74	94%	85%	28
4. Statutory Compliance	95%	85%	86	86%	85%	26
5. Subrogation (Critical Deadlines)	88%	85%	4	98%	85%	11
6. Claims Information System (CIS) Usage	98%	85%	86	92%	85%	27
7. Medical Management	98%	85%	79	94%	85%	26
8. Cost Containment	99%	85%	79	92%	85%	21
9. Litigation ³	90%	85%	44		85%	
10. Vocational Rehabilitation	84%	85%	43	96%	85%	12
11. Settlement Authorization	93%	85%	60	88%	85%	4
12. Reserves	94%	85%	88	94%	85%	27
13. Excess Insurance	95%	85%	11	92%	85%	3
14. Staff Supervision	96%	85%	89	95%	85%	26
Overall Performance	95%	85%	89	92%	85%	28

¹ The past audit separates the sample of claims administered by XYZ from the entire 100 claim sample. This exhibit compares the past XYZ-administered claims to the current claims sample.

² Claims reporting and set up graded as separate categories in past sample are combined for this comparison.

³ The Litigation component from the past audit continues to be redacted.

Exhibit I-2
Graphic Comparison of Current Year and Past Year Component Scoring



II. Findings and Recommendations

This chapter summarizes our findings, outlines program strengths and weaknesses and identifies key areas for improvement. Claims are reviewed against XYZ's compliance with the claims administration contract dated October 1, XXXX and industry claims best practices. Industry best practices are not formally defined. We describe our understanding of such practices in the narrative below.

A. Claims Reporting and Set Up

Best practices and state law require the District to report claims within five days of its knowledge.

Individual sites report claims to the District where basic information is input into XYZ's VOS claim system and e-mailed to XYZ.

Once reported, best practices require the administrator to review, reserve, and assign to an adjuster within two working days of receipt.

Our evaluation of this component focused on claims reported during the last three years. Within that sample, we found:

- Sites report 91% of all claims timely. Timely reporting significantly improved from the 2005 results, where the overall sample was 50% timely and increased to 58% in the first year of XYZ's administration.
- XYZ staff review, add supplemental information, reserve and assign 96% of the claims within two working days.

These results demonstrate substantial progress over the past three years. Since many industry studies correlate higher claim costs with late-reported claims, reducing reporting and processing time can favorably impact the District's claim costs.

B. Initial Contacts

Best practices require the administrator complete three-point contact by:

- Contacting the risk management representative at the site within 24 hours of claim receipt to determine whether there are any issues of compensability that require investigation.

- Contacting the injured worker within 24 hours to explain benefits, verify accident facts, and identify any pre-existing conditions.
- Contacting the medical provider to verify the mechanics and extent of the injury and any lost time.

We find XYZ:

- Makes timely contact with the District site representative 100% of the time and identifies issues requiring further investigation.
- Consistently contacts injured workers within 24 hours, maintaining regular contact throughout the claim.
- Contacts treating physicians timely, verifies lost time and develops information needed to coordinate return-to-work. Adjusters maintain an excellent relationship with the District's preferred treating facilities, communicating frequently by telephone and e-mail.

C. Investigation

Industry best practices require:

- Timely initiation of investigations to verify facts where initial contacts suggest questionable compensability.
- Compensability decisions be supported by evidence developed.
- Investigation of the nature and extent of injury where the worker's disability is out of proportion with the injury.
- Investigation of apportionment by obtaining medical records and using Insurance Services Office (ISO) ClaimSearch[®] indexing to develop non-industrial accidents.
- Providing medical records supporting apportionment to the Qualified Medical Examiner (QME) or Agreed Medical Examiner (AME) for opinion.

We find XYZ adjusters:

- Identify questionable claims and promptly develop additional facts.
- Make compensability decisions timely, documenting VOS claim notes with the rationale for decisions.
- Use the ISO ClaimSearch[®] index system effectively.

- Promptly request injured workers provide authorizations for prior medical records that may affect future permanency.
- Obtain medical records, if necessary.
- Provide records to examining physicians in most cases.

D. Statutory Compliance

Best practices require compliance with Division of Workers Compensation (DWC) regulations for determining and communicating claims decisions. These include:

- Timely delay, denial and compensability decisions.
- Maintaining file contents in compliance with LC 5400-5413 and CCR 10101 and 10101.1.
- Timely provision of DWC notices regarding claim decisions and payments.
- Timely payment of self-imposed penalties where required.
- Payment of medical bills within 60 days.

We find XYZ adjusters:

- Consistently make compensability decisions within 14 days of employer knowledge.
- Document claim notes with significant adjuster activities.
- Maintain documents required by the DWC.
- Maintain well-organized claim files in chronological order.
- Consistently make timely payment for initial indemnity benefits, injured worker reimbursements, and medical bill payments.
- Issued late subsequent temporary disability payments or initial permanent disability payments in 20% of the claims sampled.
- Issued self-imposed penalties for late payments where required, occasionally requiring supervisory intervention. All penalties were coded properly.

E. Subrogation (Critical Deadlines)

Best practices require:

- Identifying responsible third parties during the investigation.
- Placing responsible third parties on notice of the employer's subrogation rights.
- Evaluating the third party's capacity for financial reimbursement of workers compensation benefits.
- Planning pursuit of recovery to maximize the employer's net recovery.
- Negotiating third-party compromise and release settlement agreements when possible.
- Depositing recoveries received to the employer's workers compensation fund and recording the credit to the claims record.
- Obtaining credit against future benefits for the injured worker's net recovery from third party and posting the file to ensure credit is accurately taken.

We find XYZ adjusters:

- Consistently identify claims with subrogation potential and notify the responsible party within ten days of knowledge.
- Can improve the frequency of contacting and updating responsible parties, providing current lien amounts.
- Have an opportunity to provide the District with a thorough evaluation of recovery potential and anticipated costs to facilitate a cost-benefit analysis, prior to committing resources.

We recommend XYZ:

- *Develop a subrogation letter to provide the current lien amount to the responsible party or insurance carrier at 45-60 intervals.*
- *Work with subrogation counsel to:*
 - *Evaluate recovery potential.*
 - *Develop a recovery strategy suitable for the claim.*

- *Provide the District with an estimate of costs associated with the strategy.*
- *Facilitate a cost-potential recovery analysis with the District.*

F. Claims Information System (CIS) Usage

Best practices require the electronic claims file to mirror the physical file, and be updated frequently to allow District management to track claim activity and create loss experience reports. This requires the administrator to:

- Code payments correctly to salary continuation, lost time, medical or expense.
- Update claim data fields as new information is received.
- Update electronic notes at frequent intervals with new information.

XYZ uses the VOS internet based software to record and maintain claims data. This system allows for:

- Allocating payments to user-defined medical, indemnity and expense codes.
- Establishing a real-time reserve by medical, indemnity or expense component and documenting the rationale.
- Recording daily adjuster activities within claim notes.
- Real-time access by the District to view updated status.

We find XYZ adjusters:

- With few exceptions, code payments correctly. Exceptions noted generally involved errors within the medical coding category, such as coding prescriptions to medical treatment.
- Update claim notes frequently as they obtain new information.
- Update claim information data fields as required.

G. Medical Management

Best practices require the administrator to:

- Communicate with the primary treatment provider to obtain current diagnosis, treatment plan and work capacity at a minimum of:
 - 14-day intervals for injured employees expected to have short-term disability duration.
 - 45-day intervals for injured employees expected to have long-term disability duration.
- Assign a telephonic nurse case manager (TNCM) or field NCM (FNCM) within ten days of knowledge that an injury will involve long-term disability to evaluate the treatment plan and promote:
 - Development of an action plan for the injured employee to gain work capacity.
 - Interactive communication about:
 - o Expected targets for maximum medical improvement (MMI) and ultimate work capacity.
 - o District capacity to accommodate work capacity before and after MMI status is reached.
 - o Rehabilitation goals to enhance future employment opportunities with member or another employer.
- Object to inappropriate treatment plans and disability recommendations and obtain a Panel QME examination or AME examination as permitted by regulations.

We find XYZ adjusters:

- Contact the treating physician within 24 to 48 hours to determine the nature of the injury and the extent of anticipated disability.
- Communicate by e-mail and telephone with the treating physicians at those clinics authorized to render initial treatment to District employees.

- Notify the injured worker's pre-designated physician of DWC regulations relating to physician reporting and treatment plans.
- Assign field or telephonic nurse case management with District approval where there are serious injuries or pre-existing co-morbidities that can impede recovery.
- Follow guidelines outlined in California Labor Code §4060 *et seq.* to initiate the QME or AME process for medical disputes.

Communication with treating physicians at the two District-approved medical facilities is excellent. Physicians contact adjusters to advise them of factors impacting the healing process. This allows the adjuster to promptly notify the site of anticipated work restrictions and assign a NCM to work with the injured employee, if necessary.

A QME is often used when treatment extends beyond what disability guidelines anticipate or when permanent disability assigned appears excessive. Litigated claims are often resolved by AME. The decision on whether, when and whom to use as an AME is best resolved with thorough discussion between attorney and adjuster. However, prior defense counsel made most of these decisions unilaterally.

H. Cost Containment

Best practices require reviewing medical bills for compliance with:

- The Official Medical Fee Schedule (OMFS).
- Preferred Provider Organization (PPO) contract provisions.

Additionally, best practices and the California Labor Code require the administrator to:

- Refer treatment requests to utilization review (UR) to determine compliance with accepted treatment protocols, such as the American College of Occupational and Environmental Medicine (ACOEM).
- Comply with the California Labor Code and the Administrative Director's Guidelines 9792.9 regarding timeframe, procedures and notice to injured workers.

We find XYZ:

- Reviews medical bills timely, making appropriate reductions to the OMFS and applies any PPO savings according to contract.
- Pays medical bills timely. While the Labor Code allows payment within 60 days, we note XYZ pays most bills within 30 days. We noted one late payment exception.

- Charges for administering the medical bill process are reasonable and within the range of what we observe during the course of our claim audits. Review to OMFS is based on per-line charges (with a maximum number of lines per bill). PPO savings are charged at 25% of savings over the OMFS.
- Charges 12% of savings for in-patient hospital bill reductions. These bills can involve significant reductions; however, the contract does not provide a per bill maximum charge. Since October XXXX, bill review costs average 11% of savings.
- Works successfully with the District to ensure injured workers obtain initial treatment at two approved medical facilities, thereby exercising effective initial medical control.
- Effectively administers the UR process by:
 - Providing guidelines for adjusters to make decisions on common treatment requests, without the necessity of incurring a UR cost for the District.
 - Adhering to timeline and notice requirements when treatment requests are referred for UR certification.

XYZ's cost per bill is reasonable, averaging \$2,578 from October XXXX through XXXX. The cost from October XXXX through April XXXX is \$6,172 per bill.

While we find medical management services to be cost-effective, we recommend the District and XYZ consider including a cap on in-hospital billings to reduce fees for individual bill charges.

I. Litigation

Best practices require the administrator to avoid unnecessary litigation by:

- Investigating claims promptly.
- Evaluating claims reasonably and making early resolution decisions.
- Treating claimants fairly.

Where litigation does occur, to minimize costs, the administrator:

- Handles less complex litigation without the need to assign counsel.
- Controls the use of outside defense counsel.
- Ensures cases contain the attorney's documented resolution strategy.

- Assigns claims in writing to specific attorneys rather than to firms.

Until recently, litigated claims were assigned to the ABC City Attorney's office. While most claims ultimately reached a satisfactory conclusion, handling was characterized by:

- Gaps in communication, including lack of reporting claim and negotiation status.
- Minimal consultation with claims examiners to develop a resolution strategy, resulting in:
 - Discovery delays.
 - Agreements with applicants to resolve case by AME without involving the examiner.
 - Settlements leaving unresolved issues.

Within the last six months, with District approval, XYZ reassigned most litigation to several defense firms. We believe this strategy will provide the District with the opportunity to exercise more effective control over the discovery and settlement process. However, this strategy may involve a short-term increase in legal expense as new counsel assimilates existing claims.

While we find litigation management commendable, we recommend XYZ aggressively manage litigation by:

- Requiring outside counsel to provide case budgets and resolution strategies.
- Developing monthly litigation expense averages from annual litigation expenses for the past two years and comparing it with current monthly ongoing expense. This allows the District to anticipate future costs and compare with the prior City Attorney costs

J. Vocational Rehabilitation

Best practices require the administrator to comply with rehabilitation regulations for:

- Providing injured workers with statutory-required notices and initiating benefits for injury dates prior to XX/XX/XXXX.

- Notifying the injured worker of eligibility for job displacement benefits for injuries XX/XX/XXXX and thereafter, which involve:
 - Temporary disability beyond 60 days; and
 - Permanent disability.
- Resolving non-eligibility for benefits by providing the injured worker with a written denial upon receipt of qualifying information.
- Providing the injured worker with a regular duty or modified duty offer within 30 days of final temporary disability payment or within 60 days of reaching MMI pursuant to LC §4658. This allows the District to reduce remaining permanent disability payments by 15%.

We find:

- Rehabilitation issues on pre-XXXX claims have been resolved, although we noted one claim where benefits were not formally denied.
- Injured workers are not consistently provided with a notice of offer of return to regular or modified duty within 30 days of the final temporary disability payment. Notice is usually provided following MMI determination.
- Adjusters inconsistently provide injured workers with notification of potential supplemental job disability benefits.

The District allows injured workers to perform modified duties for 90 days. Most workers either return to full duty or permanently modified jobs. The District would benefit by making the return to work offer as soon as possible.

We recommend XYZ:

- *Obtain District approval to provide injured workers with a notice of offer to return to modified or regular duty, immediately upon return to modified duty. This allows the District to reduce permanent disability benefits by 15%. Should the District be unable to accommodate restrictions for one year, the rate would be increased at that time.*
- *Provide the injured worker with notice of potential supplemental job disability benefit no later than ten days after payment of the final temporary disability benefit payment. This notice may be sent while the injured worker is receiving temporary disability benefits.*

K. Settlement Authorization

Best practices require:

- Obtaining a disability rating by self-rating, or requesting a private rating or Disability Evaluation Unit (DEU) rating within ten days of receipt of documentation reflecting the injured worker's MMI status.
- Making a recommendation to the District to accept or object to the rating.
- Recommending negotiation strategy to resolve disputes prior to scheduled hearings before the Workers Compensation Appeals Board (WCAB).
- Obtaining settlement authority prior to committing to settlement negotiations.

We find XYZ:

- Generally acts promptly to initiate the resolution process, although we noted occasional delays in obtaining a rating.
- Consistently reviews future medical claims, evaluating the potential for a compromise and release settlement, where it would be financially beneficial to the District.
- With few exceptions, documents settlement authority. Those exceptions noted involved litigated claims handled by the City Attorney, where counsel obtained authority directly from the District.

L. Reserves

Best practices require:

- Setting initial reserves within 14 days of claim receipt.
- Reevaluating reserves a minimum of semi-annually for accuracy based upon treatment plan, disability status, eligibility for rehabilitation or job displacement benefits and likelihood of continued treatment post permanent and stationary status.
- Maintaining reserves at "Most Probable Ultimate Outcome" to avoid reserve stair stepping, reserving liability separately for indemnity, medical and expense.

We find XYZ:

- Sets reserves promptly, usually within 24 hours of receipt of the claim. There were no exceptions to timeliness of initial reserves.
- Reviews reserve accuracy frequently, documenting rationale in claim notes or on a reserve analysis form.
- Balances claims at least semi-annually to ensure benefits owed are paid.
- Maintains reserves representing the most probable ultimate outcome. However, we noted exceptions where:
 - Future medical exposure required update for current medical costs and duration.
 - Legal expense reserve required update to reflect outside counsel's strategy.

In Appendix E, we recommend a net increase of \$376,622, 7% of the outstanding reserves in the sample. Reserve change within 10% has little effect on actuarial estimates.

M. Excess Insurance

Best practices require:

- Compliance with the District's notification and reporting requirements.
- Depositing recoveries to the member's workers compensation fund and recording the recovery in the claims record.

Failure to comply with excess reporting requirements can jeopardize the availability of excess coverage to the member.

We find:

- 90% of qualifying claims were reported timely to the excess carrier. The one claim reported late involved a XXXX date of injury.
- Once reported, XYZ provides updates the excess carrier timely. No exceptions were noted.
- Reimbursements are timely.

N. Staff Supervision

Best practices require:

- Staffing qualified examiners to administer pending indemnity claims at a ratio not exceeding 175 active indemnity claims to one examiner. The District contract specifies a maximum of 150 indemnity claims per examiner.
- Staffing claim support staff to administer medical only claims and provide assistance to examiners.
- Supervise claims staff to ensure best practices are met on the employer's behalf.
- Providing training to maintain and improve administration skills of staff members.

The contract requires XYZ to provide a dedicated:

- Manager
- Supervisor
- 5 adjusters
- 2 claim assistants
- Adequate clerical support

The Manager, while not exclusively dedicated to the District, continues to be very involved in the program by:

- Providing general oversight.
- Reviewing and approving all compensability denials.
- Reviewing and approving all reserve increases where the total incurred exceeds \$100,000.

A dedicated supervisor, 5 adjusters and 2 claim assistants are provided. The claim assistants handle medical only claims and provide clerical support.

The Supervisor and all adjusters have a minimum of ten years' experience and current adjuster caseloads are within the 150 indemnity claims mandated by contract. In addition to indemnity claims, all examiners handle future medical claims. When measuring total caseload, we evaluate two future medical claims to count as one indemnity claim. Using this formula, adjuster caseloads range from 114 to 141. Individual adjuster caseloads at the time of the audit are shown in Table II-1.

Table II-1
Adjuster Caseloads

Adjuster	Indemnity Claims	Future Medical Claims	Weighted Caseload
DH	119	38	138
DM	98	32	114
JS	119	33	136
LC	126	29	141
SR	106	44	128

All claims handling staff is certified by California Division of Industrial Relations, Self-Insurance Plans.

XYZ's procedures require supervisory review within 30 and 90 days. Beyond those timeframes, review is required for reserve or settlement approval, or if the incurred loss exceeds \$100,000. Exceptions are also made for claims with complex issues. The supervisor must review all denials. This supervision is sufficient, given the staff experience level. More frequent supervisory intervention would be required if less experienced staff handled the claims.

Appendix A

Claims Audit List (Redacted for Sample Report)

Claims Audit List

	Claimant	Claim Number	Claim Date	Status	Incurred
1.	Claimant 1	06162110*	XX/XX/XXXX	Minor PD	64,746.48
2.	Claimant 2	04124137	XX/XX/XXXX	Future Medical II	202,618.60
3.	Claimant 3	08215882	XX/XX/XXXX	TD	38,882.30
4.	Claimant 4	06170724	XX/XX/XXXX	Minor PD	112,508.32
5.	Claimant 5	05141320	XX/XX/XXXX	Future Medical III	29,526.97
6.	Claimant 6	05126182	XX/XX/XXXX	Future Medical II	30,054.76
7.	Claimant 7	032709	XX/XX/XXXX	Major PD	273,340.50
8.	Claimant 8	06168720	XX/XX/XXXX	Minor PD	17,590.00
9.	Claimant 9	07197350	XX/XX/XXXX	Minor PD	51,694.00
10.	Claimant 10	09246036	XX/XX/XXXX	Minor PD	25,922.00
11.	Claimant 11	07183686	XX/XX/XXXX	Death	41,000.00
12.	Claimant 12	06166592	XX/XX/XXXX	Future Medical III	51,960.50
13.	Claimant 13	08231618	XX/XX/XXXX	Minor PD	23,940.50
14.	Claimant 14	07183937	XX/XX/XXXX	Future Medical II	40,584.36
15.	Claimant 15	98-0612	XX/XX/XXXX	Future Medical III	640,097.00
16.	Claimant 16	043697*	XX/XX/XXXX	Major PD	2,101,358.45
17.	Claimant 17	06176300	XX/XX/XXXX	Future Medical III	34,420.32
18.	Claimant 18	08219104*	XX/XX/XXXX	TD	6,024.88
19.	Claimant 19	07181346	XX/XX/XXXX	Minor PD	33,270.80
20.	Claimant 20	07199779	XX/XX/XXXX	Minor PD	43,281.00
21.	Claimant 21	05126088	XX/XX/XXXX	Future Medical I	660,576.60
22.	Claimant 22	09245504	XX/XX/XXXX	Minor PD	18,530.18
23.	Claimant 23	07202633	XX/XX/XXXX	TD	58,129.80
24.	Claimant 24	09241206	XX/XX/XXXX	Death	8,500.00
25.	Claimant 24	045502	XX/XX/XXXX	Future Medical I	72,390.02

* Closed Claims

Appendix B

Component Score Summary

Workers Compensation Claims Audit

Scoring by Components with Financials

Claims Reviewed: **18**
Incurred: **\$2,354,892**
Paid: **\$1,523,982**

Actual Reserve: **\$830,910**
Recommended Reserve: **\$935,352**
Net Reserve Change: **\$104,442**

Red indicates the score for that component did not meet or exceed target.

Components	Claims	Number of Responses			Weighted		Score	Target
	# Graded	Yes	No	n/a	Actual	Possible	Pct	Pct
01 Caseloads	18	36	0	0	36	36	100%	100%
02 Claim Documentation/Supervision	18	76	3	29	76	79	96%	95%
03 Compensability	11	14	2	38	14	16	88%	100%
04 Initial three point contact	11	52	6	50	52	58	90%	95%
05 Payments	15	69	5	124	69	74	93%	100%
06 Medical Administration	16	77	2	65	77	79	97%	95%
07 Apportionment	13	19	1	16	19	20	95%	95%
08 Litigation	14	61	2	27	61	63	97%	95%
09 Subrogation	3	6	1	83	6	7	86%	95%
10 Vocational Rehabilitation/SJDB	16	32	0	148	32	32	100%	95%
11 Excess Insurance	8	15	1	92	15	16	94%	100%
12 Reserves	18	79	2	99	79	81	98%	95%
13 Resolution	14	32	5	17	32	37	86%	95%
14 Staff Supervision	18	36	0	0	36	36	100%	95%
Overall		604	30	788	604	634	95%	95%

Appendix C

Component Score Detail with Exception Claims

Workers Compensation Claims Audit

Component, Subcomponent and Criteria Scores with Exceptions

Components and Subcomponent		Number of Responses			Weighted		Score
01 Caseloads							
1 Examiner caseload		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
01.01	Examiner caseload 150 to 175?	18	0	0	18	18	100%
Subcomponent Total		18	0	0	18	18	100%
2 Supervisor caseload		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
01.02	Supervisory personnel handling specific issues rather than caseload?	18	0	0	18	18	100%
Subcomponent Total		18	0	0	18	18	100%
01 Caseloads (100% target)		36	0	0	36	36	100%
		Exceptions (Scored below 100%)					
02 Claim Documentation/Supervision							
1 Action plan in file		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
02.01	File maintained in neat and organized manner with diary calendar scheduled to update action plan at least every 45 days?	18	0	0	18	18	100%
Subcomponent Total		18	0	0	18	18	100%
2 Plan of action appropriate		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
02.02	File contents are maintained in neat organized manner and comply with LC and CCR, Sections (§) 5400-5413 and 10101-10101.1?	18	0	0	18	18	100%
02.03	Is incoming correspondence date stamped?	18	0	0	18	18	100%
02.04	Is a response to written inquiry completed within 5 days?	2	1	15	2	3	67%
02.05	Are responses to telephone inquiries within 24 hours?	4	0	14	4	4	100%
Subcomponent Total		42	1	29	42	43	98%
3 Proactive plan of action		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
02.06	Does documentation updates every 45 days (90 days for future medical claims) to reflect significant developments and proactive case follow up?	16	2	0	16	18	89%
Subcomponent Total		16	2	0	16	18	89%

Workers Compensation Claims Audit

Component, Subcomponent and Criteria Scores with Exceptions

		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
02 Claim Documentation/Supervision (95% target)		76	3	29	76	79	96%
		Exceptions (Scored below 100%)					
		26					
				1	BP-0001-2006-00045		
				2	BP-0001-2006-00060		
				3	BP-0001-2005-00052		
03 Compensability							
1 AOE/COE delayed timely and appropriately		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
03.01	Initial compensability decision made within 14 days (7 days if not reported within 14 days) of employer knowledge and documented in file?	8	0	10	8	8	100%
Subcomponent Total		8	0	10	8	8	100%
2 Investigation timely and appropriate		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
03.02	Delay of benefits letters in compliance with Department Industrial Relations guidelines?	3	1	14	3	4	75%
Subcomponent Total		3	1	14	3	4	75%
3 Support for Delay/Acceptance/Denial is appropriate		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
03.03	Compensability decision post delay is made within 90 days of employer knowledge?	3	1	14	3	4	75%
Subcomponent Total		3	1	14	3	4	75%
		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
03 Compensability (100% target)		14	2	38	14	16	88%
		Exceptions (Scored below 100%)					
		26					
				1	BP-0001-2005-00047		
04 Initial three point contact							
1 Initial three point contact timeliness		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
04.01	Initial contact with employer is timely?	10	1	7	10	11	91%
04.02	Initial contact with PTP is timely?	11	0	7	11	11	100%
04.03	Initial contact with claimant is timely?	4	3	11	4	7	57%
Subcomponent Total		25	4	25	25	29	86%
2 Initial three point contacts effectiveness		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
04.04	Initial contact with employer is appropriate?	10	1	7	10	11	91%
04.05	Initial contact with PTP is appropriate?	11	0	7	11	11	100%
04.06	Initial contact with claimant is appropriate?	6	1	11	6	7	86%
Subcomponent Total		27	2	25	27	29	93%

Workers Compensation Claims Audit

Component, Subcomponent and Criteria Scores with Exceptions

		Yes	No	N/A	Actual	Possible	Pct
04 Initial three point contact (95% target)		52	6	50	52	58	90%
		Exceptions (Scored below 100%)					
		26					
		1 BP-0001-2006-00049					
		2 BP-0001-2006-00060					
		3 BP-0001-2006-00041					
05 Payments							
1 Payments timeliness		Yes	No	N/A	Actual	Possible	Pct
05.01	Initial indemnity payment issued and mailed within 14 days (7 days if not notified within 14 days) of first day of disability?	1	0	17	1	1	100%
05.02	Is there compliance with LC §4650 for subsequent indemnity payments?	12	2	4	12	14	86%
05.03	If final payment has been made, is it in compliance with LC §4650 for timeliness and accuracy of DWC benefit notice?	8	1	9	8	9	89%
05.04	Are reimbursements to injured worker made within 15-days of properly documented request?	8	0	10	8	8	100%
05.05	Are travel expenses advanced to employee 10-days prior to anticipated date of travel?	8	0	10	8	8	100%
05.06	Are medical bills paid within 60-days of receipt as required by LC §4603.2?	12	0	6	12	12	100%
Subcomponent Total		49	3	56	49	52	94%
2 Payment of indemnity appropriateness		Yes	No	N/A	Actual	Possible	Pct
05.07	Was DWC Benefit Notice related to initial indemnity payment mailed to the employee within 14 days (7 days if not notified within 14 days)?	3	1	14	3	4	75%
05.08	Was self-imposed penalty under LC §4650 and Section XV of these guidelines paid on any late indemnity or medical payments?	2	0	16	2	2	100%
05.09	Was self-imposed penalty under LC §4650 and Section XV of these guidelines paid on any late award payments?	0	0	18	0	0	N/A
05.10	Are any settlements or undisputed findings and awards paid within 10 days of receipt?	6	1	11	6	7	86%
05.11	Is medical provider notified within 30-days of receipt of an itemized bill if it is contested, denied or incomplete in accordance with LC §4603.2?	9	0	9	9	9	100%
Subcomponent Total		20	2	68	20	22	91%

Workers Compensation Claims Audit

Component, Subcomponent and Criteria Scores with Exceptions

		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
	05 Payments (100% target)	69	5	124	69	74	93%
		Exceptions (Scored below 100%)					
		26					
				1	BP-0001-2006-00049		
				2	BP-0001-2006-00060		
				3	BP-0001-2006-00055*		
				4	BP-0001-2005-00052		
				5	BP-0001-2005-00042		
06 Medical Administration							
1 Appropriateness of UR usage		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
06.01	Is UR utilized appropriately?	14	0	4	14	14	100%
Subcomponent Total		14	0	4	14	14	100%
2 Managed Appropriately		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
06.02	Is ongoing PTP communication timely and appropriate?	12	1	5	12	13	92%
06.03	Are PQME, DQME, AQME, AME consultations used appropriately?	15	1	2	15	16	94%
Subcomponent Total		27	2	7	27	29	93%
3 NCM usage appropriateness		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
06.04	Are Essential Function Job Analysis used effectively to coordinate return to work, determine eligibility for rehabilitation or job displacement benefits and assess whether an ADA accommodation is feasible?	2	0	16	2	2	100%
06.05	Is a TNCM used timely and appropriately?	0	0	18	0	0	N/A
06.06	Is a FNCM used timely and appropriately?	3	0	15	3	3	100%
Subcomponent Total		5	0	49	5	5	100%
4 Usage bill reivew appropriateness		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
06.07	Is bill review used effectively?	15	0	3	15	15	100%
Subcomponent Total		15	0	3	15	15	100%
5 Usage PPO or MPN appropriateness		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
06.08	Is PPO and/or MPN participation available and used whenever possible?	16	0	2	16	16	100%
Subcomponent Total		16	0	2	16	16	100%
		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
06 Medical Administration (95% target)		77	2	65	77	79	97%
Exceptions (Scored below 100%)							
26							
</							

07 Apportionment

Workers Compensation Claims Audit

Component, Subcomponent and Criteria Scores with Exceptions

1 Apportionment recognition appropriateness		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
07.01	Are apportionment factors investigated timely?	11	1	6	11	12	92%
Subcomponent Total		11	1	6	11	12	92%
2 Pursuit of apportionment appropriateness		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
07.02	Are records supporting apportionment obtained and presented to PTP or QME for pursuit of apportionment opinion?	8	0	10	8	8	100%
Subcomponent Total		8	0	10	8	8	100%
07 Apportionment (95% target)		19	1	16	19	20	95%
Exceptions		(Scored below 100%)					
		26					
		1 BP-0001-2006-00041					
08 Litigation		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
1 Litigation referral timeliness		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
08.01	Are issues identified promptly as material to potential litigation and investigated promptly?	11	1	6	11	12	92%
Subcomponent Total		11	1	6	11	12	92%
2 Management of litigation appropriateness		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
08.02	Are litigation issues promptly assigned to member's approved defense counsel in compliance with Government Code 25203?	14	0	4	14	14	100%
08.03	Are settlement proposals directed to the member and include a reasoned recommendation?	11	0	7	11	11	100%
08.04	Does the administrator and defense counsel keep qualified member personnel involved in developing material evidence and coordinating witness testimony to obtain the most favorable result possible?	12	1	5	12	13	92%
08.05	Does the administrator comply with any litigation reporting requirement of the member?	13	0	5	13	13	100%
Subcomponent Total		50	1	21	50	51	98%
08 Litigation (95% target)		61	2	27	61	63	97%
Exceptions		(Scored below 100%)					
		26					
		1 BP-0001-2006-00060					
		2 BP-0001-2005-00047					
09 Subrogation		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
1 Subrogation recognition		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>

Workers Compensation Claims Audit

Component, Subcomponent and Criteria Scores with Exceptions

09.01	Was responsible third party contacted within 10 days of knowledge?	2	0	16	2	2	100%
Subcomponent Total		2	0	16	2	2	100%
2 Subrogation recovery pursuit appropriateness		Yes	No	N/A	Actual	Possible	Pct
09.02	Are the third party and their carrier periodically contacted to provide notice of the amount of estimated recovery to which the member will be entitled?	2	0	16	2	2	100%
09.03	Is the file being monitored to assess the need for filing a complaint to preserve recovery rights beyond the statute of limitations?	2	0	16	2	2	100%
09.04	If the injured worker brings a civil action against the responsible third party, is there discussion with the member to request authorization to file a lien or Complaint in Intervention?	0	1	17	0	1	0%
09.05	Did the administrator aggressively pursue recovery, assert a credit against the injured worker's future benefits for net recovery and/or document recovery receipt, deposit to member account and claim record update?	0	0	18	0	0	N/A
Subcomponent Total		4	1	67	4	5	80%
09 Subrogation (95% target)		Yes	No	N/A	Actual	Possible	Pct
		6	1	83	6	7	86%
		Exceptions (Scored below 100%)					
		26					
		1 BP-0001-2006-00060					
10 Vocational Rehabilitation/SJDB							
1 Vocational Rehabilitation/SJDB eligibility		Yes	No	N/A	Actual	Possible	Pct
10.01	Is QIW potential recognized for dates of injury before 1/1/2004, with 'Help in Returning to Work' assistance timely offered?	0	0	18	0	0	N/A
10.02	Is potential QIW status recognized for dates of injury in and after 2004, with notice of potential SJDB and 'Help in Returning to Work' pursuant to LC §6200-6208 and CCR §10133.53 provided?	16	0	2	16	16	100%
Subcomponent Total		16	0	20	16	16	100%
2 Vocational Rehabilitation/SJDB management		Yes	No	N/A	Actual	Possible	Pct
10.03	For injuries before 2004, was denial of VR benefits sent to potential QIW immediately upon receipt of disqualifying documentation?	0	0	18	0	0	N/A
10.04	For injuries in and after 2004, has potential QIW been provided with regular duty offer or modified alternate duty offer within 30 days of final TD payment, in compliance with LC §4658.5/4658.6 and/or within 60 days of P&S per LC §4658 (d) (3) (a) to disqualify IW for voucher and 15% PD rate increase?	5	0	13	5	5	100%

Workers Compensation Claims Audit

Component, Subcomponent and Criteria Scores with Exceptions

10.05	For injuries before 2004, were assignment to QRR and benefit initiation completed or delayed timely in accordance with LC §139.5?	0	0	18	0	0	N/A
10.06	For injuries before 2004, were active steps taken to ensure timely and appropriate rehabilitation plan development?	0	0	18	0	0	N/A
10.07	For injuries in and after 2004, was SJDB voucher notification sent timely?	2	0	16	2	2	100%
10.08	For injuries in and after 2004, was SJDB voucher payment(s) sent timely and accurately?	0	0	18	0	0	N/A
Subcomponent Total		7	0	101	7	7	100%
3 Vocational Rehabilitation/SJDB resolution		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
10.09	For injuries before 2004, were active steps taken to ensure timely closure of VR benefits?	1	0	17	1	1	100%
10.10	For injuries in and after 2004, has SJDB entitlement been resolved per LCS 4658.5?	8	0	10	8	8	100%
Subcomponent Total		9	0	27	9	9	100%
10 Vocational Rehabilitation/SJDB		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
(95% target)		32	0	148	32	32	100%
Exceptions		(Scored below 100%)					

11 Excess Insurance

1 Excess first notice timeliness

		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
11.01	Was initial report to excess carrier submitted timely?	7	1	10	7	8	88%
Subcomponent Total		7	1	10	7	8	88%

2 Excess follow up report timeliness

		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
11.02	Are follow up reports sent to excess carrier semiannually?	7	0	11	7	7	100%
11.03	Is a closing report sent to the Authority with a copy of any settlement documents?	1	0	17	1	1	100%
Subcomponent Total		8	0	28	8	8	100%

3 Excess reimbursement requests follow-up

		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
11.04	Are reimbursement requests sent to excess carrier semiannually?	0	0	18	0	0	N/A
11.05	Are reimbursements from excess carrier posted to claim file?	0	0	18	0	0	N/A
11.06	Are reimbursements deposited within 5 business days of receipt?	0	0	18	0	0	N/A
Subcomponent Total		0	0	54	0	0	N/A

Workers Compensation Claims Audit

Component, Subcomponent and Criteria Scores with Exceptions

		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
11 Excess Insurance		15	1	92	15	16	94%
	(100% target)						
	Exceptions				(Scored below 100%)		
				26			
				1	BP-0001-2005-00047		
12 Reserves							
1 Initial reserves setting appropriateness		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
12.01 Initial reserves set timely and appropriately?		10	0	8	10	10	100%
	Subcomponent Total	10	0	8	10	10	100%
2 Ongoing reserves review and revision timeliness/appropriateness		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
12.02 Are reserves reviewed at regular intervals and as new information is received for adequacy?		18	0	0	18	18	100%
12.03 Is the claim reviewed semiannually to balance statutory benefits paid against appropriateness and reserves are adequate for future expected payments?		17	0	1	17	17	100%
12.04 In cases of multiple losses with the same employee, are payments reviewed to ensure appropriate claim file is reserved for payments related to the claim and future benefits related to the claim?		4	0	14	4	4	100%
	Subcomponent Total	39	0	15	39	39	100%
3 Reserves current adequacy		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
12.05 Does the current reserve appropriately include TD with separate consideration of LC \$4850 benefits expected?		4	0	14	4	4	100%
12.06 Does the current reserve appropriately include PD benefits expected?		6	0	12	6	6	100%
12.07 Does the current reserve appropriately include future medical benefits expected, considering a modified SIP model (average of past three years of recurring costs and multiplying by the injured workers' life expectancy, adjusting for treatment expectancy)?		12	1	5	12	13	92%
12.08 Does the current reserve appropriately include rehab/job displacement benefits expected?		1	0	17	1	1	100%
12.09 Does the current reserve appropriately include legal expense expected?		5	1	12	5	6	83%
12.10 Does the current reserve appropriately include other expense expected?		2	0	16	2	2	100%
	Subcomponent Total	30	2	76	30	32	94%
12 Reserves		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
	(95% target)	79	2	99	79	81	98%
	Exceptions				(Scored below 100%)		
				26			
				1	BP-0001-2006-00051		
				2	BP-0001-2006-00045		

Workers Compensation Claims Audit

Component, Subcomponent and Criteria Scores with Exceptions

13 Resolution

1 Response to case finalization opportunities appropriateness

13.01 Once documentation supporting claim disposition is received, are steps taken within 10 days to move case toward closure or settlement?

<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
9	2	7	9	11	82%

Subcomponent Total

9	2	7	9	11	82%
---	---	---	---	----	-----

2 Settlement appropriately evaluated

13.02 Is all relevant information considered in evaluating the case for settlement?

<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
12	2	4	12	14	86%

Subcomponent Total

12	2	4	12	14	86%
----	---	---	----	----	-----

3 Settlement authority request timeliness

13.03 Is settlement authority obtained from the member and the authority prior to making an agreement involving liability, or potential liability?

<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
11	1	6	11	12	92%

Subcomponent Total

11	1	6	11	12	92%
----	---	---	----	----	-----

13 Resolution
(95% target)

<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
32	5	17	32	37	86%

Exceptions (Scored below 100%)

26

- 1 BP-0001-2004-00028*
- 2 BP-0001-2006-00060
- 3 BP-0001-2005-00052

14 Staff Supervision

1 Supervision diary review intervals at 120 days

14.01 Is there evidence of supervisory diary review at 120 (180 for future medical) day intervals?

<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
18	0	0	18	18	100%

Subcomponent Total

18	0	0	18	18	100%
----	---	---	----	----	------

2 Supervision effectiveness

14.02 Is supervision effective for ensuring examiner is trained to handle claim effectively?

<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
18	0	0	18	18	100%

Subcomponent Total

18	0	0	18	18	100%
----	---	---	----	----	------

14 Staff Supervision
(95% target)

<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
36	0	0	36	36	100%

Exceptions (Scored below 100%)

Overall
(95% target)

604	30	788	604	634	95%
------------	-----------	------------	------------	------------	------------

Appendix D

Individual Claim Scores (Redacted for Sample Report)

Workers Compensation Claims Audit

Scoring by Claim

BP-0001-2006-00045

Reviewed by: **Dennis Mitchell**
Reviewed on: xx/xx/xxxx
Revised on: xx/xx/xxxx

Administrator:
Department: **W0005-W0026-Public Works**
Member:
Adjuster: **CG**
Loss Date: **xx/xx/xxxx**

Incurred: **\$260,184**
Paid: **\$116,903**
Actual Reserve: **\$143,281**
Recommended Reserve: **\$148,950**
Net Reserve Change: **\$5,669**

Components	Number of Responses			Weighted		Score	Target
	Yes	No	n/a	Actual	Possible	Pct	Pct
01 Caseloads	2	0	0	2	2	100%	100%
02 Claim Documentation/Supervision	4	1	1	4	5	80%	95%
03 Compensability	0	0	3	0	0	N/A	100%
04 Initial three point contact	0	0	6	0	0	N/A	95%
05 Payments	0	0	11	0	0	N/A	100%
06 Medical Administration	6	1	1	6	7	86%	95%
07 Apportionment	0	0	2	0	0	N/A	95%
08 Litigation	5	0	0	5	5	100%	95%
09 Subrogation	2	0	3	2	2	100%	95%
10 Vocational Rehabilitation/SJDB	2	0	8	2	2	100%	95%
11 Excess Insurance	2	0	4	2	2	100%	100%
12 Reserves	6	1	3	6	7	86%	95%
13 Resolution	0	0	3	0	0	N/A	95%
14 Staff Supervision	2	0	0	2	2	100%	95%
Overall	31	3	45	31	34	91%	95%

Comments:

- 02 Claim documentation would be improved by eliminating documents that relate to other claims. Recommend responding promptly to City inquiries regarding strategy and status.
- 06 Closer communication with PTP would eliminate confusion regarding work restrictions. The restrictions on work hours required clarification. Currently pending receipt of report of Dr. G, the second AME in this case.
- 08 IW is represented by LM, etal. The City is represented by JT Law Office.
- 09 Subrogation addressed and ruled out.
- 10 SJDB notification timely; IW service-retired effective xx/xx/xx.
- 12 Recommend increasing legal reserves as claim is not near settlement posture at this point.

Workers Compensation Claims Audit

Scoring by Claim

BP-0001-2006-00051

Reviewed by: **Dennis Mitchell**
Reviewed on: **xx/xx/xxxx**
Revised on:

Administrator:
Department: **W0006-W0030-Recreation Services**
Member:
Adjuster: **CG**
Loss Date: **xx/xx/xxxx**

Incurred: **\$132,286**
Paid: **\$104,000**
Actual Reserve: **\$28,287**
Recommended Reserve: **\$127,060**
Net Reserve Change: **\$98,773**

Components	Number of Responses			Weighted		Score	Target
	Yes	No	n/a	Actual	Possible	Pct	Pct
01 Caseloads	2	0	0	2	2	100%	100%
02 Claim Documentation/Supervision	4	0	2	4	4	100%	95%
03 Compensability	2	0	1	2	2	100%	100%
04 Initial three point contact	6	0	0	6	6	100%	95%
05 Payments	5	0	6	5	5	100%	100%
06 Medical Administration	4	1	3	4	5	80%	95%
07 Apportionment	2	0	0	2	2	100%	95%
08 Litigation	4	0	1	4	4	100%	95%
09 Subrogation	0	0	5	0	0	N/A	95%
10 Vocational Rehabilitation/SJDB	2	0	8	2	2	100%	95%
11 Excess Insurance	2	0	4	2	2	100%	100%
12 Reserves	6	1	3	6	7	86%	95%
13 Resolution	0	0	3	0	0	N/A	95%
14 Staff Supervision	2	0	0	2	2	100%	95%
Overall	41	2	36	41	43	95%	95%

Comments:

- Documentation would be improved by summarizing report of PQME K in notes as report is in file. Notes do indicate incorrectly that Dr. L finds all DC treatment unnecessary (IW was referred by DC PTP). Supervisor noted need for action plan to move toward MMI status.
- Compensability decision was appropriate. Although IW has pre-existing hip problems, medical reporting substantiates an aggravation.
- PQME report objection due to untimeliness. Recommend confirmation that this was done and replacement PQME is requested.
- Reserving would be improved by evaluating cost for life expectancy. Note evaluation with hip specialist appears to be in process; however, this will be an expensive future medical claim and IW may require multiple future hip replacements. Recommendation is based on \$2,600 annual medical for life expectancy plus one hip replacement at \$50,000. Pending medical examination may be less optimistic.
- Recommend determining IW status with City and evaluate for potential C&R settlement.

Appendix E

Recommended Reserve Changes (Redacted for Sample Report)

Workers Compensation Claims Audit

Recommended Reserve Changes

Claim Number	Injury Date	Reserve	Recommended Reserve	Comments
BP-0001-2006-00045	xx/xx/xxxx	\$143,281	\$148,950	Recommend increasing legal reserves as claim is not near settlement posture at this point.
BP-0001-2006-00051	xx/xx/xxxxx	\$28,287	\$127,060	Reserving would be improved by evaluating cost for life expectancy. Note evaluation with hip specialist appears to be in process; however, this will be an expensive future medical claim and IW may require multiple future hip replacements. Recommendation is based on \$2,600 annual medical for life expectancy plus one hip replacement at \$50,000. Pending medical examination may be less optimistic.
Member Total:		\$171,567	\$276,010	
Recommended Change:			\$104,442	

Appendix F

Addendum 1, Signed



ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS

REQUEST FOR PROPOSAL: GLB0300 ADDENDUM NO. 1 DATE OF ADDENDUM: October 2, 2015

This addendum is to incorporate changes to the above referenced solicitation:

I. Questions:

This addendum is to incorporate the following questions and answers to the above-referenced Request for Proposal. The following questions were posed by one or more Vendors in writing and during the Pre-Proposal meeting. Each question (Q) is followed by its answer (A).

1. (Q) Does the City intend for the Attachment D table to read: "Maximum Fees to complete the Audit per the 0500 Scope of Work" rather than "Minimum Requirements"?
(A) The Attachment D has been replaced with Attachment D revised.
2. (Q) Would professional licensing by the Texas Department of Insurance meet the City's "Local business presence" requirement?
(A) The Local business presence is only applied to business located in the City jurisdiction and the licensing does not qualify.
3. (Q) Would submission of optional service component(s) in addition to the Scope of Work, per the RFP be considered by the City?
(A) Not for this proposal.
4. (Q) Will this audit follow the specific audit standards or required to follow the government standards?
(A) No it will not, it is outside of a finance audit but a work audit.
5. (Q) Is there a budget set at this time for this work?
(A) There is not a budget at this time.

II. Additional Information: Attached are the sign-in sheets from those that attended and the Attachment D revised.

All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, Addendum is hereby incorporated and made a part of the above referenced Solicitation.

APPROVED BY:


Georgia Billela, Buyer II

Purchasing Office, 512-974-2995

ACKNOWLEDGED BY:

Bickmore

SUPPLIER



AUTHORIZED SIGNATURE

October 14, 2015

DATE

RETURN ONE (1) COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH PROPOSAL OR PRIOR TO BID OPENING. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION OF YOUR OFFER.

Appendix G

Addendum 2, Signed



**ADDENDUM
CITY OF AUSTIN, TEXAS**

Solicitation: **IFB GLB0039** Addendum No: **2** Date of Addendum: **10/7/15**

This addendum is to incorporate the following changes to the above referenced solicitation:

I. Clarifications:

The closing time and date of the above referenced Invitation for Bid has been extended to 2:00 PM on Wednesday October 14, 2015. Bids will be accepted until 2:00 PM on October 14, 2015.

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

APPROVED BY:


Georgia L. Billela, Buyer II
Purchasing Office, 512-974-2939

ACKNOWLEDGED BY:

Bickmore

SUPPLIER



AUTHORIZED SIGNATURE

10/14/2015

DATE

RETURN ONE COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH YOUR RESPONSE OR PRIOR TO THE SOLICITATION CLOSING DATE. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION.

Appendix H

Addendum 3, Signed



ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS

REQUEST FOR PROPOSAL: GLB0300 ADDENDUM NO. 3 DATE OF ADDENDUM: October 13, 2015

This addendum is to incorporate changes to the above referenced solicitation:

I. Clarifications

Disregard Addendum 2 – it was in published in error – current proposal due October 15, 2015 @ 3:00 PM

All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, Addendum is hereby incorporated and made a part of the above referenced Solicitation.

APPROVED BY:

Georgia Billela, Buyer II
Purchasing Office, 512-974-2995

ACKNOWLEDGED BY:

Bickmore

10/14/2015

SUPPLIER

AUTHORIZED SIGNATURE

DATE

RETURN ONE (1) COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH PROPOSAL OR PRIOR TO BID OPENING. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION OF YOUR OFFER.



CITY OF AUSTIN, TEXAS
Purchasing Office
REQUEST FOR PROPOSAL (RFP)
OFFER SHEET

SOLICITATION NO: GLB0300

DATE ISSUED: September 21, 2015

REQUISITION NO.: 5800 15082000490

COMMODITY CODE: 94620

COMMODITY/SERVICE DESCRIPTION: Worker's Compensation
Third Party Administrator and Utilization Review Agent Claims
Management Audit

PRE-PROPOSAL CONFERENCE TIME AND DATE: 10:00 AM,
Thursday, October 1, 2015

Pre-Bid Remote Conference Phone Number: 512-974-9300
Enter the following Code when prompted: **895571**

LOCATION: City of Austin Municipal Building, 3rd Floor Main
Conference Room 335.1

**FOR CONTRACTUAL AND TECHNICAL
ISSUES CONTACT THE FOLLOWING
AUTHORIZED CONTACT PERSON:**

Georgia Billela
Buyer II
Phone: (512) 974-2939
E-Mail: georgia.billela@austintexas.gov

PROPOSAL CLOSING TIME AND DATE: 3:00 PM, Thursday,
October 15, 2015

LOCATION: MUNICIPAL BUILDING, 124 W 8th STREET
RM 308, AUSTIN, TEXAS 78701

Jonathan Dalchau
Senior Buyer
Phone: (512) 974-2938
E-Mail: jonathan.dalchau@austintexas.gov

When submitting a sealed Offer and/or Compliance Plan, use the proper address for the type of service desired, as shown below:

Address for US Mail (Only)	Address for FedEx, UPS, Hand Delivery or Courier
City of Austin	City of Austin, Municipal Building
Purchasing Office-Response Enclosed for Solicitation # RFP GLB0300	Purchasing Office-Response Enclosed for Solicitation # RFP GLB0300
P.O. Box 1088	124 W 8 th Street, Rm 308
Austin, Texas 78767-8845	Austin, Texas 78701
	Reception Phone: (512) 974-2500

NOTE: Offers must be received and time stamped in the Purchasing Office prior to the Due Date and Time. It is the responsibility of the Offeror to ensure that their Offer arrives at the receptionist's desk in the Purchasing Office prior to the time and date indicated. Arrival at the City's mailroom, mail terminal, or post office box will not constitute the Offer arriving on time. See Section 0200 for additional solicitation instructions.

All Offers (including Compliance Plans) that are not submitted in a sealed envelope or container will not be considered.

SUBMIT 1 ORIGINAL AND 1 ELECTRONIC COPIES OF YOUR RESPONSE

(Electronic copy should be a single scanned file of the original proposal per flash drive)

*****SIGNATURE FOR SUBMITTAL REQUIRED ON PAGE 3 OF THIS DOCUMENT*****

This solicitation is comprised of the following required sections. Please ensure to carefully read each section including those incorporated by reference. By signing this document, you are agreeing to all the items contained herein and will be bound to all terms.

SECTION NO.	TITLE	PAGES
0100	STANDARD PURCHASE DEFINITIONS	*
0200	STANDARD SOLICITATION INSTRUCTIONS	*
0300	STANDARD PURCHASE TERMS AND CONDITIONS	*
0400	SUPPLEMENTAL PURCHASE PROVISIONS	5
0500	SCOPE OF WORK	4
0600	PROPOSAL PREPARATION INSTRUCTIONS & EVALUATION FACTORS	4
0605	LOCAL BUSINESS PRESENCE IDENTIFICATION FORM – COMPLETE AND RETURN	1
0700	REFERENCE SHEET – COMPLETE AND RETURN	1
0800	NON-DISCRIMINATION CERTIFICATION	*
0805	NON-SUSPENSION OR DEBARMENT CERTIFICATION	*
0810	NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING CERTIFICATION	*
0835	NONRESIDENT BIDDER PROVISIONS – COMPLETE AND RETURN	1
0900	NO GOALS FORM	2
Attachment A	SCOPE OF WORK FOR THE TPA UTILIZATION REVIEW SERVICES	23
Attachment B	EXAMPLE MONTHLY PERFORMANCE MEASURE REPORT THE TPA PROVIDES	1
Attachment C	AUDIT WORKBOOK – 6 WORKSHEETS (ON MULTIPLE TABS) <ul style="list-style-type: none">o Scope of Work (specific to Claim Adjusting)o Claim File Work Sheeto Bills Work Sheeto Bill Review Program Worksheeto Preauthorization Worksheeto Preauthorization Program worksheet	9
Attachment D	COST SHEET	1

*** Documents are hereby incorporated into this Solicitation by reference, with the same force and effect as if they were incorporated in full text. The full text versions of these Sections are available, on the Internet at the following online address:**

http://www.austintexas.gov/financeonline/vendor_connection/index.cfm#STANDARDBIDDOCUMENTS

If you do not have access to the Internet, you may obtain a copy of these Sections from the City of Austin Purchasing Office located in the Municipal Building, 124 West 8th Street, Room #308 Austin, Texas 78701; phone (512) 974-2500. Please have the Solicitation number available so that the staff can select the proper documents. These documents can be mailed, expressed mailed, or faxed to you.

The undersigned, by his/her signature, represents that he/she is submitting a binding offer and is authorized to bind the respondent to fully comply with the solicitation document contained herein. The Respondent, by submitting and signing below, acknowledges that he/she has received and read the entire document packet sections defined above including all documents incorporated by reference, and agrees to be bound by the terms therein.

Company Name: _____

Company Address: _____

City, State, Zip: _____

Federal Tax ID No. _____

Printed Name of Officer or Authorized
Representative: _____

Title: _____

Signature of Officer or Authorized
Representative: _____

Date: _____

Email Address: _____

Phone Number: _____

*** Proposal response must be submitted with this Offer sheet to be considered for award**

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

By submitting an Offer in response to the Solicitation, the Contractor agrees that the Contract shall be governed by the following terms and conditions. Unless otherwise specified in the Contract, Sections 3, 4, 5, 6, 7, 8, 20, 21, and 36 shall apply only to a Solicitation to purchase Goods, and Sections 9, 10, 11 and 22 shall apply only to a Solicitation to purchase Services to be performed principally at the City's premises or on public rights-of-way.

1. **CONTRACTOR'S OBLIGATIONS**. The Contractor shall fully and timely provide all Deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable Federal, State, and local laws, rules, and regulations.
2. **EFFECTIVE DATE/TERM**. Unless otherwise specified in the Solicitation, this Contract shall be effective as of the date the contract is signed by the City, and shall continue in effect until all obligations are performed in accordance with the Contract.
3. **CONTRACTOR TO PACKAGE DELIVERABLES**: The Contractor will package Deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity and unit price. Unless otherwise provided in the Specifications or Supplemental Terms and Conditions, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address, (b) the City's name, address and purchase order or purchase release number and the price agreement number if applicable, (c) Container number and total number of containers, e.g. box 1 of 4 boxes, and (d) the number of the container bearing the packing list. The Contractor shall bear cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform with requirements of common carriers and any applicable specifications. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.
4. **SHIPMENT UNDER RESERVATION PROHIBITED**: The Contractor is not authorized to ship the Deliverables under reservation and no tender of a bill of lading will operate as a tender of Deliverables.
5. **TITLE & RISK OF LOSS**: Title to and risk of loss of the Deliverables shall pass to the City only when the City actually receives and accepts the Deliverables.
6. **DELIVERY TERMS AND TRANSPORTATION CHARGES**: Deliverables shall be shipped F.O.B. point of delivery unless otherwise specified in the Supplemental Terms and Conditions. Unless otherwise stated in the Offer, the Contractor's price shall be deemed to include all delivery and transportation charges. The City shall have the right to designate what method of transportation shall be used to ship the Deliverables. The place of delivery shall be that set forth in the block of the purchase order or purchase release entitled "Receiving Agency".
7. **RIGHT OF INSPECTION AND REJECTION**: The City expressly reserves all rights under law, including, but not limited to the Uniform Commercial Code, to inspect the Deliverables at delivery before accepting them, and to reject defective or non-conforming Deliverables. If the City has the right to inspect the Contractor's, or the Contractor's Subcontractor's, facilities, or the Deliverables at the Contractor's, or the Contractor's Subcontractor's, premises, the Contractor shall furnish, or cause to be furnished, without additional charge, all reasonable facilities and assistance to the City to facilitate such inspection.
8. **NO REPLACEMENT OF DEFECTIVE TENDER**: Every tender or delivery of Deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach and the Contractor shall not have the right to substitute a conforming tender; provided, where the time for performance has not yet expired, the Contractor may notify the City of the intention to cure and may then make a conforming tender within the time allotted in the contract.
9. **PLACE AND CONDITION OF WORK**: The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner, in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the contract. The Contractor hereby

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

releases and holds the City harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

10. WORKFORCE

- A. The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.
- B. The Contractor, its employees, subcontractors, and subcontractor's employees may not while engaged in participating or responding to a solicitation or while in the course and scope of delivering goods or services under a City of Austin contract or on the City's property .
 - i. use or possess a firearm, including a concealed handgun that is licensed under state law, except as required by the terms of the contract; or
 - ii. use or possess alcoholic or other intoxicating beverages, illegal drugs or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs, on the job.
- C. If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs on the job, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

- 11. COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS:** The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. The Contractor shall indemnify and hold the City harmless from and against all claims, demands, suits, actions, judgments, fines, penalties and liability of every kind arising from the breach of the Contractor's obligations under this paragraph.

12. INVOICES:

- A. The Contractor shall submit separate invoices in duplicate on each purchase order or purchase release after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.
- B. **Proper Invoices must include a unique invoice number, the purchase order or delivery order number and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department.** Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. The Contractor's name and, if applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.
- C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and Deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.
- D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.
- E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

13. PAYMENT:

- A. All proper invoices received by the City will be paid within thirty (30) calendar days of the City's receipt of the Deliverables or of the invoice, whichever is later.
- B. **If payment is not timely made, (per paragraph A), interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**
- C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the invoice matches the shipment or delivery.
- D. The City may withhold or set off the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of:
 - i. delivery of defective or non-conforming Deliverables by the Contractor;
 - ii. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;
 - iii. failure of the Contractor to pay Subcontractors, or for labor, materials or equipment;
 - iv. damage to the property of the City or the City's agents, employees or contractors, which is not covered by insurance required to be provided by the Contractor;
 - v. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;
 - vi. failure of the Contractor to submit proper invoices with all required attachments and supporting documentation; or
 - vii. failure of the Contractor to comply with any material provision of the Contract Documents.
- E. Notice is hereby given of Article VIII, Section 1 of the Austin City Charter which prohibits the payment of any money to any person, firm or corporation who is in arrears to the City for taxes, and of §2-8-3 of the Austin City Code concerning the right of the City to offset indebtedness owed the City.
- F. Payment will be made by check unless the parties mutually agree to payment by credit card or electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic funds transfer.
- G. The awarding or continuation of this contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds Appropriated and available for this contract. The absence of Appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not Appropriated or available and any Deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate Appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any Appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of non or inadequate appropriation of funds, there will be no penalty nor removal fees charged to the City.

- 14. TRAVEL EXPENSES:** All travel, lodging and per diem expenses in connection with the Contract for which reimbursement may be claimed by the Contractor under the terms of the Solicitation will be reviewed against the City's Travel Policy as published and maintained by the City's Controller's Office and the Current United States General Services Administration Domestic Per Diem Rates (the "Rates") as published and maintained on the Internet at:

<http://www.gsa.gov/portal/category/21287>

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

No amounts in excess of the Travel Policy or Rates shall be paid. All invoices must be accompanied by copies of detailed itemized receipts (e.g. hotel bills, airline tickets). No reimbursement will be made for expenses not actually incurred. Airline fares in excess of coach or economy will not be reimbursed. Mileage charges may not exceed the amount permitted as a deduction in any year under the Internal Revenue Code or Regulations.

15. FINAL PAYMENT AND CLOSE-OUT:

- A. If an MBE/WBE Program Compliance Plan is required by the Solicitation, and the Contractor has identified Subcontractors, the Contractor is required to submit a Contract Close-Out MBE/WBE Compliance Report to the Project manager or Contract manager no later than the 15th calendar day after completion of all work under the contract. Final payment, retainage, or both may be withheld if the Contractor is not in compliance with the requirements of the Compliance Plan as accepted by the City.
- B. The making and acceptance of final payment will constitute:
 - i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and
 - ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

16. SPECIAL TOOLS & TEST EQUIPMENT: If the price stated on the Offer includes the cost of any special tooling or special test equipment fabricated or required by the Contractor for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the City and shall be identified by the Contractor as such.

17. RIGHT TO AUDIT:

- A. The Contractor agrees that the representatives of the Office of the City Auditor or other authorized representatives of the City shall have access to, and the right to audit, examine, or reproduce, any and all records of the Contractor related to the performance under this Contract. The Contractor shall retain all such records for a period of three (3) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Contractor are resolved, whichever is longer. The Contractor agrees to refund to the City any overpayments disclosed by any such audit.
- B. The Contractor shall include section a. above in all subcontractor agreements entered into in connection with this Contract.

18. SUBCONTRACTORS:

- A. If the Contractor identified Subcontractors in an MBE/WBE Program Compliance Plan or a No Goals Utilization Plan the Contractor shall comply with the provisions of Chapters 2-9A, 2-9B, 2-9C, and 2-9D, as applicable, of the Austin City Code and the terms of the Compliance Plan or Utilization Plan as approved by the City (the "Plan"). The Contractor shall not initially employ any Subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing in accordance with the provisions of Chapters 2-9A, 2-9B, 2-9C and 2-9D, as applicable. No acceptance by the City of any Subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective Deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Contract Manager and the Purchasing Office Contract Compliance Manager no later than the tenth calendar day of each month.

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

- B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract, and shall contain provisions that:
- i. require that all Deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;
 - ii. prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;
 - iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;
 - iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and
 - v. require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.
- C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.
- D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

19. **WARRANTY-PRICE:**

- A. The Contractor warrants the prices quoted in the Offer are no higher than the Contractor's current prices on orders by others for like Deliverables under similar terms of purchase.
- B. The Contractor certifies that the prices in the Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.
- C. In addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like Deliverables under similar terms of purchase.

20. **WARRANTY – TITLE:** The Contractor warrants that it has good and indefeasible title to all Deliverables furnished under the Contract, and that the Deliverables are free and clear of all liens, claims, security interests and encumbrances. The Contractor shall indemnify and hold the City harmless from and against all adverse title claims to the Deliverables.

21. **WARRANTY – DELIVERABLES:** The Contractor warrants and represents that all Deliverables sold the City under the Contract shall be free from defects in design, workmanship or manufacture, and conform in all material respects to the specifications, drawings, and descriptions in the Solicitation, to any samples furnished by the Contractor, to the terms, covenants and conditions of the Contract, and to all applicable State, Federal or local laws, rules, and regulations, and industry codes and standards. Unless otherwise stated in the Solicitation, the Deliverables shall be new or recycled merchandise, and not used or reconditioned.

- A. Recycled Deliverables shall be clearly identified as such.

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

- B. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law; and any attempt to do so shall be without force or effect.
 - C. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the date of acceptance of the Deliverables or from the date of acceptance of any replacement Deliverables. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand either repair the non-conforming Deliverables, or replace the non-conforming Deliverables with fully conforming Deliverables, at the City's option and at no additional cost to the City. All costs incidental to such repair or replacement, including but not limited to, any packaging and shipping costs, shall be borne exclusively by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach of warranty, but failure to give timely notice shall not impair the City's rights under this section.
 - D. If the Contractor is unable or unwilling to repair or replace defective or non-conforming Deliverables as required by the City, then in addition to any other available remedy, the City may reduce the quantity of Deliverables it may be required to purchase under the Contract from the Contractor, and purchase conforming Deliverables from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such Deliverables from another source.
 - E. If the Contractor is not the manufacturer, and the Deliverables are covered by a separate manufacturer's warranty, the Contractor shall transfer and assign such manufacturer's warranty to the City. If for any reason the manufacturer's warranty cannot be fully transferred to the City, the Contractor shall assist and cooperate with the City to the fullest extent to enforce such manufacturer's warranty for the benefit of the City.
22. **WARRANTY – SERVICES:** The Contractor warrants and represents that all services to be provided the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable Federal, State and local laws, rules or regulations.
- A. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect.
 - B. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the Acceptance Date. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.
 - C. If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.
23. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES:** If, instead of requiring immediate correction or removal and replacement of defective or non-conforming Deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming Deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming Deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.
24. **RIGHT TO ASSURANCE:** Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

that no assurance is given within the time specified after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

25. **STOP WORK NOTICE:** The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of Federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.
26. **DEFAULT:** The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 24, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.
27. **TERMINATION FOR CAUSE:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. The City may place Contractor on probation for a specified period of time within which the Contractor must correct any non-compliance issues. Probation shall not normally be for a period of more than nine (9) months, however, it may be for a longer period, not to exceed one (1) year depending on the circumstances. If the City determines the Contractor has failed to perform satisfactorily during the probation period, the City may proceed with suspension. In the event of a default by the Contractor, the City may suspend or debar the Contractor in accordance with the "City of Austin Purchasing Office Probation, Suspension and Debarment Rules for Vendors" and remove the Contractor from the City's vendor list for up to five (5) years and any Offer submitted by the Contractor may be disqualified for up to five (5) years. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.
28. **TERMINATION WITHOUT CAUSE:** The City shall have the right to terminate the Contract, in whole or in part, without cause any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds Appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof.
29. **FRAUD:** Fraudulent statements by the Contractor on any Offer or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.
30. **DELAYS:**
- A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in paragraph 49. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.
- B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such Party. In

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

the event of default or delay in contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

31. INDEMNITY:

A. Definitions:

- i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments and liability of every character, type or description, including all reasonable costs and expenses of litigation, mediation or other alternate dispute resolution mechanism, including attorney and other professional fees for:
 - (1) damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and subcontractors; the officers, agents, and employees of such subcontractors; and third parties); and/or
 - (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's subcontractors, and third parties),
- ii. "Fault" shall include the sale of defective or non-conforming Deliverables, negligence, willful misconduct, or a breach of any legally imposed strict liability standard.

B. THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.

32. INSURANCE: (reference Section 0400 for specific coverage requirements). The following insurance requirement applies. (Revised March 2013).

A. General Requirements.

- i. The Contractor shall at a minimum carry insurance in the types and amounts indicated in Section 0400, Supplemental Purchase Provisions, for the duration of the Contract, including extension options and hold over periods, and during any warranty period.
- ii. The Contractor shall provide Certificates of Insurance with the coverages and endorsements required in Section 0400, Supplemental Purchase Provisions, to the City as verification of coverage prior to contract execution and within fourteen (14) calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or hold over period is exercised, as verification of continuing coverage.
- iii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iv. The City may request that the Contractor submit certificates of insurance to the City for all subcontractors prior to the subcontractors commencing work on the project.

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

- v. The Contractor's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of B+VII or better.
- vi. The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering both the City and the Contractor, shall be considered primary coverage as applicable.
- vii. If insurance policies are not written for amounts specified in Section 0400, Supplemental Purchase Provisions, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.
- viii. The City shall be entitled, upon request, at an agreed upon location, and without expense, to review certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.
- ix. The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.
- x. The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.
- xi. The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. Self-insured retentions shall be disclosed on the Certificate of Insurance.
- xii. The Contractor shall provide the City thirty (30) calendar days' written notice of erosion of the aggregate limits below occurrence limits for all applicable coverages indicated within the Contract.
- xiii. The insurance coverages specified in Section 0400, Supplemental Purchase Provisions, are required minimums and are not intended to limit the responsibility or liability of the Contractor.

B. Specific Coverage Requirements: Specific insurance requirements are contained in Section 0400, Supplemental Purchase Provisions

33. **CLAIMS:** If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse affect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Austin City Attorney. Personal delivery to the City Attorney shall be to City Hall, 301 West 2nd Street, 4th Floor, Austin, Texas 78701, and mail delivery shall be to P.O. Box 1088, Austin, Texas 78767.
34. **NOTICES:** Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

City shall be addressed to the City at P.O. Box 1088, Austin, Texas 78767 and marked to the attention of the Contract Administrator.

35. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL:** All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, Texas Government Code.
36. **NO WARRANTY BY CITY AGAINST INFRINGEMENTS:** The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the Deliverables and (ii) the Deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the Deliverables and the Contractor does not know of any valid basis for any such claims. The Contractor shall, at its sole expense, defend, indemnify, and hold the City harmless from and against all liability, damages, and costs (including court costs and reasonable fees of attorneys and other professionals) arising out of or resulting from: (i) any claim that the City's exercise anywhere in the world of the rights associated with the City's ownership, and if applicable, license rights, and its use of the Deliverables infringes the intellectual property rights of any third party; or (ii) the Contractor's breach of any of Contractor's representations or warranties stated in this Contract. In the event of any such claim, the City shall have the right to monitor such claim or at its option engage its own separate counsel to act as co-counsel on the City's behalf. Further, Contractor agrees that the City's specifications regarding the Deliverables shall in no way diminish Contractor's warranties or obligations under this paragraph and the City makes no warranty that the production, development, or delivery of such Deliverables will not impact such warranties of Contractor.
37. **CONFIDENTIALITY:** In order to provide the Deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Agreement, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.
38. **PUBLICATIONS:** All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.
39. **ADVERTISING:** The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent required by law.
40. **NO CONTINGENT FEES:** The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

41. **GRATUITIES:** The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Austin with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.
42. **PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS:** No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City.
43. **INDEPENDENT CONTRACTOR:** The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City.
44. **ASSIGNMENT-DELEGATION:** The Contract shall be binding upon and enure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there be no third party beneficiaries to the Contract.
45. **WAIVER:** No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.
46. **MODIFICATIONS:** The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document shall have any force or effect to change the terms, covenants, and conditions of the Contract.
47. **INTERPRETATION:** The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.
48. **DISPUTE RESOLUTION:**
- A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.

- B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center (DRC). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.
49. **JURISDICTION AND VENUE:** The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Travis County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.
50. **INVALIDITY:** The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.
51. **HOLIDAYS:** The following holidays are observed by the City:

<u>Holiday</u>	<u>Date Observed</u>
New Year's Day	January 1
Martin Luther King, Jr.'s Birthday	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving	Friday after Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday.

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

52. **SURVIVABILITY OF OBLIGATIONS:** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract.

53. **NON-SUSPENSION OR DEBARMENT CERTIFICATION:**

The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

54. **EQUAL OPPORTUNITY**

- A. **Equal Employment Opportunity:** No Offeror, or Offeror's agent, shall engage in any discriminatory employment practice as defined in Chapter 5-4 of the City Code. No Offer submitted to the City shall be considered, nor any Purchase Order issued, or any Contract awarded by the City unless the Offeror has executed and filed with the City Purchasing Office a current Non-Discrimination Certification. Non-compliance with Chapter 5-4 of the City Code may result in sanctions, including termination of the contract and the Contractor's suspension or debarment from participation on future City contracts until deemed compliant with Chapter 5-4.
- B. **Americans with Disabilities Act (ADA) Compliance:** No Offeror, or Offeror's agent, shall engage in any discriminatory employment practice against individuals with disabilities as defined in the ADA.

55. **BUY AMERICAN ACT-SUPPLIES (Applicable to certain Federally funded requirements)**

- A. Definitions. As used in this paragraph –
- i. "Component" means an article, material, or supply incorporated directly into an end product.
 - ii. "Cost of components" means -
 - (1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
 - (2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.
 - iii. "Domestic end product" means-
 - (1) An unmanufactured end product mined or produced in the United States; or
 - (2) An end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as those that the agency determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

- iv. "End product" means those articles, materials, and supplies to be acquired under the contract for public use.
 - v. "Foreign end product" means an end product other than a domestic end product.
 - vi. "United States" means the 50 States, the District of Columbia, and outlying areas.
- B. The Buy American Act (41 U.S.C. 10a - 10d) provides a preference for domestic end products for supplies acquired for use in the United States.
- C. The City does not maintain a list of foreign articles that will be treated as domestic for this Contract; but will consider for approval foreign articles as domestic for this product if the articles are on a list approved by another Governmental Agency. The Offeror shall submit documentation with their Offer demonstrating that the article is on an approved Governmental list.
- D. The Contractor shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the provision of the Solicitation entitled "Buy American Act Certificate".

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS
SOLICITATION NUMBER: RFP GLB0300**

The following Supplemental Purchasing Provisions apply to this solicitation:

1. **EXPLANATIONS OR CLARIFICATIONS:** (reference paragraph 5 in Section 0200)

All requests for explanations or clarifications must be submitted in writing to the Purchasing Office no later than 1:00 PM, one (1) week prior to the proposal opening date. Submissions may be made via email to georgia.billela@austintexas.gov, or via fax at (512) 974-2388.

2. **INSURANCE:** Insurance is required for this solicitation.

A. **General Requirements:** See Section 0300, Standard Purchase Terms and Conditions, paragraph 32, entitled Insurance, for general insurance requirements.

- i. The Contractor shall provide a Certificate of Insurance as verification of coverages required below to the City at the below address prior to contract execution and within 14 calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award
- ii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iii. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.
- iv. The Certificate of Insurance, and updates, shall be mailed to the following address:

City of Austin Purchasing Office
P. O. Box 1088
Austin, Texas 78767

B. **Specific Coverage Requirements:** The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period. These insurance coverages are required minimums and are not intended to limit the responsibility or liability of the Contractor.

- i. **Worker's Compensation and Employers' Liability Insurance:** Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee.

(1) The Contractor's policy shall apply to the State of Texas and include these endorsements in favor of the City of Austin:

- (a) Waiver of Subrogation, Form WC420304, or equivalent coverage
- (b) **Thirty (30) days Notice of Cancellation, Form WC420601, or equivalent coverage**

- ii. **Commercial General Liability Insurance:** The minimum bodily injury and property damage per occurrence are \$500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injury).

(1) The policy shall contain the following provisions:

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS
SOLICITATION NUMBER: RFP GLB0300**

- (a) Contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project.
- (b) Contractor/Subcontracted Work.
- (c) Products/Completed Operations Liability for the duration of the warranty period.
- (d) If the project involves digging or drilling provisions must be included that provide Explosion, Collapse, and/or Underground Coverage.

(2) The policy shall also include these endorsements in favor of the City of Austin:

- (a) Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage
- (b) **Thirty (30) days Notice of Cancellation, Endorsement CG 0205, or equivalent coverage**
- (c) The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage

iii. **Business Automobile Liability Insurance:** The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident.

(1) The policy shall include these endorsements in favor of the City of Austin:

- (a) Waiver of Subrogation, Endorsement CA0444, or equivalent coverage
- (b) **Thirty (30) days Notice of Cancellation, Endorsement CA0244, or equivalent coverage**
- (c) The City of Austin listed as an additional insured, Endorsement CA2048, or equivalent coverage.

C. **Endorsements:** The specific insurance coverage endorsements specified above, or their equivalents must be provided. In the event that endorsements, which are the equivalent of the required coverage, are proposed to be substituted for the required coverage, copies of the equivalent endorsements must be provided for the City's review and approval.

3. TERM OF CONTRACT:

- A. **The Contract is expected to start on March 1, 2016 and shall be in effect for an initial term of twelve (12) months and may be extended thereafter for up to five (5) additional 12-month periods, subject to the approval of the Contractor and the City Purchasing Officer or his designee.**
- B. Upon expiration of the initial term or period of extension, the Contractor agrees to hold over under the terms and conditions of this agreement for such a period of time as is reasonably necessary to re-solicit and/or complete the project **(not to exceed 180 days unless mutually agreed on in writing).**
- C. Upon written notice to the Contractor from the City's Purchasing Officer or his designee and acceptance of the Contractor, the term of this contract shall be extended on the same terms and conditions for an additional period as indicated in paragraph A above.
- D. Prices are firm and fixed for the first 12 months. Thereafter, price changes are subject to the Economic Price Adjustment provisions of this Contract.

4. **QUANTITIES:** The quantities listed herein are estimates for the period of the Contract. The City reserves the right to purchase more or less of these quantities as may be required during the Contract term. Quantities will be as needed and specified by the City for each order. Unless specified in the solicitation, there are no minimum order quantities.

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS
SOLICITATION NUMBER: RFP GLB0300**

5. **INVOICES and PAYMENT:** (reference paragraphs 12 and 13 in Section 0300)

- A. Invoices shall contain a unique invoice number and the information required in Section 0300, paragraph 12, entitled "Invoices." Invoices received without all required information cannot be processed and will be returned to the vendor.

Invoices shall be mailed to the below address:

	City of Austin
Department	Human Resources Department - Risk Management Division
Attn:	Leslie Milvo
Address	P.O. Box 1088
City, State Zip Code	Austin, TX 78767

- B. The Contractor agrees to accept payment by either credit card, check or Electronic Funds Transfer (EFT) for all goods and/or services provided under the Contract. The Contractor shall factor the cost of processing credit card payments into the Offer. There shall be no additional charges, surcharges, or penalties to the City for payments made by credit card.

6. **NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING:**

- A. On November 10, 2011, the Austin City Council adopted Ordinance No. 20111110-052 amending Chapter 2.7, Article 6 of the City Code relating to Anti-Lobbying and Procurement. The policy defined in this Code applies to Solicitations for goods and/or services requiring City Council approval under City Charter Article VII, Section 15 (Purchase Procedures). During the No-Contact Period, Offerors or potential Offerors are prohibited from making a representation to anyone other than the Authorized Contact Person in the Solicitation as the contact for questions and comments regarding the Solicitation.
- B. If during the No-Contact Period an Offeror makes a representation to anyone other than the Authorized Contact Person for the Solicitation, the Offeror's Offer is disqualified from further consideration except as permitted in the Ordinance.
- C. If an Offeror has been disqualified under this article more than two times in a sixty (60) month period, the Purchasing Officer shall debar the Offeror from doing business with the City for a period not to exceed three (3) years, provided the Offeror is given written notice and a hearing in advance of the debarment.
- D. The City requires Offerors submitting Offers on this Solicitation to certify that the Offeror has not in any way directly or indirectly made representations to anyone other than the Authorized Contact Person during the No-Contact Period as defined in the Ordinance. The text of the City Ordinance is posted on the Internet at: <http://www.ci.austin.tx.us/edims/document.cfm?id=161145>

7. **ECONOMIC PRICE ADJUSTMENT:**

- A. **Price Adjustments:** Prices shown in this Contract shall remain firm for the first 12 months of the Contract. After that, in recognition of the potential for fluctuation of the Contractor's cost, a price adjustment (increase or decrease) may be requested by either the City or the Contractor on the anniversary date of the Contract or as may otherwise be specified herein. The percentage change between the contract price and the requested price shall not exceed the percentage change between the specified index in effect on the date the solicitation closed and the most recent, non-preliminary data at the time the price adjustment is requested. The requested price adjustment shall not exceed twenty-five percent (25%) for any single line item and in no event shall the total amount of the contract be automatically adjusted as a result of the change in one or more line items made pursuant to this provision. Prices for products or services unaffected by verifiable cost trends shall not be subject to adjustment.

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS
SOLICITATION NUMBER: RFP GLB0300**

- B. **Effective Date:** Approved price adjustments will go into effect on the first day of the upcoming renewal period or anniversary date of contract award and remain in effect until contract expiration unless changed by subsequent amendment.
- C. **Adjustments:** A request for price adjustment must be made in writing and submitted to the other Party prior to the yearly anniversary date of the Contract; adjustments may only be considered at that time unless otherwise specified herein. Requested adjustments must be solely for the purpose of accommodating changes in the Contractor's direct costs. Contractor shall provide an updated price listing once agreed to adjustment(s) have been approved by the parties.
- D. **Indexes:** In most cases an index from the Bureau of Labor Standards (BLS) will be utilized; however, if there is more appropriate, industry recognized standard then that index may be selected.
- i. The following definitions apply:
- (1) **Base Period:** Month and year of the original contracted price (the solicitation close date).
 - (2) **Base Price:** Initial price quoted, proposed and/or contracted per unit of measure.
 - (3) **Adjusted Price:** Base Price after it has been adjusted in accordance with the applicable index change and instructions provided.
 - (4) **Change Factor:** The multiplier utilized to adjust the Base Price to the Adjusted Price.
 - (5) **Weight %:** The percent of the Base Price subject to adjustment based on an index change.
- ii. **Adjustment-Request Review:** Each adjustment-request received will be reviewed and compared to changes in the index identified below. Where applicable:
- (1) Utilize final Compilation data instead of Preliminary data
 - (2) If the referenced index is no longer available shift up to the next higher category index.
- iii. **Index Identification:** Complete table as they may apply.

Weight % or \$ of Base Price: 100%
Database Name: Producer Price Index Industry Data
Series ID: PCU541219541219P
Industry: Other Accounting Services
Product: Primary Services
This Index shall apply to the following items of the Bid Sheet / Cost Proposal: All

- E. **Calculation:** Price adjustment will be calculated as follows:

Single Index: Adjust the Base Price by the same factor calculated for the index change.

Index at time of calculation
Divided by index on solicitation close date
Equals Change Factor
Multiplied by the Base Rate
Equals the Adjusted Price

- F. If the requested adjustment is not supported by the referenced index, the City, as its sole discretion, may consider approving an adjustment on fully documented market increases.

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS
SOLICITATION NUMBER: RFP GLB0300**

8. **INTERLOCAL PURCHASING AGREEMENTS:** (applicable to competitively procured goods/services contracts).
- A. The City has entered into Interlocal Purchasing Agreements with other governmental entities, pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Contractor agrees to offer the same prices and terms and conditions to other eligible governmental agencies that have an Interlocal agreement with the City.
- B. City does not accept any responsibility or liability for the purchases by other governmental agencies through an Interlocal cooperative agreement.
9. **CONTRACT MANAGER:** The following person is designated as Contract Manager, and will act as the contact point between the City and the Contractor during the term of the Contract:

Leslie Milvo

Phone: 512-974-3245

Email: Leslie.Milvo@austintexas.gov

*Note: The above listed Contract Manager is not the authorized Contact Person for purposes of the **NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING Provision** of this Section; and therefore, contact with the Contract Manager is prohibited during the no contact period.

Section 0605: Local Business Presence Identification

A firm (Offeror or Subcontractor) is considered to have a Local Business Presence if the firm is headquartered in the Austin Corporate City Limits, or has a branch office located in the Austin Corporate City Limits in operation for the last five (5) years, currently employs residents of the City of Austin, Texas, and will use employees that reside in the City of Austin, Texas, to support this Contract. The City defines headquarters as the administrative center where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located. The City defines branch office as a smaller, remotely located office that is separate from a firm's headquarters that offers the services requested and required under this solicitation.

OFFEROR MUST SUBMIT THE FOLLOWING INFORMATION FOR EACH LOCAL BUSINESS (INCLUDING THE OFFEROR, IF APPLICABLE) TO BE CONSIDERED FOR LOCAL PRESENCE.

NOTE: ALL FIRMS MUST BE IDENTIFIED ON THE MBE/WBE COMPLIANCE PLAN OR NO GOALS UTILIZATION PLAN (REFERENCE SECTION 0900).

USE ADDITIONAL PAGES AS NECESSARY

OFFEROR:

Name of Local Firm		
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
OR		
Has your branch office been located in the Corporate City Limits for the last 5 years?		
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

SUBCONTRACTOR(S):

Name of Local Firm		
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
OR		
Has your branch office been located in the Corporate City Limits for the last 5 years	Yes	No
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

SUBCONTRACTOR(S):

Name of Local Firm		
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
OR		
Has your branch office been located in the Corporate City Limits for the last 5 years	Yes	No
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

Section 0700: Reference Sheet

Please include the following information if required in the solicitation:

Responding Company Name _____

1. Company's Name _____
Name and Title of Contact _____
Present Address _____
City, State, Zip Code _____
Telephone Number (____) _____ Fax Number (____) _____
Email Address _____

2. Company's Name _____
Name and Title of Contact _____
Present Address _____
City, State, Zip Code _____
Telephone Number (____) _____ Fax Number (____) _____
Email Address _____

3. Company's Name _____
Name and Title of Contact _____
Present Address _____
City, State, Zip Code _____
Telephone Number (____) _____ Fax Number (____) _____
Email Address _____

Section 0835: Non-Resident Bidder Provisions

Company Name _____

- A. Bidder must answer the following questions in accordance with Vernon's Texas Statutes and Codes Annotated Government Code 2252.002, as amended:

Is the Bidder that is making and submitting this Bid a "Resident Bidder" or a "non-resident Bidder"?

Answer: _____

- (1) Texas Resident Bidder- A Bidder whose principle place of business is in Texas and includes a Contractor whose ultimate parent company or majority owner has its principal place of business in Texas.
(2) Nonresident Bidder- A Bidder who is not a Texas Resident Bidder.

- B. If the Bidder is a "Nonresident Bidder" does the state, in which the Nonresident Bidder's principal place of business is located, have a law requiring a Nonresident Bidder of that state to bid a certain amount or percentage under the Bid of a Resident Bidder of that state in order for the nonresident Bidder of that state to be awarded a Contract on such bid in said state?

Answer: _____ Which State: _____

- C. If the answer to Question B is "yes", then what amount or percentage must a Texas Resident Bidder bid under the bid price of a Resident Bidder of that state in order to be awarded a Contract on such bid in said state?

Answer: _____

Section 0900: Minority- and Women-Owned Business Enterprise (MBE/WBE) Procurement Program No Goals Form

SOLICITATION NUMBER:	GLB0300
PROJECT NAME:	WORKERS' COMPENSATION CLAIMS MANAGEMENT AUDIT

The City of Austin has determined that no goals are appropriate for this project. Even though goals were not assigned for this solicitation, the Bidder/Proposer is required to comply with the City's MBE/WBE Procurement Program, if areas of subcontracting are identified.

If any service is needed to perform the Contract and the Bidder/Proposer does not perform the service with its own workforce or if supplies or materials are required and the Bidder/Proposer does not have the supplies or materials in its inventory, the Bidder/Proposer shall contact the Small and Minority Business Resources Department (SMBR) at (512) 974-7600 to obtain a list of MBE and WBE firms available to perform the service or provide the supplies or materials. The Bidder/Proposer must also make a Good Faith Effort to use available MBE and WBE firms. Good Faith Efforts include but are not limited to contacting the listed MBE and WBE firms to solicit their interest in performing on the Contract, using MBE and WBE firms that have shown an interest, meet qualifications, and are competitive in the market; and documenting the results of the contacts.

Will subcontractors or sub-consultants or suppliers be used to perform portions of this Contract?

No _____ **If no, please sign the No Goals Form and submit it with your Bid/Proposal in a sealed envelope**

Yes _____ **If yes, please contact SMBR to obtain further instructions and an availability list and perform Good Faith Efforts. Complete and submit the No Goals Form and the No Goals Utilization Plan with your Bid/Proposal in a sealed envelope.**

After Contract award, if your firm subcontracts any portion of the Contract, it is a requirement to complete Good Faith Efforts and the No Goals Utilization Plan, listing any subcontractor, sub-consultant, or supplier. Return the completed Plan to the Project Manager or the Contract Manager.

I understand that even though goals were not assigned, I must comply with the City's MBE/WBE Procurement Program if subcontracting areas are identified. I agree that this No Goals Form and No Goals Utilization Plan shall become a part of my Contract with the City of Austin.	
_____ Company Name	
_____ Name and Title of Authorized Representative (Print or Type)	
_____ Signature	_____ Date

Minority- and Women-Owned Business Enterprise (MBE/WBE) Procurement Program No Goals Utilization Plan
(Please duplicate as needed)

SOLICITATION NUMBER:	GLB0300
PROJECT NAME:	WORKERS' COMPENSATION CLAIMS MANAGEMENT AUDIT

PRIME CONTRACTOR / CONSULTANT COMPANY INFORMATION

Name of Contractor/Consultant			
Address			
City, State Zip			
Phone Number		Fax Number	
Name of Contact Person			
Is Company City certified?	Yes <input type="checkbox"/> No <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> MBE/WBE Joint Venture <input type="checkbox"/>		

I certify that the information included in this No Goals Utilization Plan is true and complete to the best of my knowledge and belief. I further understand and agree that the information in this document shall become part of my Contract with the City of Austin.

Name and Title of Authorized Representative (Print or Type)

Signature

Date

Provide a list of all proposed subcontractors / sub-consultants / suppliers that will be used in the performance of this Contract.
Attach Good Faith Effort documentation if non MBE/WBE firms will be used.

Sub-Contractor / Sub-Consultant			
City of Austin Certified	MBE <input type="checkbox"/> WBE <input type="checkbox"/> Ethics / Gender Code: <input type="checkbox"/> Non-Certified		
Vendor ID Code			
Contact Person		Phone Number	
Amount of Subcontract	\$		
List commodity codes & description of services			

Sub-Contractor / Sub-Consultant			
City of Austin Certified	MBE <input type="checkbox"/> WBE <input type="checkbox"/> Ethics / Gender Code: <input type="checkbox"/> Non-Certified		
Vendor ID Code			
Contact Person		Phone Number	
Amount of Subcontract	\$		
List commodity codes & description of services			

FOR SMALL AND MINORITY BUSINESS RESOURCES DEPARTMENT USE ONLY:	
Having reviewed this plan, I acknowledge that the proposer (HAS) or (HAS NOT) complied with City Code Chapter 2-9A/B/C/D, as amended.	
Reviewing Counselor _____ Date _____	Director/Deputy Director _____ Date _____

ATTACHMENT D
(Revised)
ANNUAL COST PROPOSAL FOR WORKER'S COMPENSATION CLAIMS
MANAGEMENT AUDIT
NOT TO EXCEED FIXED FEE ARRANGEMENTS ONLY

AUDIT SERVICES FIXED FEE	CONTRACT YEAR 2016	CONTRACT YEAR 2017 OPTION	CONTRACT YEAR 2018 OPTION	CONTRACT YEAR 2019 OPTION	CONTRACT YEAR 2020 OPTION	CONTRACT YEAR 2021 OPTION
Requirements to complete the Audit per the 0500 Scope of Work						

The Proposers shall complete a Pricing Summary (Attachment D) which quotes their fees in a manner that includes all costs for providing the services. No other charges or fees will be considered. Aside from the on-site audit there will not be an on-site presentation of the final audit. All presentations may be held by other telephonic or web based means.

Fees should include the cost of any work incidental to and reasonably inferable for the scope described. The format of this section requires quotation of an all-inclusive annual flat fee basis for audit services requested.

**CITY OF AUSTIN'S SCOPE OF WORK PERFORMANCE EVALUATION CRITERIA
FOR THE WORKERS' COMPENSATION CLAIMS ADJUSTING PROGRAM**

AUDIT COMPONENT:	YES	NO	N/A	REMARKS
Compliance with applicable laws and Texas Administrative laws, rules, policies, performance requirements, and advisories				
TPA shall staff the unit to provide the services and response time this scope of work requires				
Adhere to one (1) work day return call or e-mail policy on all phone calls or e-mails that require a response				
Adjusters are assigned claims within one (1) work day of receiving the first report of injury. Every first notice of injury/illness requires a determination of compensability and justification of the decision entered into the claim file within fourteen (14) days of receipt. Exceptions shall be documented with the Claim Supervisor				
A Three (3) point contact (claimant, DWCR, and medical provider) begins within one (1) work day of receipt of a first report of injury/illness with injured employees contacted by telephone no later than the third (3rd) working day after receipt of the First Report of Injury				
Contact with claimants placed on limited/modified duty begins within three (3) working days of the receipt of the DWC-6 or within the next business day of duty status notification from the DWCR. Employees on a no-duty or limited duty status shall be contacted every two (2) weeks until the employee returns to work, full duty, at normally scheduled hours				
Investigations are thorough and include recorded statements when the claim warrants it. Witness contact is made as needed				
A Southwest Index Bureau (SWIB) report is ordered on cases with (eight) 8 days or more of lost time				
Reserves and incremental changes in reserves are documented in the claim file and a reserve worksheet or claim note documentation is completed. Claims are reserved for "the most probable outcome" and adjusted as they mature. Reserve methodology and outside resources utilized should be referenced on each file. Reserves are set within a reasonable period of time and a reserve diary is established on active claims				
Consistent supervisory involvement in the management of claims, adjuster and dedicated nurse activity is required. The claim files are documented to reflect supervisor involvement.				
The Claims Supervisor is involved when complaints are received from injured workers, DWCRs, or other employees of the COA or when concerns arise regarding adjuster's skills, not following COA protocol, poor documentation in the claim files, or an inability to be responsive is displayed.				
The Adjuster provides complete, comprehensive medical and clinical data from claim files in order to produce impairment rating, peer review, RME, and DD reports of superior quality.				
The Adjuster contacts DWCR's by e-mail within one (1) work day when surgery has been preauthorized.				
Claims meeting the guidelines of 14 days lost time or greater than 30 days of limited/modified duty are assigned for nurse review				
Application of the Occupational Disability Guidelines (ODG) as treatment guidelines and Medical Disability Advisor (MDA) for disability guidelines are utilized on files assigned to the COA dedicated nurse (dn).				
The dn writes an initial review filed in the claims system				
The dn monitors and manage the claim in an effective manner to provide best outcome.				
The dn activity is documented in the claim file				
The dn serves as a resource for adjusters to address medical claim issues, return to work initiatives, and recommend a coordinated medical management plan				

**CITY OF AUSTIN'S SCOPE OF WORK PERFORMANCE EVALUATION CRITERIA
FOR THE WORKERS' COMPENSATION CLAIMS ADJUSTING PROGRAM**

AUDIT COMPONENT:	YES	NO	N/A	REMARKS
The dn contacts medical providers and injured employees when the severity of the issues require communications.				
The adjuster or dn informs the treating physician of the City's RTW program and coordinates for a copy of the Essential Functions/Job Task List for the claimant's assignment within ten (10) working days of employees' losing fourteen (14) days or more of work.				
Potential subrogation cases are identified during the initial investigation of the claim and referred in writing to an attorney in the City's Law Department.				
The peer reviews, RMEs, designated doctor reports, impairment ratings, and prospective and retrospective medical reviews in the claim files are accurate reports and based on available claim information, medical and clinical data supplied to the medical providers assigned to write the reports.				
If a file is assigned to Field Case Management the reports include assessments, documented communications, action plan, and recommendations.				
When a file is shared with COA's legal representation for work on a WC claim the file indicates ther is preparedness and expected communication				
An imaged file for each reported claim, and old hard copy files that are re-opened are imaged				
The COA has established performance measures reflected in Attachment B, Performance Measures. In the auditor's opinion:				
Temporary Income Benefits are accurate and timely				
Impairment Income Benefits are accurate and timely				
Supplemental Income Benefits are accurate and timely				
Medical Bills are processed and paid accurate and timely				
Pre authorizations are performed accurately and timely				
First Report of Injury (FROI) data is submitted to TDI-DWC accurate and timely				
Supplemental Report of Injury (SROI) is submitted to TDI-DWC -- accurate and timely				
Medical Bill data is submitted to TDI-DWC accurate and timely				
Pharmacy Bill dats is submitted to TDI-DWC accurate and timely				

WORKER'S COMPENSATION ANNUAL CLAIM FILE AUDIT

Claim File Worksheet				
CLAIM #				
CLAIMANT NAME				
AUDIT COMPONENT	YES	NO	N/A	REMARKS
A determination of compensability with justification of the decision.				
Thorough investigation.				
Three (3) point contact:				
Contacted injured employee.				
Contacted employer (City's Department Worker's Compensation Rep).				
Contacted health care provider				
If no contact is file documented with good cause.				
Regular follow up for on-going management of the claim.				
Claim file is documented with adjuster's actions.				
Activity is evidenced in the claim file when follow up/diary dates are reached.				
The Adjuster provides complete, comprehensive medical and clinical data from claim files in order to produce Peer Review, RME, and DD reports from outside vendors.				
The claim file reflects the Peer, RME, or DD was suitable when ordered.				
When notified of a Pre Authorization the adjuster communicated any issues on the claim to pre authorization in adequate time for preauthorization to include in their processes.				
Authorization of payment for health care was appropriate after the medical bill was reviewed and a payment was recommended.				
Adjuster interacts with Bill Review appropriately				
Proper instruction given to the Pharmacy Benefit Management when appropriate				
Authorized payments for medical care are accurate				
Impairment ratings over ten percent (10%) verified for correct formulation.				
Reserves and incremental changes in reserves are documented in the claim file.				
Reserve activity is documented in the claim file				
Claims reserved for "the most probable outcome".				
Reserve diary established for review and adjustments.				
Reserve methodology and outside resources documented.				
The claim files are documented to reflect consistent supervisor involvement and oversight.				
There is Adjuster follow through on the supervisor's recommendations.				

WORKER'S COMPENSATION ANNUAL CLAIM FILE AUDIT

AUDIT COMPONENT	YES	NO	N/A	REMARKS
If Case management is assigned was it appropriate.				
Was the case manager assignment explained with goals and adjusting needs?				
The case management reports were received timely.				
The indemnity benefits accurately calculated using the DWC-3.				
Temporary Income Benefits issued timely.				
Temporary Income Benefits paid timely week to week.				
Waiting Period paid timely.				
Impairment Income Benefits paid timely.				
Over payment recorded appropriately.				
How well has the claim been managed with the Utilization of the mandated Official Disability Guidelines (ODG Treatment Guidelines including:				
System notes identifying the diagnosis & treatment references				
Diaries maintained to manage the claim by the guideline				
Any exceptions noted and managed respective to the severity of the claim				
If the file was assigned to the dedicated nurse what was the quality of this service.				
A written review by the nurse was done timely?				
Was the nurses activity documented in the claim file notes?				
Throughout the claim process there is documentation indicating communication with the injured worker?				
Return to work was monitored with job description or essential functions				
Does the claim file reflect pre authorizations received and processed within 3 working days.				
Medical bills received on the claim paid within 45 days of receipt.				
First report of injury submitted to TDI-DWC as required by rule.				
Supplemental report submitted to TDI-DWC as required by rule.				
If legal services were required for a Benefit Review Conference or Contested Case Hearing provide a rating of the quality of the service reflected in the claim file.				
In the auditor's opinion the adjustment on this claim would reasonably meet an injured employee's needs and the Texas Labor Code Statute for the entitlement to benefits.				

**CITY OF AUSTIN
WORKERS' COMPENSATION
BILL REVIEW PROGRAM PERFORMANCE EVALUATION CRITERIA**

AUDIT COMPONENT	YES	NO	N/A	REMARKS
Paper bill process				
eBill process				
Pharmacy bill process				
Management of medical bill documentation and other attachments to bills				
Procedures for managing OCR (optical character recognition) process and ensuring all bill data is received and processed whether accepted by OCR or not.				
Procedures for ensuring bill data held in system queues is processed				
Procedures are written to audit medical bills				
Procedures are available for bill review personnel				
Bills reviewed for compensability, extent of injury issues, & other claim related concerns, i.e. PLN notes, Peers, RMEs.				
The bill review service demonstrates that each bill presented for payment is reviewed in coordination with real time claim status.				
Bills are reviewed for appropriate Diagnosis(s) and related to the compensable injury on every bill				
Procedures are verified as appropriate to the accepted diagnosis.				
Preauthorization requirements are considered as bills are reviewed including when treatment falls outside of ODG.				
Appropriate ANSI codes are applied.				
LCD's (Medicare's local coverage determinations) applied where allowed and applicable.				
CCI edits are applied when appropriate and allowed.				
A procedure for communicating when treatment is outside of the guidelines is established and written for bill review personnel.				
Bill Review Analysts have ready access to the adjusters and dedicated nurse for consultation. Lines of communication are established between analysts, nurse, and adjusters.				
Recommended payments are appropriate and include the state and federal mandated components.				
E-billing established with a procedure to obtain appropriate medical documentation.				
Pharmaceuticals processed through a pharmacy benefit manager are paid only if the prescriptions meets the appropriate criteria.				
Prescription cost is same as or less than mandated fee guidelines.				
The prescription is related to the compensable injury.				
The prescription is appropriate to the diagnosis.				
The bill review service is completed within fifteen (15) working days of receiving the bill.				

**CITY OF AUSTIN
WORKERS' COMPENSATION
BILL REVIEW PROGRAM PERFORMANCE EVALUATION CRITERIA**

AUDIT COMPONENT	YES	NO	N/A	REMARKS
Reconsiderations are completed within five (5) working days of receipt.				
Bill errors process completed within five (5) working days.				
Duplicate bills are identified and not paid				
The bill review procedures are compliant with TDI-DWC laws and rules.				
The TDI-DWC conversation factors are applied appropriate to each fee guideline.				
Medical bills are paid in compliance & within-DWC Medical Fee Guideline.				
Hospital bills are paid in compliance & within TDI-DWC Hospital Fee Guidelines				
Ambulatory surgery bills are paid in compliance & within TDI-DWC ASC Fee Guidelines				
Out-patient bills are paid in compliance & within TDI-DWC LOP Fee Guidelines				
Durable Medical Equipment bills are paid in compliance & within TDI-DWC Fee Guidelines				
Implants with hospital bills are paid in the manner prescribed by TDI-DWC and the accurate conversion factor is applied				
Bills are paid within 45 days of receipt				
Bills are denied if received after 95 days from date of service, unless paid by exception or override.				
Required bill data is transmitted to DWC timely and accurately.				
In the auditor's opinion the program to recommend payments to providers is up-dated regularly and managed appropriately.				

City of Austin Workers' Compensation Annual Audit Per Bill

BILL TYPE:				
Fee Guideline: PS, IP, OP, ASC, SS, RX, Dental, DD or not applicable				
CLAIM #				
BILL CONTROL #				
CLAIMANT NAME				
AUDIT COMPONENT	YES	NO	N/A	REMARKS
EOB data matches the bill data				
Bill reviewed for compensability, extent of injury issues				
Reviewed for pre authorization				
Application of CCI Edits				
Application of LCD by CMS				
Application of ANSI Codes				
Diagnosis is appropriate for injury				
Procedure is appropriate for injury				
Relative value unit is appropriate				
TDI-DWC Conversion Factor applied				
Modifier(s) are appropriate				
Appropriate documentation is received or required				
If OP/IP with implantable was payment appropriate				
Medicare Payment Policies followed except for the specific modifications listed in rules				
Application of fee guidelines as per TDI – DWC rule. In the absence of mandated medical fee the usual and customary recommended payment.				
Payment recommendation is appropriate				
Bill data transmitted to DWC				

CITY OF AUSTIN PREAUTHORIZATION PROGRAM AUDIT

AUDIT COMPONENT	YES	NO	N/A	REMARKS
TDI Certificate is current				
Written Procedures are available to personnel				
Medical Advisor is available				
TX Insurance Code - Utilization Review Statute & Rules followed				
At this site is a TDI check list for WC URA's, http://www.tdi.state.tx.us/forms/lhlhmo/lhl552wcsumcklst.pdf rate by the form, LHL552 Rev5/08 the pre auth performed for the COA in a non-network setting				
TDI-DWC Administrative Rule 134.600 is adhered to				
URA Time frames are adhered to				
Training & Education is on-going				
In-take of pre auth request is processed within industry standards				
One pre auth nurse is assigned to do all of the COA pre authorizations.				
URA follows the contract requirements between the COA and TPA Scope of Work 5.E				
Nurse(s) have real time access to information on claims, compensable diagnoses, and prior medical procedures and opinions related to the injured worker's claim.				
Pre-authorization personnel including nurse(s) are required to contact the adjusters and facilitate accurate explanations of claim issues with the overall objective of authorizing the necessary medical care that cures and relieves the effects of the injury, promotes recovery, and/or enhances return to work.				
The injured workers treatment program and the ODG treatment guidelines shall be considered in the pre-authorization process, and when a physician advisor (PA) is utilized this data shall be shared with the PA				
The pre-authorization activity shall be reflected in the claim file				
Physician advisors utilized for determining medical necessity shall be given information on previous medical procedures, treating doctor reports and opinions, peer, RME reports, and any other medical information as appropriate to make a well informed medical decision appropriate for the injured employee				
Letters of approval/denial are required to include any and all claim disputes.				
Notification letters to injured employees must include reference to COA				
TPA - URA has systems that interface and are available to personnel with accurate claim and medical data available for viewing. Reference 6.A. in TPA Scope of Work, Attachment A.				
In the auditor's opinion the program to preauthorize medical care for medical necessity is up-dated regularly and managed appropriately.				

CITY OF AUSTIN ANNUAL AUDIT PER PREAUTHORIZATION

Preauth #:				
Claim #:				
Claimant's Name:				
AUDIT COMPONENT	YES	NO	N/A	REMARKS (or indicate n/a)
Receipt of Preauthorization requested is documented same day as received				
Data is recorded accurately for review by Nurse(s)				
Logging and tracking diary is established to ensure 3 working day completion				
In-Take process is appropriate				
Preauth delivered to Nurse in a time frame to allow for accurate review for medical necessity				
Utilized access to information on claims, compensable diagnoses, and prior medical procedures and opinions related to the injured worker's claim				
Preauth info sent to adjusters to facilitate accurate explanations of claim issues with the overall objective of authorizing the necessary medical care				
The injured workers treatment program and the ODG treatment guidelines were considered in the pre-authorization process				
If there was an adverse determination the PA gave every opportunity to the treating provider to discuss this determination.				
The Physician advisor utilized for determining medical necessity was given information on previous medical procedures, treating doctor reports and opinions, peer, RME reports, and any other medical information as appropriate to make a well informed medical decision appropriate for the injured employee				
If a physician advisor was utilized on this preauth was it necessary.				
Preauth notes in KRIYA are thorough and detailed				
Letters of approval/denial included any and all claim disputes				
Coordination with Dedicated Nurse when a denial is made				
Adjuster is notified of surgery when approved				
Preauth documents and medical received is forwarded to claim file timely				
If a dispute or issue exists on this claim the approval/denial letter included this comment.				
The notification of approval or denial is sent to appropriate parties and locations.				
Process in-place to pass the Pre authorization activity to reflect in the claim file.				
In the auditors opinion this preauthorization was processed expeditiously and within time frame required.				

FY 14/15
JI Performance Measures
Summary By Month And Quarter

[illegible]

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

SCOPE OF WORK

I. PURPOSE

The City of Austin (COA), hereinafter referred to as the City, seeks responses to this Request for Proposal (RFP) for Worker's Compensation Claims Administration by a Third Party Administrator (TPA) and Utilization Review Services, by a Utilization Review Agent (URA), and all other related services. City will accept separate proposals from Utilization Review Agents (URA) and Third Party Administrators (TPA) as well as one proposal for all services. The City reserves the right to tailor the program that best fits the City's requirements.

II. BACKGROUND

The City is self-insured for workers' compensation exposures and does not have excess workers' compensation insurance in place. The City's Risk Management Division is responsible for monitoring and the oversight of the program. The City's workers' compensation program covers approximately 13,045 employees in thirty-nine (39) different departments. The City operates on a fiscal year that runs from October 1st through September 30th. The City currently has a contract for annual external claims management audit services with Bickmore Claims Consulting Services. The City contracts separately for actuarial services and an actuary is conducted yearly.

The City has its own Safety, Return to Work (RTW), and Wage Continuation Programs (WCR). The City coordinates these programs through its Departmental Workers' Compensation Representatives (DWCRs), located in each department. The City encourages employees to return to work as soon as possible and makes every effort to have modified/limited duty positions available.

Current Service Provider

The City's current TPA & URA is the JI Companies, which merged with a York Company, based in Austin, Texas in 2012. JI has been the City's claims TPA since March 1, 2002. JI Companies is contracted to handle all administrative, claims processing, ancillary services, and payment services to provide statutorily required workers' compensation benefits to City employees. The current contract expires on February 28, 2015.

JI utilizes the Gensource claims system prior to the York merger. The City anticipates transfer to York Claims Expert, YCE, late 2014 or early 2015. The City currently stores approximately 100gb of claims records in this system. There is connectivity for six (6) computers from the City's Risk Management Division to the TPA's claims software. The City's thirty two (39) departments have access to the system through Internet capability and Department of Workers Compensation (DWC) 1,3, and 6 forms are completed and submitted by all departments to JI electronically using a web based reporting system. Extensive standard and Adhoc reporting capabilities are present.

The Gensource claims system interfaces with an in house bill review program, StrataWare provided by StrataCare. Pre authorization was in house on the ZeeOmega System. After the York merger with JI, in June 2012, the Pre Authorization was transferred in November 2012 to Forte' aka WellComp. There is not real time interface with preauthorization or bill review programs; however adjusters, auditors, and nurses have access to each system. Claim files have been imaged since November 2005 and all documents are scanned and viewed electronically. The bill review process separately scans documents for processing in StrataWare. All bills, attachments and explanation of benefits (EOB) are interfaced with the electronic claim file. PreAuthorization documents are sent to the JI scanning department for inclusion in the claim file. See section 5.0 for the exhibits providing the City's historical data.

III. SCOPE OF WORK

A. MINIMUM REQUIREMENTS FOR CLAIMS ADMINISTRATION SERVICES AND UTILIZATION REVIEW SERVICES

The City's objectives for this scope of work is facilitating the delivery of quality medical care, fair and reasonable claims management, monitoring medical and indemnity costs for the best probable outcome and fiscal responsibility while ensuring that City data is responsibly protected and managed.

The City requires and monitors for continuous compliance with this Scope of Work, Texas Labor Code, Texas Administrative Code, and Medicare Secondary Payor Program.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

The City requires performance measures be established and reported monthly to the City by all entities participating in the City's WC Program including **all sub-contractors, vendors, service partners, or any entity handling the City's data.**

The TPA and URA shall develop a written agreement between the two entities outlining work flow and personnel responsibilities. The City requires the URA and TPA proposers have the ability to interface electronically and communicate daily to ensure compliance with this Scope and document and data management.

The selected TPA and URA will inherit **all** workers' compensation claims. The TPA and URA, and other ancillary contractors shall demonstrate an understanding of working with a municipality and a track record of superior performance. Proposers must include a detailed list of all sub-contractors and or service partners and a summary of their responsibility. The proposers shall include an acknowledgment from all sub-contractors of their knowledge and acceptance to work on the City's Workers' Compensation Program which will include working with City Staff.

All correspondence to injured employees shall include a reference you are working on behalf of the City or the City and the City's TPA.

1) **Federal and Texas Laws and Administrative Rules, Advisories and Guidelines:**

- a. The City requires compliance with all Federal and Texas Administrative laws, rules, policies, performance requirements, and advisories.
- b. The TPA and URA, and all ancillary contractors are responsible for timely response to Federal or Texas Administrative audits, legal notices, issues of non-compliance, interest due, etc. if such is required to fulfill an obligation.
- c. The TPA & URA as well as other ancillary contractors shall forward copies of all correspondence from any Federal, Center for Medicare or Medicaid Services (CMS), Texas Administrative Office, Texas Department of Insurance (TDI) or Division of Workers' Compensation (DWC), within 2 working days of receipt when the information pertains to the City of Austin and references:
 - i. data calls
 - ii. notice of violation, sanction, or warning
 - iii. complaint submitted to DWC
 - iv. complaint made against the City of Austin
 - v. claims set for hearing
 - vi. assignment to independent review organization, medical fee, or medical necessity dispute
 - vii. performance based oversight
 - viii. data deficiencies, electronic data of any type
 - ix. or other official memorandums advising the City of Austin of actions outside of customary claim procedures
- d. The TPA & URA and other ancillary contractors shall make recommendations for the City's compliance or recourse and prepare the response for the City's approval.
- e. The TPA or URA or any of their ancillary contractors working on the City's WC Program is **NOT** permitted to voluntarily report or represent the City at any Texas Department of Insurance, TDI-DWC, or any other State or Federal Department without first explaining the purpose and obtaining the City's approval.
- f. The documentation, justification and if appropriate, remedial actions shall be coordinated and reported to the City **BEFORE** any response is made on the City's behalf.
- g. The TPA and URA shall inform the City about new legislation, TDI-DWC rules, landmark appeal or court decisions for indemnity and medical issues and advise of the potential impact to the City's workers' compensation program and how these may affect the handling of claims.
- h. The TPA and URA will be required to submit confirmations of their compliance and their ancillary contractor's compliance when new legislation is enacted or when Medicare or TDI-DWC changes rules or requirements.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

- i. Non-Compliance with this section will result in penalty, refer to Section 10.C.

2) **Dedicated Unit:**

The City requires a dedicated claims unit be located in Austin, Texas with ready access to disabled employees. The City's work shall be given first priority by those assigned to work the City's business. The TPA and URA shall staff the respective units to provide the services and response time this scope of work requires and within an average 40 hour work week. The City requires knowledge of the TPA and URA staff assigned to our account and reserves the right to request additional staff or a change in staff if problematic circumstances prevail. At a minimum staffing shall consist of the following key positions:

- a. **Account Manager** – Point person for the City's Account and familiar with workers' compensation claim management and ancillary services. Available to the City for meetings to discuss concerns, coordinate meetings, prepare account reports, and orchestrate with all staff to resolve issues at every level with all services in a timely manner. If a separate URA Contract is made the TPA Account Manager shall be recognized as account manager.
- b. **Claims Supervisor** – Dedicated to supervising the adjusting staff with oversight of the management of the claims. Must have authority to address specific claim concerns and complex claim issues. Shall have workers' compensation claim experience and the skills and expertise to train and support staff and intervene when there are heightened concerns.
- c. **Dedicated Registered Nurse** – 100% dedicated to our claims management account and available on site with adjusters on a daily basis to assist in the medical management of our claims. This nurse is not to perform Pre Authorization services or be expected to perform field case management duties.
- d. **Dedicated Claim Adjusters**– 100% dedicated and required to have adequate claim expertise. File counts must be kept at a level an adjuster has the ability to work 40 hours per week to reach claim file objectives.
- e. **Bill Review Analyst** – The City requires an experienced bill review person who has learned the requirements in workers' compensation and Medicare rules to process the City of Austin's medical bills accurately. Must be able to communicate with the adjusters, pre-authorization nurse, and have access to claim notes in some form. Must have access to medical professionals.
- f. **Pre-Authorization Nurse** – The City requires a Registered Nurse who is familiar with workers' compensation to process the pre-authorizations and has access to the URA's Medical Director and a wide variety of providers who serve as peer review doctors. Must have access to claim notes and communicate with adjusters and bill review analyst.

3) **Work Hours and Availability:**

- a. Work and telephone hours for all services shall be 8:00 a.m. - 5:00 p.m. (Central Time), Monday through Friday. The City expects a 40 hour work week.
- b. An on call staff designee as a contact is required when emergencies arise and shall also be available at all times during non business hours.
- c. The TPA and URA or other ancillary contractors shall implement a one (1) work day return call or e-mail policy on all phone calls or e-mails that require a response.
- d. The TPA and URA or other ancillary contractors shall coordinate with the City any conflict in service hours when holidays and/or office closures differ from the City's. When conflicts in holiday schedules arise, the TPA shall adhere to the City's schedule for providing services as outlined herein unless an exception is approved by the City.

4) **Claims Administration Minimum Requirements:**

- a. Adjusters shall be assigned claims within one (1) work day of receiving the First Report of Injury, FROI or DWC-1. Every first notice of injury/illness requires a determination of compensability and justification of the decision entered into the claim file within fourteen (14) days of receipt. Exceptions shall be documented and discussed with the Claim Supervisor.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

- b. Three (3) point contact on claims with any lost time (Injured Employee, City's Department Workers' Compensation Representative, DWCR, and the treating medical provider) shall begin within one (1) work day of receipt of a first report of injury/illness with injured employees contacted by telephone no later than the third (3rd) working day after receipt of the First Report of Injury.
- c. Three (3) point contact on claims with an incident only or medical only status will begin within 3 working days of receipt of a first report of injury/illness with injured employees contacted by telephone no later than the seventh (7th) working day after receipt of the First Report of Injury unless the claim file is documented with justified exception.
- d. Investigations shall be thorough and include recorded statements.
 - i. A Southwest Index Bureau (SWIB) report is required on claims that require extensive investigation. SWIB shall always be ordered on Course and Scope disputed cases, Extent of injury claims scheduled for a Benefit Review Conference, claims that exceed Medical Disability Guidelines, and claims that reopen greater than one (1) year from date of injury. The results shall be documented in the claim file.
- e. Contact shall be continuous throughout the life of an open claim. Claim file shall be documented with the contact plan and a diary follow up established.
 - i. Claims with lost time, limited/modified duty shall have adjuster contact with the injured worker, employer, and provider no less than every 15 days or as often as best claim management practice would require.
 - ii. Claims with prosthetics or open due to on-going medical shall be contacted no less than annually with a documented plan & diary in the claim file.
- f. Adjusters shall be required to receive notice of all Pre-authorizations on a claim and provide claim file information for consideration including Plain Language Notice language for the Caveat on the Pre-authorization determination letter.
 - i. Adjusters shall provide and communicate to the pre-authorization nurse when the claim file contains medical opinions (peers, rme, dd) we have in the claim file to ensure quality medical necessity decisions are made.
- g. Claim details shall be available to extended services and specifically communicated to pre- authorization and bill review if not electronically then this is an adjuster's responsibility unless other work flow processes are agreed to by the TPA, URA, and the City.
- h. Reserves and incremental changes in reserves shall be documented and justified in the claim file. The TPA shall use a system reserve screen or a boiler plate reserve worksheet in every claim file.
 - i. Claims shall be reserved for "the most probable outcome" and adjusted as they mature. Reserve methodology and outside resources utilized should be referenced on each file. Reserves must be set within ten (10) working days of receipt of the FIRST NOTICE OF LOSS, revisited in twenty-five (25) working days, and thereafter a reserve diary is required on active claims.
 - ii. Hearing Aids and prosthetics or any claim with expectations of a future need for medical expense must have reserves and may not be closed.
- i. Consistent supervisory involvement in the management of claims, adjuster and dedicated nurse activity is required. The claim files shall be documented to reflect supervisor involvement.
- j. The Claims Supervisor shall be involved when complaints are received from injured workers, DWCRs, or other employees of the COA or when concerns arise regarding adjuster's skills, not following COA protocol, poor documentation in the claim files, or an inability to be responsive is displayed.
 - i. The claims supervisor shall contact Risk Management staff within one (1) working day of receiving a complaint.
- k. The Adjuster shall provide complete, organized and comprehensive medical and clinical data from claim files in order to produce impairment rating reviews, all types of peer reviews including preauthorization peers, retrospective utilization reviews, early compensability assessments, treatment guideline reviews, RME, and DD reports.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

- i. If the Dedicated Nurse was assigned to the claim file then the documentation sent for review must include the DN review and summary up-dates.
 - l. The Adjuster shall contact DWCR's by e-mail within one (1) work day when surgery has been preauthorized.
 - m. Claims meeting the guidelines for nurse review shall be referred to the nurse for review or the claim file document explain why adjuster chose not to refer.
 - n. A field case management request form shall be submitted prior to assignment to Risk Management staff except in the cases where there is an emergency and hospitalized injured employee. The adjuster must include goals and expectations for the assignment and may be asked to further justify the request.
 - o. Adjusters shall initiate a case manager visit with injured employees whose injury requires a hospital stay of three (3) or more days. This visit shall occur no later than the third (3rd) day of the hospital stay. For other claims where field case management is warranted, approval shall be obtained from Risk Management before the assignment is made.
 - p. Adjusters shall work with the dedicated nurse to review treatment, ODG/MDA guidelines, medical improvement, pharmaceuticals, and to identify appropriate avenues to medically manage the claim.
 - q. The Adjuster shall review the work that goes into a claim file for quality and accuracy. Including provider reports, Peer Reviews, DD reports, RMEs, Investigations, Case Management reports, Bill Review's recommendation for payments, Pre-authorizations approvals and adverse determinations, and other work products from ancillary contractors. The Adjuster shall report sub-standard or questionable activity to the City's dedicated claim supervisor for appropriate intervention to ensure the expected level of quality is provided.
 - r. Impairment ratings over ten percent (10%) shall be verified for correct formulation.
 - s. Adjusters shall coordinate payment of all waiting period checks with Risk Management staff to ensure compliance with the City's Wage Continuation Program.
- 5) **Utilization of Nationally Recognized Treatment and Disability Guidelines by TPA and URA:**
- The TPA and the URA shall utilize the Occupational Disability Guidelines (ODG) as treatment guidelines and Medical Disability Advisor (MDA) for disability guidelines. The City requires work flow that utilizes these guidelines to manage the claims and medical treatment. At a minimum the following applications shall be included in the TPA and URA's processes:
- a. Pre-Authorization approvals on treatment outside of guidelines shall have justification and the medical necessity from the requesting provider documented.
 - b. Peer Review and RME Doctors shall consider the guidelines when writing medical opinions to be paid for by the City of Austin.
 - c. Bill Review processes shall include a system of identification of claims when medical is consistently paid and falls outside of these guidelines.
 - d. Claim management shall include:
 - i. System notes identifying the diagnosis & treatment references. The treating doctor shall be asked to justify if guidelines are exceeded.
 - ii. The expected length of disability. The treating doctor shall be asked to justify if guidelines are exceeded.
 - iii. Diary dates utilized to manage the claim by the disability guideline.
 - iv. Any exceptions noted in the claim file and managed relative to the severity of the claim.
 - v. Claim file shall have the justifications for medical necessity outside of the treatment guidelines.
 - vi. Outcomes from peer reviews, RMEs, DDs, must be clearly visible and communicated with pre-authorization and bill review systems or so noted with their access to claim notes information.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

6) **Dedicated Nurse/Medical Management/Treatment Guidelines:**

A dedicated nurse shall serve as a resource for adjusters to address medical claim issues and recommend a coordinated medical management plan. The nurse shall regularly provide initial and follow-up written reviews, facilitate communication between medical providers, adjuster, employer, and injured employee to achieve return to work goals, identify claims outside the Official Disability Guidelines/ Medical Disability Advisor, and provide information to injured employees when a medical procedure is not approved by pre-authorization.

The dedicated nurse shall be located with the claim management team.

The Dedicated Nurse shall follow a process approved by the City's Risk Management staff. A sample of the current procedures is included as Exhibit F, F (1), and F (2). The Dedicated Nurse will

- a. Complete Review forms; make recommendations, and use boiler plate forms and letters approved by Risk Management.
- b. Communicate with medical providers in writing per established timeframes, regarding:
 - i. Treatment and disability guidelines appropriate for claimant's injury/illness
 - ii. Inquiry/justification for treatment or work status exceeding ODG/MDA guidelines
 - iii. On-going communication concerning medical management aspects of claim
 - iv. The COA's RTW program and temporary limited duty assignment possibilities
- c. Maintain a monthly on going medical status/RTW report for all claims assigned. Information fields to be determined by Risk Management.
- d. Coordinate information with pre-authorization and adjusters when medical procedures are denied and communicate with the injured worker about reason for denial.
- e. Actively work with adjusters, pre-authorization nurse, and bill review analyst to provide plans of action, explanations, and recommendations for medical management. Duties shall include reviews of medical treatment and ODG/MDA guideline expectations, identification of over utilization, and to identify appropriate avenues to medically manage the claim.
- f. Consult with the City's Corporate Return to Work Coordinator (RTWC) on RTW cases that have exhausted the Department's 30 Day RTW program.

7) **Return to Work:**

The adjuster or the dedicated nurse shall inform the treating physician of the City's RTW program and coordinate with the DWCR for a copy of the Essential Functions/Job Task List for the claimant's assignment within ten (10) working days of employees' losing fourteen (14) days or more of work.

The dedicated nurse or adjuster shall provide the following information:

- a. Advise the RTW Coordinator of injured employees with lost time exceeding 30 days.
- b. Provide the RTW Coordinator a copy of the Dedicated Nurse bi-weekly report by email.
- c. Provide consultation on specific files that have been assigned to the City's Corporate RTW program upon request.

8) **Wage Continuation Coordination:**

The City recovers specific TIB payments because of our salary continuation program and the Civil Service Line of Duty Leave. The TPA shall supply the following in order for the City to administer the program:

- a. Issue a weekly check register report.
- b. Deliver copies of Plain Language Notices (PLN) daily, electronically, in PDF form.
- c. The TPA must communicate with the Wage Continuation Coordinator daily with information on claims where the waiting period may be due. The Coordinator will advise the TPA if the waiting period check should be made payable to the injured employee or to the City.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

- d. Deliver a weekly package of waiting period checks, copies of voided checks, and stop payment forms to the Wage Continuation Coordinator.
 - e. Send an electronic communication upon first notice/receipt of a check returned & voided by the employee.
- 9) **Subrogation:**
- a. Potential subrogation cases shall be identified during the initial investigation of the claim. These cases shall be referred in writing to an attorney in the City's Law Department.
 - b. The third party tortfeasor and witness information and any additional claim information shall be provided as requested. Response to the City attorney's requests shall be made within three (3) working days.
 - c. All subrogation negotiations shall be handled by the City's subrogation attorney who will issue a Recovery Memo to the City's Risk Manager and the TPA.
 - d. The TPA shall:
 - i. The Adjuster shall note both in the claim notes and the Bill Review software the amount recovered when the Recovery Memo is received from the City Attorney's office indicating the claim has been settled with the responsible 3rd party,
 - ii. Prepare a PLN advising parties to the claim of the intent to recover amounts over \$1,000.
 - iii. Develop an on-going Excel report of all claims when the recovery memo is received. The report criteria shall be developed with advice from the City.
 - e. The TPA shall track payments made in accordance with rules that govern subrogation and identify when subrogation has been exhausted and notify the City when it is time for the City to resume payments.

B. MINIMUM REQUIREMENTS FOR UTILIZATION REVIEW AGENT AND OTHER EXTENDED SERVICES

1) **Medical Bill Review:**

The Bill Review provider must be certified by The Texas Department of Insurance as a Utilization Review Agent. The City requires a copy of the certificate and subsequent renewals. Written medical bill audit guidelines are required and shall include bills that fall outside of mandated fee guidelines. The City requires written guidelines that show how claim file activity is reviewed by the bill review staff.

The Bill Review Service Provider shall have the pertinent pre-authorization and claim file knowledge to accurately review every medical bill and apply the appropriate ANSI codes. The Bill Review process shall not include auto adjudication unless it is proven the criteria may be met in critical areas of evaluating all medical bills.

- a. A regular meeting time shall be mutually agreed to for review of the work performed by the Bill Review Service Provider and it's contractors
- b. The bill review service shall demonstrate that each bill presented for payment is reviewed in coordination with real time claim status including pre authorizations. Bill review shall include the following criteria as a minimum:
 - i. Diagnosis(s) on every bill is related to the compensable injury.
 - ii. Procedure(s) is appropriate for diagnosis.
 - iii. Service is pre-authorized, if required.
 - iv. Appropriate ANSI code application.
 - v. Medicare rules and guidelines are applied to include CCI Edits.
 - vi. Medical bill is complete.
 - vii. Bills denied for outside of ODG and not preauthorized.
 - viii. N drugs are denied if not preauthorized.
 - ix. Procedure is in place for Retrospective Utilization Review.
 - x. Tracking and logging of RURs and outcomes shall be reported monthly.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

- c. Bill charges exceeding \$20,000 must be reported to the City and the adjuster after review and before processing for recommended payment and producing an EOB.
- d. A process shall exist for identifying medical procedures that fall outside of treatment guidelines or a doctor recommended treatment plan. A procedure for communicating when treatment is outside of the guidelines shall be mutually agreed upon and coordinated with other claim management procedures.
- e. Bill Review Analysts shall have ready access to the adjusters and dedicated nurse for consultation. Lines of communication shall be established between analysts, nurse, and adjusters with a written document describing the process.
- f. Recommended payments shall be the fees required for the appropriate period of time and include the state and federal mandated components. If a usual and customary fee calculation is required the recommended payment(s) shall be agreed to by Risk Management.
- g. E-billing shall be established and include a procedure to obtain appropriate medical documentation.
- h. Fee disputes shall be coordinated with Risk Management Staff and the TPA.
- i. The bill review contractor in coordination with the TPA is expected to pursue recovery if a payment is recommended and paid in error.
- j. The bill review service shall be completed within fifteen (15) working days of receiving the bill.
 - i. Reconsiderations shall be completed within ten (10) working days of receipt.
 - ii. Bill errors process shall be completed within five (5) working days.
- k. The Bill Review Service Provider will provide a list of all contractors used for completing any service on City of Austin Medical Bills and describe their service and provide contact names.
- l. The Bill Review Service Provider and its contractors shall agree to communicate with the City's Risk Management Medical Coordinator as required by DWC Rule 134.808.
- m. The Bill Review Service Provider will be required to validate Electronic Data Records at least semi-annually utilizing the DWC's System Medical Monitoring Report specific to the City of Austin.
- n. The Bill Review Service Provider shall acknowledge they do not have permission to self-report to the Division of Workers' Compensation or any other outside party on behalf of the City.
 - i. Upon identification of any and all deficiencies the TPA and the City Risk Management Division will be consulted prior to any action regarding self-reporting or responding to requests with City data.
 - ii. There is penalty for non-compliance described on page 28, 10.C.
- o. The Bill Review Service Provider will submit a report quarterly including the following criteria:
 - i. # of bills processed
 - ii. # of rejects received
 - iii. Identification of type of rejects
 - iv. Explanation of how the reject(s) were corrected
 - v. A yes or no column for advising if any DWC – EDI requirements have changed. If yes, a detailed explanation of how this requirement was met & tested.
 - vi. A review of fields and data submitted to DWC of the City's Medical Bill data shall be a part of this quarterly report and may utilize the DWC's System Medical Monitoring Report specific to the City of Austin or by some other means mutually agreed to.
 - vii. An E-Bill report must be prepared to show # of E-bills received, rejected, reason for rejection, and total # of E-bills processed.
- p. The bill review provider shall advise the City by a monthly report the causes and if any affect about returning provider and pharmacy bills for incomplete data.
- q. The URA shall submit monthly a Performance Measurement Report to be mutually agreed upon. At minimum this will include:
 - i. A supervisor's review of 3% of the monthly bills processed.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

- ii. A summary and detail review of the electronic data transmitted to DWC for accuracy and timeliness.
- iii. Explanation of rejections, corrections, and resent bills.
- r. Representative(s) shall be available to meet with Risk Management and TPA on specific claim issues and to assess the quality and effectiveness of ongoing services.
- s. All correspondence to injured employees shall include by name a reference you are working for the City or the City and the City's TPA.

2) **Medical Utilization Reviews, Retrospective Utilization Review, Peer, RME, and DD Services.**

These would become sub-contractors to the TPA or URA. All providers must hold a License to Practice Medicine in Texas.

- a. All contractors must be Certified as a URA by the TDI and provide the City with a copy of the certification and renewals as they occur.
- b. A written document summarizing the claim and medical activity in a claim file is required prior to any medical review. The summary may be provided by the adjuster or may be requested from URA by the adjuster. The summary shall become part of the claim file.
- c. A monthly report shall be required with criteria to be agreed on but must include details of the service, provider utilized, and charge.
- d. All peer reviews, RMEs, impairment ratings, and prospective and retrospective utilization reviews shall produce accurate reports based on the medical and clinical data supplied. The medical opinions shall be supported within the written document. A poor quality report will be returned and unpaid until it responds to the questions asked and supports the opinion.
 - i. Medical Providers writing a report for a City of Austin Claim shall reference the historical information known on the injury, medical procedures performed, and provide reasoning on how and why they have arrived at their opinion.
 - Specific clinical criteria utilized in the evaluation shall be referenced.
 - Official Disability Guidelines and other reference chosen by the medical professional shall be identified.
 - When evaluating an impairment rating, the appropriate tables and reference pages in the correct edition of the Guides shall be identified.
 - The opinion of the reviewer must be justified how they arrived at this opinion.
- e. When a Post DD RME service is requested a thorough order form shall be utilized to detail what is being requested and any additional questions regarding medical necessity.
- f. All correspondence to injured employees shall include by name a reference you are working for the City or the City and the City's TPA.
- g. Representative(s) shall be available to meet with Risk Management and TPA on specific claim issues and to assess the quality and effectiveness of ongoing services.

3) **Field Case Management and Vocational Rehabilitation**

- a. A variety of professional staff including nurses and therapists shall be employed by the sub-contractor. Providers shall have proficient bilingual (English/Spanish preferred) ability if requested for an assignment.
- b. Providers shall utilize the same medical and disability guidelines as this Scope requires of the TPA and URA.
- c. A City employee referred for shall be contacted within one (1) working day of assignment, and twenty-four (24) hour contact for emergency assignments is required.
- d. Management objectives to meet the goals set by the TPA or Risk Management shall be established for each assigned claim file.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

- e. File documentation shall provide:
 - i. Insight and recommendations to support timely coordination of medical care, diagnostics, and rehabilitation.
 - ii. An assessment of the potential for Return to Work in the current or an alternate job.
 - iii. An action plan for ongoing open communication between all involved parties and service providers.
 - f. Initial and Closure reports shall be submitted within ten (10) working days of assignment; interim case updates shall be provided by e-mail to the TPA and Risk Management within two (2) working days of attending a doctor's appointment with an employee.
 - g. Use of local medical case managers is expected. If a local case manager cannot be utilized and the TPA must use a case manager from outside the Austin area, **the City shall not be liable for the costs associated with travel time and mileage from outside the Austin area.**
 - h. Vocational Rehabilitation shall be identified accordingly for assigned files and used when an injury has the potential to change the employee's career, high impairment exists, or semi-disability is imminent.
 - i. Representative(s) shall be available to meet with Risk Management and TPA on specific claim issues and to assess the quality and effectiveness of ongoing services.
- 4) **Pre Authorization Services:**
- The service provider must be certified by The Texas Department of Insurance as a Utilization Review Agent. The City requires a copy of the certificate and subsequent renewals. The pre-authorization nurse and supervisors shall work in a team effort to ensure the City's workers' compensation claims are appropriately managed.
- a. Written pre-authorization guidelines specific to the City shall be coordinated with the TPA and the City. These guidelines shall include how each type of pre-authorization is managed including
 - i. Timely processing of pre-authorizations in compliance with the URA rules and DWC's Rule 134.600.
 - ii. A process for identification when a request for pre-authorization from a medical provider is not required by Texas Labor Code Administrative rule 134.600, or a standing request from actions of the TPA.
 - iii. A process that identifies when the pre-authorization request is because the adjuster has an ODG Peer Review and has advised the treating doctor that pre-authorization is required.
 - iv. A process that differentiates a pre-authorization from a Retrospective Utilization Review.
 - b. A Registered Nurse shall be assigned to the City's account.
 - c. Specific staff for in-take shall be assigned to the City's account and the City advised when staff changes.
 - d. URA shall work with the TPA to coordinate the best way to access information on claims. This process will be written and agreed to by the City.
 - e. The URA and TPA shall agree how the TPA will access information on pre-authorizations and nurses notes and have the information available to Bill Review and in the claim files. This process shall include time frames and shall be written and agreed to by the City.
 - i. All pre-authorization activity shall be reflected in the claim file including:
 - In-take notes, nurses notes, peer reviewer notes shall be included in the claim file.
 - Pre-authorization request and all medical documentation
 - Letters approving for medical necessity and adverse determinations
 - f. Pre-authorization personnel shall communicate with the City's dedicated adjusting unit as soon as each and every pre-authorization request is received. A written process for this activity shall be required and shall include:
 - i. How the pre-authorization process will include the PLN language.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

- g. Letters of approval or adverse determinations are required to include and shall include all claim disputes, extent of injury issues, and all Plain Language Notice language that limits the injury to compensable diagnosis.
 - h. The ODG treatment guidelines shall be considered in the pre-authorization process by the RN and when a Peer Reviewer is utilized.
 - i. When the medical care is an exception to ODG the requesting provider shall be asked to document extenuating circumstances, patient co-morbidities, objective signs of functional improvement for treatment conducted thus far, measureable goals and progress points expected from additional treatment, and any other additional evidence that supports the health care provider's request.
 - i. Peer Reviewers utilized for determining medical necessity shall consider information adjusters may point to on previous medical procedures, treating doctor reports and opinions, peer, RME reports, and any other medical information as appropriate to make a well informed medical decision for the medical necessity of the requested procedure(s) for the injured employee.
 - j. Notification letters to injured employees shall include reference to the City.
 - k. Utilization Reviews Plans for Certification as a URA and submitted to TDI shall be submitted to Risk Management as a part of the contractual agreement if awarded the contract.
 - l. The URA will be required to produce monthly reports reflecting the activity for the month to include
 - i. By claimant the pre-authorizations received and the Retrospective Reviews processed.
 - ii. The outcomes of the pre-authorization request.
 - iii. Other information as mutually agreed to.
 - iv. Pre-authorization reports on a per claim basis shall be provided upon request.
 - m. The URA shall be required to show the City a list of the their contracted peer review doctors semi-annually though that list will remain the property of the URA and will not be provided to the City as a document.
 - n. The URA shall submit monthly a Performance Measurement Report to be mutually agreed upon prior to the URA beginning work for the City. At minimum this will include a supervisor's review of 3% of the monthly pre-authorizations and provide the City with justifications.
 - o. Representative(s) shall be available to meet with Risk Management and TPA on specific claim issues and to assess the quality and effectiveness of ongoing services.
- 5) **Pharmacy Benefit Manager Network & Durable Medical Provider Network**
- a. If a PBM and/or DME network(s) is proposed by the TPA or the URA the network provider(s) shall be located in the Austin area, which shall include the City of Austin and the contiguous counties. The City may decline the use of any network.
 - i. The PBM shall be URAC Accredited and the City requires a copy of that certification and subsequent renewals.
 - b. Networks shall be accessible to Adjusters, Risk Management, DWCRs, and injured employees and shall be transparent in their operations with the TPA and the City.
 - i. Transparency shall include a detailed savings report that shows the difference between the Pharmacy Fee Guideline cost or cost before discount and what the Pharmacy Benefit Manager (PBM) is charging the City for the drugs or Durable Medical Equipment.
 - ii. Any Fee arrangements with the TPA shall be communicated and transparent to the City.
 - iii. A list of the providers who are in the network with address and phone numbers shall be made available electronically.
 - iv. A list of all subcontractors, name, address, and contact information utilized by the PBM to complete the processes required to receive, pay, and transmit data on the City's pharmacy bills.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

- c. The PBM and DME Provider Networks and their contractors that perform work on City Claims shall be required to acknowledge in writing the City of Austin as a client and customer and work with the City and its TPA and URA to ensure compliance with Texas Law & TDI-DWC Rules including the Medical Coordinator Rule 134.808 and the Pharmacy Rules as well as meet other criteria.
- i. All City of Austin Pharmacy bills will be paid upon recognition of this type of criteria or a written procedure with the TPA to acknowledge how this criteria will be met:
- Diagnosis(s) on every bill is related to the compensable injury.
 - Pharmaceutical (s) is appropriate for diagnosis.
 - Appropriate ANSI code application.
 - Pharmacy bill is complete.
 - N drugs are denied if not preauthorized.
 - Claim notes available for consideration.
 - Recommend Retrospective Review if prescription is considered inappropriate.
 - Retrospective Utilization Reviews on Y Drugs
 - Compound drugs are identified and information provided to the adjuster with recommendations.
- d. The PBM Provider will submit various reports monthly, quarterly, and semi-annually to be agreed upon with the TPA, URA, and the City. Every six months a conference call meeting shall be required to review the work performed by the PBM Provider and its contractors and the DME Network Provider and its contractors.
- i. A review of fields submitted to DWC of the City's Medical Bill data shall be a part of this quarterly report and shall utilize the DWC's System Medical Monitoring Report specific to the City of Austin or by some other means mutually agreed upon.
- ii. An E-Bill report must be prepared to show # of E-bills received, rejected, reason for rejection, and total # of E-bills processed.
- iii. A report on paper bills shall also be prepared for the same criteria listed above.
- e. The PBM Provider shall be responsible for the submission of the Electronic Data Information required by the Division of Workers' Compensation unless a written process and procedure is agreed to with the City's bill review provider. The PBM shall acknowledge they do not have permission to self-report to the Division of Workers' Compensation or share City data with any outside party without express written permission from the Risk Manager at the City.
- i. Upon identification of any and all data deficiencies the TPA and the City Risk Management Division shall be consulted prior to any action regarding self-reporting or responding to requests with City data.
- f. The PBM shall submit monthly a Performance Measurement Report to be mutually agreed upon prior to the PBM beginning work for the City. At minimum this will include a supervisors review of a random 3% chosen by the City of the monthly pharmaceuticals processed and provide the City with justifications.
- i. A supervisor's review of 3% of the monthly bills processed against specific criteria.
- ii. A summary and detail review of the data transmitted to DWC for accuracy and timeliness.
- Explanation of rejections, corrections, and resent bills.
- 6) **Required Utilization Reviews (RUR)**

The URA and TPA shall coordinate a work flow to identify how RURs will be processed, completed timely and accurately, the pool of providers utilized, and who will be responsible for tracking and logging for an end of month report. The City at their discretion shall be given the privilege to approve or disapprove RURs before processing.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

7) **Legal Services**

The TPA shall contract with a qualified law firm with an office located in Austin Texas. The law firm shall:

- a. Appoint one attorney to be the City of Austin's principal contact and representative.
- b. Handle all hearings before the Texas administrative office for dispute resolution, complaints, violations, and performance based oversight issues.
- c. Represent the COA at DWC Benefit Review Conferences (BRC), Contested Case Hearings (CCH) and other functions required by the DWC. All hearing activity shall be coordinated with Risk Management Staff and Adjuster.
- d. For specific claim files/cases set for hearing:
 - i. Review the file and be prepared prior to the hearing.
 - ii. Advise and assist adjusters to resolve disputes prior to hearings.
 - iii. Communicate with the adjuster and Risk Management regarding hearing dates, cancellations, and any other things that affect the date and time of a BRC or CCH.
 - iv. Provide a written report within ten (10) working days after each BRC or CCH.
 - v. Coordinate agreements with Risk Management and the Adjuster's supervisor.
- e. Be available for two (2) presentations per year to DWCRs.
- f. Be available to advise and discuss claim files with adjusters and COA Risk Management on WC issues and law, rules, and legal decisions.
- g. Meet and Confer on WC issues where the COA with (or without) the TPA must make policy decisions.
- h. Share bulletins, opinions, and interpretations with the TPA and Risk Management Staff when WC is affected by case law, land mark appeal panel decisions, legislation signed by the Governor, or DWC's activities, including rule making.
- i. Cases in litigation, proceeding to court, or up for Judicial Review are not included in the services requested.

8) **Investigation and Surveillance Services**

- a. All investigation requests shall be submitted to Risk Management for approval and include justification and expected outcomes and contact information
- b. Goals shall be established by the TPA or City and accepted by the investigative service for each assignment.
- c. The investigation shall begin within three (3) working days of assignment.
- d. A status report shall be received within ten (10) working days of assignment.
- e. The final detailed report shall be submitted within ten (10) working days after completion of the assignment and include supporting documentation and details of how the information was obtained.

9) **Medicare Secondary Mandatory Reporting and Recovery, Section 111**

- a. The TPA shall assume this responsibility and act on behalf of the City of Austin as Account Manager.
 - i. The TPA shall develop a work flow to be shared with the City.
 - ii. All staff working on this item will be introduced to the City and staff changes announced.
- b. All correspondence regarding this activity received by the Account Manager shall be shared with the RRE, City of Austin, by way of e-mail.
- c. Any activity or deficiencies shall be communicated with the City within 3 days of discovery or receipt.
- d. Any change in the MSMR requirements shall be communicated to the City within 10 days of the Account Manager knowledge.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

- e. A quarterly report is required with criteria to be agreed upon with the City.
 - i. This report shall include an itemized list of the injured employees who met the MSMR criteria and confirmation of the final results submitted to MSMR.
 - f. Any request for claim inquiry or reimbursement by MSMR shall be communicated to the City.
 - g. The TPA shall have written processes for managing all MSMR specific claim inquiries, request for reimbursements and keeping the City informed of this activity.
- 10) **Information Systems (MIS) including Claims Management, Bill Review, and Pre-Authorization**
- a. The TPA and URA and PBM shall provide a comprehensive, Electronic Management Information System that meets specific requirements to be agreed to by all service partners with the City in the contract.
 - b. The Claims Management System shall have interface and data transmission capabilities between the bill review and pre-authorization service partners.
 - c. Service partners shall have shared access to these systems to be agreed upon prior to the award of the contract.
 - d. The Claim Management system shall provide interactive web based access to authorized City employees for searching, viewing and printing claim information; and the ability to generate, download or print statistical reports. It is important to know the City allows each department to view and download information specific to that department.
 - i. The TPA shall have ability to identify claims by specific City departments.
 - e. The TPA and URA shall not be required to provide any standard computer hardware or software to the City.
 - f. The TPA and URA and PBM shall develop an integrated process for document and data management and shall provide a written document of that integration that will send and receive the necessary data for the City's workers' compensation program.
 - g. The TPA shall notify the City of any specialized computer hardware or software required for City computers to interface with the Claim Management System. Specialized equipment or software shall be provided to the City without additional charges.
 - h. The TPA shall accommodate and map all existing claim information, bill review history, and pre-authorization history into their systems. **See Exhibit D**
 - i. **Before the first day of service, the TPA and URA and PBM shall:**
 - i. Transfer, map and verify all existing claim data from the previous TPA, bill review, and pre-authorization systems to the new TPA and URA and PBM.
 - ii. Establish, test and verify data transfer functions between the TPA, URA, the City and all partners or subcontractors.
 - iii. Successfully download and verify employee information from the City's Human Resources Database and Payroll Systems.
 - iv. Develop, implement, test and verify the data entry interface the City will use to enter claim information.
 - v. Develop implement, test and verify the standard and ad hoc report generating interface the City will use to extract specific claim information and summary and detailed statistical information.
 - vi. Develop implement, test and verify the claim search, viewing, and printing interface the City will use to review claim details, claim management activity and provision of benefits.
 - vii. Train selected City employees on the use of the system.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

- j. **The Management Information Systems of the TPA and URA shall provide the following functions and features as they apply:**
- i. All electronic data transmission to or from shall be routed through a secure, firewalled server and encrypted using a minimum 128 bit encryption algorithm such as the Advanced Encryption Standard (AES); or as required by government agencies such as The Texas Department of Insurance.
 - ii. The TPA's MIS shall retrieve employee information from the City's payroll system biweekly; in a format mutually agreed upon.
 - iii. The TPA and URA and PBM, service partners and subcontractors shall provide electronic data submission capability as required by the Texas Department of Insurance, TDI-DWC rules, Centers for Medicare-Medicaid Services (CMS) and any administrative guidelines mandatory to the City's WC program
 - The TPA and URA shall provide the City with verification reports that the data has been successfully sent and accepted.
 - The TPA and URA shall comply with the Mandatory Reporting Requirements for the Medicare Secondary Payor Program through CMS and all other mandatory reporting requirements through a governmental entity.
 - A written quality monitoring process shall be provided by each entity that provides data to TDI-DWC or Medicare.
 - iv. The TPA shall have the capability of transferring data in claim files to the City's Electronic Data Imaging Management System (EDIMS).
- k. **Data Access and Security of the Management Information Systems of the TPA and URA (MIS)**
- i. The implementation of the MIS including archives, backups, mirrored sites, etc. shall be on secured servers and systems with access restricted to authorized personnel only.
 - ii. All City claims and employee data stored on the MIS shall be protected from unauthorized access.
 - iii. The TPA shall provide the City with direct access to the MIS for as many users as the City requires, for the term of this Contract, including any extensions or renewals hereof, and for an additional 30 days following termination. The estimated number of simultaneous users at the City is twelve (12).
 - iv. Risk Management shall authorize MIS access to individuals based on job duties and level of information needed.
 - v. The TPA shall maintain a current list of MIS users including access levels, date access granted, date access withdrawn and authorizing individual.
 - vi. The MIS shall be accessible to authorized City employees twenty-four (24) hours a day, seven (7) days a week, from any computer with internet capability.
 - vii. Problems accessing the MIS shall be corrected within twenty-four (24) hours of notification to the TPA.
- l. **Backup And Recovery**
- i. Backup of all City claims and City data shall be performed daily.
 - ii. Back up data shall be readily accessible and available to restore the MIS within twenty-four (24) hours of a system failure.
 - iii. Back up data shall be stored off-site for a minimum of ninety (90) days.
- m. The TPA and URA shall implement all system upgrades required to maintain the MIS in compliance with the Texas administrative office guidelines, state and federal requirements and EDI changes at no additional cost to the City.
- n. Claims shall be managed and benefits paid through the MIS (Claims system). The System shall have check generating capabilities.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

- o. **Submission of Claim Forms by the City**

 - i. The MIS shall provide the capability for the City to access, complete and submit the First Report of Injury (DWC-1), Supplemental Report of Injury (DWC-6), and Employers Wage Statement (DWC-3) Forms through a web based application.
 - ii. The selected form shall be automatically populated with the essential employee information retrieved from the City's payroll system when a valid employee identification number or social security number is entered.
 - iii. In the event of a system failure, a back up submittal system shall be available utilizing facsimile transmission, email, or any other mutually agreed upon system.
 - p. The MIS for the TPA and URA shall provide scanning, imaging, and OCR capability as appropriate for their operation and necessary for the conversion of hard copy documents to an electronic format suitable for storage on the Claims MIS with other claim related information. The TPA and URA shall describe to the City in a written process how this will occur.
 - q. **Reporting**

 - i. The TPA and URA shall have the capability of generating detailed and summary reports consisting of financial and other claim related information as specified by the City.
 - ii. Claim data used in report generation shall be updated daily and accurately maintained with respect to lost and limited duty days, and financial information.
 - iii. Report functionality must be capable of being utilized via a secure web browser session.
 - iv. The TPA shall enable the City to do *ad hoc* reporting from the Claims MIS on any information requested by the City.
- 11) **Provider Networks – Certified or 504**
- a. The TPA and URA shall have the capability to operate within a Network should one be chosen through a separate RFP process after this contract is rewarded. No RFP is planned or anticipated at this time or this year.
- 12) **Reports, Meetings and Audits**
- a. **Weekly Check Register or Report** for the City's Wage Coordinator consisting of indemnity payments disbursed weekly, stub notes must include the reason for the payment, i.e. waiting period, no duty status, partial duty status, limited duty status, for claimant's attorney, or wage garnishment. Voided checks or stop payments must be noted on the register.
 - b. **Monthly Check Register**
 - c. **End of Month Pay Category Report**
 - d. **Bill Review Service Reports** providing system reports weekly and monthly verifying transmissions of all medical bills are timely and accurately submitted to the appropriate Texas Administrative Office (DWC) and reporting results of monthly required audits. This shall include validating data and data fields by way of the DWC's System Monitoring Office Monitoring Medical Report or other verifiable means.
 - e. **Executive Summary, Exhibit A**
 - f. **Performance Measures, Exhibit B**
 - g. **End of Month Reports** that support the data included in the **Exhibit A**, Executive Summary, and **Exhibit B**, Performance Measures. Additional criteria may be added to the reports, and shall be supported by the data. May be mutually agreed on.
 - h. **End of Month Overpayment Report** listing the injured employee name, claim number, type of indemnity payment error, reason for error, error date and amount due, check number, recovery activity and reimbursement date.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

- i. **Monthly DWC-1 Report** listing all new claims in the previous month, including the date the DWC-1 was received; the date of knowledge by the City and whether this meets “timely”, criteria.
- j. **Monthly Reserves Report** with parameters as defined by the City.
- k. **Monthly Reserve Change Report** listing all reserve changes is due seven (7) days prior to the end of month and reserve changes \$20,000 or more shall be included with **Exhibit A**, Executive Summary.
- l. **Monthly Financial Reports** required by the City’s WC Fund Financial Manager; as listed in Scope of Work, 0500, Section 8.N.
- m. **Monthly Dedicated Nurse Report** identifying the medical status/RTW status and other data as specified by Risk Management for all active cases reviewed by the Nurse.
- n. **Monthly Medical Bill Reports** showing medical bill pending payment activity, duplicate/irregular payments, detail and summary reports by provider type, ANSI Code, claimant and other specific reporting elements to be agreed upon.
- o. **Monthly Pre-Authorization Report** is required that displays the activity for the month by claimant, merged quarterly, semi-annually, and annually.
- p. **Quarterly Pre-Authorization Report** providing the status of system up-dates; new components, IROs, Peer Reviewer up-dates, DWC up-dates, and new or change of Initiatives under taken in Pre-Authorization
- q. **Quarterly Medical Bill Report** providing the status of system up-dates; i.e. Fee components, Center for Medicare and Medicaid Service (S) rate modifications, ANSI code adjustments, DWC up-dates, PBM, and PBO up-dates. Initiatives under taken in the Bill Review Department.
- r. **Quarterly Field Case Management Active Cases Report** will be required indicating the active cases for telephonic, field management, or vocational rehabilitation, the date assigned, and confirmation that TPA’s criteria and the objectives are being met. A quarterly closure report shall be generated with date of closure, reason for closure, and total days for the assignment.
- s. **Quarterly Subrogation Report** identifying the employee, claim number, amount subrogated, and amount tracked as processed and date a PLN was issued.
- t. **Quarterly Investigation and Surveillance Report** listing the claims referred for private investigation, time frame for the investigation, hours billed and the quality of the report and timeliness of the investigation.
- u. **Annual Actuary Data Report** includes all data required by the actuary to produce an actuary report for the City.
- v. **Claim Severity Report** – An YTD report includes monthly medical costs of all open claims by month and listed by claim #.
- w. **Financial Analysis Report** – a Fiscal Year to date report showing total amounts on each pay category, by claim year and # of claims paid on in that year. A separate pivot table that carves out medical expenses and lists medical costs of claims by claim year and # of claims we are still paying on. Example available in the exhibits.
- x. **Monthly Sub-Contractor Payment Report** – shows work performed and the allocated expenses made to the claim file; supporting documentation may be required.

13) **Required Meetings**

- a. **Monthly Operations Meeting** -- with Risk Management at the City of Austin to review account issues, including Bill Review, pre-authorization and progress reports of issues tracked in an issue and resolution log, a summary of business transacted in the previous month, identification of trends, and other topics appropriate for a high level operations meeting.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

- b. **Claim Review Meetings with City Departments** – TPA staff shall meet with specific City Departments on request to review open claims and other issues that may be important to the claim management of that Department. This meeting is coordinated by a Risk Management staff person and may be set up as recurring.
 - c. **Training/Presentations** -- the TPA and URA shall include the Risk Management staff and DWCRs in trainings and presentations when rule/law changes impact the City workers' compensation process or when training is necessary to educate City staff on the use of the web based application and other computer systems functions.
 - d. **Claims Review Meetings with Dedicated Adjusting Staff** – aka Adjuster's Meeting held regularly between the TPA and Risk Management at dates and times to be mutually agreed upon. Topics may include strategy to manage claims, medical management, and RTW and may include supervisor, adjusters, dedicated nurse, bill review, pre-authorization, VP of Claims, and account manager
 - e. **Account Management meeting** currently held monthly prior to the operations meeting to review status of issues and project chart, status of outstanding concerns. The Account Manager and Risk Management's Risk Analyst conducts this meeting and regularly invites Claims Supervisor, Bill Review Manager, or other parties to discuss specific topics.
 - f. **Reserve Review and Claim Management Review** utilizing various report tools in example ODG- Black Flag report, New Claims Report, and over payment report. This meeting is attended by the Claims Supervisor and the Risk Analyst at the City.
 - g. **Other Meetings as Required** – to review any aspect of the program as necessary and to be agreed upon.
- 14) **Audits**
- a. **Monthly DWC 3 & DWC 1 Audits** – for all new claims that in the previous month have indemnity payments *initiated*, or that were upgraded to an indemnity claim within the previous month, or that were flagged for potential lost time. TPA shall conduct an audit for timely receipt of DWC-3 and DWC-1.
 - b. **DWC-6 & General Claim File Activity Audits** – the TPA shall send to the City all PLNs issued for the previous month by the 10th of the following month.
 - c. **SSAE 16** -- required at TPA's own cost, conducted annually, by a certified and licensed auditing firm with respect to internal controls for all contracted/subcontracted work pertaining to this proposal. The audit shall be conducted in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Auditing Standards. The audit does not have to be specific to City of Austin but of the vendor's Account Service Provider environment. Final audit reports shall be delivered to the City by November 1st of each year.
 - d. **Annual TPA AND URA Audit** -- The City shall coordinate and advise the TPA of the onsite audit to be performed by a qualified outside auditing firm. The TPA and URA shall allow the auditing firm access to claim files, procedures, pre-authorization, bill review, and other ancillary services utilized in our program.
 - e. **Claim files, Bills Reviewed, Pre-Authorizations, and other work products are subject to audit on a random basis from various sources available to the Risk Management Division.** The TPA and URA shall respond within a 5 work day period unless the urgency of the situation requires a more immediate response.
 - f. **The URA shall respond to a monthly 3% Audit of Bills Reviewed and Pre-Authorizations processed** – The City will randomly choose from the end of month reports and return to the manager of the respective departments. Audit results will be returned with end of month reports and outcomes included on the Performance Measure Monthly Report.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

14) General Requirements

- a. The TPA shall maintain an imaged file for each reported claim, and old hard copy files that are re-opened shall be imaged. Each file shall contain all data pertinent to the claim. All files and data are the property of the City and not the TPA and URA.
- b. The City reserves the right to audit the TPA and URA and claim files for compliance with Texas administrative guidelines and other standards in this proposal.
- c. Invoices submitted for the payment of vendor or subcontractor services will only be paid if the services provided by the vendor or subcontractor have occurred within sixty (60) days prior to the invoice date.
- d. The TPA shall allocate expense to the claim files. On a monthly basis all allocations made shall be reported in an end of month report by service provider format and information to be agreed to with the TPA, URA, and City.
- e. The City shall define claim file closing criteria and any storage and handling procedures that shall be followed. The City will maintain a closed file storage facility and/or Electronic Data Imaging Management System and is responsible for all costs associated with the physical storage of these files and data.
- f. The TPA shall pay compensation, medical expense, and allocated loss expense out of funds provided by the City and issue checks, drafts or other payments out of their Austin office.
- g. The TPA and URA shall provide adequate internal control procedures to protect the City from any type of financial loss. Payments of any type made solely in error by the TPA and URA shall be the responsibility of the TPA and URA.
- h. The TPA and URA shall reimburse the City for unrecovered payments that result solely from the TPA and URA's or a service partner's error or negligence.
- i. The TPA and URA shall be responsible for any monetary fines and interest that becomes due as a result of non-compliance with Texas administrative and regulatory bodies if the duty was the responsibility of the TPA and/or URA or its subcontractors. The TPA and URA shall not be held to this requirement when the fine arises solely from the City's error or delay.
- j. The TPA and URA is responsible for any fines resulting from a Texas administrative office audit that finds evidence of noncompliance with a required standard. This responsibility shall continue throughout the life of all claims or parts thereof managed by the TPA and URA, regardless of contractual relationship with the City.
- k. The City shall disclose all DWC or other Texas Administrative audit activity that has occurred and/or is pending. The TPA and URA shall implement any improvements named in the audit. The TPA and URA shall accept the financial responsibility, if any, for the failure to improve in past audited areas and the lack of improvement causes fines to be brought forward and added to current fines in the same category.
 - i. As of the date of this document there are no outstanding audits or exposures.
 - ii. As of the date of this document there are no notices of Texas administrative audits to be performed.
- l. The successful TPA and URA shall submit a Business Continuity Plan that shall detail how the TPA and URA will recover and maintain critical operations in the event of business disruptions from system failures, natural occurrences, acts of man, or other events.

15) Financial Requirements

Any costs associated with the establishment of this account shall be the responsibility of the TPA including check stock. However, since the City requires that this account be established with its current banking institution, no additional administrative services fees shall be incurred. TPA shall:

- a. Establish a "zero balance" account with JP Morgan. With this type of account, payment checks are presented to the bank for daily payment and City funds are transferred at close of each business day so as to maintain a zero account balance.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

- b. Cooperate with the bank to facilitate its (the bank's) "positive pay" process in order to eliminate check fraud. In the "positive pay" process, the TPA presents the bank a list of checks and payment amounts on a daily basis. The bank then verifies check number sequence and payment amounts before a check is cleared for payment.
- c. Prepare and supply checks and drafts for claims payment from a local claims office at no additional cost to the City. Approximately 22,000 drafts are issued per year.
- d. Financial Reports are required monthly and include:
 - i. Payments by pay type
 - ii. Payment by fund
 - iii. Reserves by City Department
 - iv. Check register by pay type
 - v. Check register standard
 - vi. Indemnity chargeback
- e. Be responsible for the generation and mailing of 1099 information to service providers and Internal Revenue Service (IRS).
- f. Comply with State of Texas requirements for unclaimed property reporting.
- g. Provide a monthly bank reconciliation report. By the 15th of each month the TPA will receive a month end bank statement with a detailed listing of paid exceptions, outstanding settlement report, reconciliation report and a diagnostic summary. The TPA and URA's Chief Financial Officer (CFO) will approve this reconciliation report and deliver to the City by the 25th of each month. The report shall include:
 - i. Bank reconciliation showing the check number, date issued, date cleared, vendor, and amount.
 - ii. Monthly check register
 - iii. Monthly cleared checks
 - iv. Aged outstanding checks
 - v. Voids and stop payments
- h. A Pay Category Report is required monthly. This report discloses the injured worker, benefits paid, and the date of incident by the specific City department.

16) INSURANCE AND BOND REQUIREMENTS

- a. The selected TPA and URA shall provide certificates of insurance for all required lines of coverage to the Purchasing Office before contract award.
- b. The selected **TPA** shall provide a performance bond in the amount of **\$820,000.00**, naming the City as obligee.
- c. The selected **URA** shall provide a performance bond in the amount of **\$420,000.00**, naming the City as the obligee.
- d. In the event that the **TPA and URA** are incorporated into a single entity, the amount of the Performance Bond shall be **\$1,240,000.00**, naming the City as the obligee.

17) TPA AND URA PERFORMANCE STANDARDS AND COMPLIANCE

THE COA REQUIRES CONSISTENT ABOVE AVERAGE PERFORMANCE AND WILL UTILIZE AN INDEPENDENT AUDITOR AND THE DIVISION OF WORKERS' COMPENSATION PERFORMANCE BASED OVERSIGHT PROGRAM TO DETERMINE THE TPA'S PERFORMANCE IN THE FOLLOWING CATEGORIES:

- a. Income benefits shall be paid timely as required by TDI-DWC and shown on the Performance Measure ***Exhibit B***.
- b. Medical Bills shall be processed timely as required by TDI-DWC and shown as item #7 on ***Exhibit B***.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

- c. Electronic data submissions required by DWC and reflected in item #s 11, 12, 13, 14 in **Exhibit B** are completed accurately with all fields properly submitted with appropriate data as required by rule and on time.
 - d. Average industry standards shall be met, at a minimum, for overall claims management and payment of benefits.
 - e. Reference to Section A. 1. – 4. Federal and Texas Laws, Administrative Rules, Bulletins, and Advisories will be adhered to 100% and the City will be conferred with prior to any type of self-reporting or any representation on behalf of the City with Federal or Texas Law Administrators.
- 18) **Requirements for Compliance with Performance Standards**
- The TPA and URA may be subject to a fee of one percent (1%) of the annual contract amount IF:
- a. The Annual Audit finds the performance is below ninety percent (90%) or below average as compared to the independent auditor's rating definitions of the industry's average performance; or
 - b. The City is a chosen participant of DWC's Performance Based Oversight program and one of the items in 3.R.1, 2, or 3, listed above, falls below ninety (90%) success rating.
 - c. The City identifies and presents documentation that R. 4. or R. 5. has failed.
- 19) **Transition Requirements**
- a. **At The Beginning Of The Contract**
 - i. In order to effect a smooth transition, the selected TPA and URA shall develop and implement a written transition plan to ensure successful implementation of the requirements within this scope of work.
 - ii. The transition plan shall be very specific and provide a clear delineation of tasks for all parties. The City shall require the written transition plan within two (2) weeks of award of the contract.
 - iii. The plan shall address all areas, including but not limited to:
 - Establishment of staff and office
 - establishment of banking arrangements
 - transfer of claim files
 - claims data electronic transfer
 - medical bill and pre-auth electronic data transfer
 - installation of any system hardware
 - payment of benefits on all claim files
 - communications to injured workers
 - training of city staff.
- 20) **Failure to meet the following key outcomes may result in contract cancellation:**
- a. Establish a fully operational local office within ninety (90) calendar days of contract award.
 - b. Establish a fully operational claims database with all claims information mapped within ninety (90) calendar days of contract award.
 - c. Establish a fully operational web based claims reporting system with access capabilities by all departments within ninety (90) calendar days of contract award.
 - d. Ensure benefit payments are issued on time utilizing the established account on the first day of service.
 - e. Ensure electronic data transfer of medical bill data, including provider information, occurs no later than thirty (30) calendar days prior to service start date.
 - f. Ensure claim file imaging capabilities are established by the service start date.
 - g. If TPA and URA is not able to meet the contract start date for all services.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

21) At The Completion Of The Contract

Three months prior to the completion date of this contract the TPA and URA shall cooperate with the City and assist the City in all efforts to coordinate and transition the City's account to a new TPA and URA. The outgoing TPA or URA shall not receive the final month of the City's payment obligation until fifteen (15) calendar days after the transition is complete. The City requires that the closing of the City's account be processed without interruption of service(s). All data shall be transferred to the City or its designee as directed by the City in a format mutually agreed upon by all parties. The TPA shall follow the City's closing account instructions.

C. CITY RESPONSIBILITIES

- 1) The City shall monitor and audit for continuous compliance with this Scope of Work, Texas Labor Code, Texas Administrative Code, Medicare Secondary Payor Program, and any other rule or regulation that has an impact on the City's Workers' Compensation Program.
- 2) The City shall reserve the right to request additional staff or a change in staff if problematic circumstances prevail.
- 3) The City shall have a Human Resource Specialist as a liaison between the TPA and URA and the City's Departments.
- 4) The City's Risk Manager shall approve any binding "settlement" on any claim and approval must be documented in the file.
- 5) The City shall monitor and confer with TPA and URA in authorizing expenditures.
- 6) The City shall define claim file closing criteria and any storage and handling procedures that shall be followed. The City will maintain a closed file storage facility and/or Electronic Data Imaging Management System and is responsible for all costs associated with the physical storage of these files and data

IV. PERFORMANCE MEASURES FOR TPA AND URA (REFER TO EXHIBIT B)

The TPA and URA shall report monthly on their respective responsibilities. If a performance measure is not 100% the TPA and URA shall submit a memo of identification, explanation, and plan of improvement.

**CITY OF AUSTIN
PURCHASING OFFICE
SOLICITATION NUMER: RFP TVN0040
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION
AND UTILIZATION REVIEW AGENT**

PERFORMANCE MEASURES/DELIVERABLES

Deliverables/Milestones	Description	Timeline (due/completion date, reference date, or frequency)	Performance Measure/ Acceptance Criteria	Contract Reference/ Section
Timely and accurate payment of Income and medical Benefits.	Eligible injured employees are paid in compliance with the Texas Labor Code.	Continuous throughout the contract.	Texas Labor Code and DWC Administrative Rules.	III.B.17.a.
Timely and accurate processing of medical and pharmacy bills.	The Texas Labor Code has specifics on why and how medical benefits should be paid.	Continuous throughout the contract.	Texas Labor Code and DWC Administrative Rules.	III.B.17.b.
Timely and accurate processing of preauthorizations.	The Texas Administrative Code and Utilization Review Rules and the Texas Labor Code govern this activity	Continuous throughout the contract.	Texas Administrative Code, Utilization Review Rules, Texas Labor Code.	III.B.4.a.i.
Timely and accurate Electronic Medical Bill submissions.		Continuous throughout the contract.	Texas Labor Code and DWC Administrative Rules.	III.B.17.c.
Timely and accurate Electronic Claim submissions.		Continuous throughout the contract.	Texas Labor Code and DWC Administrative Rules.	III.B.17.c.

V. Appendices/Exhibits

EXHIBIT A - Executive Summary provides FY13, FY12, FY11 data relative to the City's WC program.

EXHIBIT B - Performance Measures, provides a baseline report of tracked measurements.

EXHIBIT C - Utilization Review data relative to the City's WC program carved from the Executive Summary, Exhibit A

EXHIBIT D - Management Information System (MIS) Special Requirements and Location Structure

EXHIBIT E - Financial Analysis Report

EXHIBIT F, F1 & F2 - Designated Nurse

EXHIBIT G – Contractor Experience

EXHIBIT H – Cost Sheet



ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS

REQUEST FOR PROPOSAL: GLB0300 ADDENDUM NO. 3 DATE OF ADDENDUM: October 13, 2015

This addendum is to incorporate changes to the above referenced solicitation:

I. Clarifications

Disregard Addendum 2 – it was in published in error – current proposal due October 15, 2015 @ 3:00 PM

All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, Addendum is hereby incorporated and made a part of the above referenced Solicitation.

APPROVED BY:

Georgia Billela, Buyer II
Purchasing Office, 512-974-2995

ACKNOWLEDGED BY:

_____	_____	_____
SUPPLIER	AUTHORIZED SIGNATURE	DATE

RETURN ONE (1) COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH PROPOSAL OR PRIOR TO BID OPENING. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION OF YOUR OFFER.



**ADDENDUM
CITY OF AUSTIN, TEXAS**

Solicitation: **IFB GLB0039** Addendum No: **2** Date of Addendum: **10/7/15**

This addendum is to incorporate the following changes to the above referenced solicitation:

I. Clarifications:

The closing time and date of the above referenced Invitation for Bid has been extended to 2:00 PM on Wednesday October 14, 2015. Bids will be accepted until 2:00 PM on October 14, 2015.

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

APPROVED BY:


Georgia L. Billela, Buyer II
Purchasing Office, 512-974-2939

ACKNOWLEDGED BY:

SUPPLIER

AUTHORIZED SIGNATURE

DATE

RETURN ONE COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH YOUR RESPONSE OR PRIOR TO THE SOLICITATION CLOSING DATE. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION.



ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS

REQUEST FOR PROPOSAL: GLB0300 ADDENDUM NO. 1 DATE OF ADDENDUM: October 2, 2015

This addendum is to incorporate changes to the above referenced solicitation:

I. Questions:

This addendum is to incorporate the following questions and answers to the above-referenced Request for Proposal. The following questions were posed by one or more Vendors in writing and during the Pre-Proposal meeting. Each question (Q) is followed by its answer (A).

1. (Q) Does the City intend for the Attachment D table to read: "Maximum Fees to complete the Audit per the 0500 Scope of Work" rather than "Minimum Requirements"?
(A) The Attachment D has been replaced with Attachment D revised.
2. (Q) Would professional licensing by the Texas Department of Insurance meet the City's "Local business presence" requirement?
(A) The Local business presence is only applied to business located in the City jurisdiction and the licensing does not qualify.
3. (Q) Would submission of optional service component(s) in addition to the Scope of Work, per the RFP be considered by the City?
(A) Not for this proposal.
4. (Q) Will this audit follow the specific audit standards or required to follow the government standards?
(A) No it will not, it is outside of a finance audit but a work audit.
5. (Q) Is there a budget set at this time for this work?
(A) There is not a budget at this time.

II. Additional Information: Attached are the sign-in sheets from those that attended and the Attachment D revised.

All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, Addendum is hereby incorporated and made a part of the above referenced Solicitation.

APPROVED BY:


Georgia Billela, Buyer II

Purchasing Office, 512-974-2995

ACKNOWLEDGED BY:

SUPPLIER AUTHORIZED SIGNATURE DATE
RETURN ONE (1) COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN,
WITH PROPOSAL OR PRIOR TO BID OPENING. FAILURE TO DO SO MAY CONSTITUTE GROUNDS
FOR REJECTION OF YOUR OFFER.

**CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS
SOLICITATION NUMBER: RFP GLB0300**

1. PROPOSAL FORMAT:

Proposals shall be organized in the following format and information sequence. Use tabs to divide each part of your Proposal and include a Table of Contents. Proposers should provide all details in the Proposal as required in the Section 0500 - Scope of Work and any additional information you deem necessary to evaluate your Proposal.

Tab 1 – Executive Summary

Provide an Executive Summary of two (2) pages or less, which gives in brief concise terms, a summation of the Proposal.

Tab 2 – City of Austin Purchasing Documents:

Complete and submit the following documents:

- A. Offer and Award Sheet
- B. Section 0605 - Local Business Presence Identification Form
- C. Section 0700 - Reference Sheets
- D. Section 0835 - Non-Resident Bidder Provisions
- E. **Completed and Signed Section 0900 No Goals Utilization Plan (if applicable). If you will be utilizing subcontractors, you must contact the Small and Minority Business Resources Department (SMBR) at (512) 974-7600 to obtain a list of MBE and WBE firms available to perform the service and include the completed 0900 No Goals Utilization Plan with your proposal packet. Include the 0900 No Goals Utilization Plan in Tab 1d. You can download the 0900 No Goals Utilization Plan at <http://www.austintexas.gov/departments/standard-bid-documents>**

Tab 3 – Authorized Negotiator:

Include name, address, and telephone number of person in your organization authorized to negotiate Contract terms and render binding decisions on Contract matters.

Tab 4 – Business Organization:

State full name and address of your organization and identify parent company if you are a subsidiary. Specify the branch office or other subordinate element which will perform, or assist in performing, work herein. Indicate whether you operate as a partnership, corporation, or individual. Include an organization chart and communication chart that identifies your organization and the management structure of the Firm. The organization must be in good standing with Federal and State licensing requirements and your proposal should so state. Include the State in which incorporated or licensed to operate.

Tab 5 – Project Concept and Solution:

Define in detail your understanding of the requirement presented in the Scope of Work of this request for proposal and your project solution. Provide all details as required in the Scope of Work and any additional information you deem necessary to evaluate your proposal. The 6 worksheets in Attachment C must be used in the auditing and rating process.

Tab 6 – Program:

For each component in Section 0500 - Scope of Work, describe your plan for accomplishing the required work. Specifically indicate:

- A. **STEPS:** Detail the steps you will take to evaluate and examine the performance of the Third Party Administrator (TPA) and the services the TPA is required to furnish to provide claims adjusting services for the City's Texas Workers' Compensation Claims.

**CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS
SOLICITATION NUMBER: RFP GLB0300**

- B. **SUMMATION:** Illustrate the final presentation of the audit findings and how your summation will be presented. This summation must include a definitive response to three (3) performance measures that subject the TPA to a penalty:
- a. Income benefits are paid timely as required by TDI-DWC
 - b. Medical bills are processed timely as required by TDI-DWC
 - c. Electronic data submissions on claims data and medical bill data that are required by TDI-DWC are completed accurately and on time.
- C. **STATISTICAL SAMPLING:** Discuss the number and how you arrived at that number of claim files, medical bills, preauthorizations for the audit in each category including:
- a. Claim files: lost time, medical only, and aged files
 - b. Bill Review: physician, hospital, ambulatory surgery center, outpatient, pharmacy, durable medical equipment bills
 - c. Preauthorizations, surgery, non-surgery, durable medical equipment, sorted with approved and denied preauthorizations

Tab 7 – Project Management Structure and Personnel:

Provide a general explanation which specifies project leadership and reporting responsibilities. Include names and qualifications of all professional personnel who will be assigned to this project. Identify key persons by name and title and identify their responsibilities to this project. Describe any outside vendors you may require to complete specific parts of the audit. Explain the qualifications that will be required of staff to audit workers' compensation claim files, bill review program and medical bills, preauthorization program and individual preauthorizations.

Tab 8 – Prior Experience:

Provide three (3) relevant corporate experience examples to the type of audit we are requiring. Do not include corporate experience prior to 1998 and only for personnel that will be directly assigned to the contract. Clients may be contacted for verification of information and references. Include specifically your experience working with public entities. Detail information should include entity name, project description, entity address, contact name and phone number.

Tab 9 – Cost Proposal:

Provide pricing on attachment D. Cost per applicant shall be inclusive of all materials, supplies, labor, overhead, and travel if required. A firm fixed price or not-to-exceed Contract is contemplated, with progress payments as mutually determined to be appropriate.

TRAVEL: Contractor's travel expenses must be included in the overall project cost. Travel may not be billed directly to the City.

Tab 10 – Exceptions to the Proposal:

The Proposer shall clearly indicate each exception taken and indicate the alternative language along with the business need for the alternative language. The failure to identify exceptions or proposed changes with a full explanation will constitute acceptance by the Proposer of the Solicitation as proposed by the City. The City reserves the right to reject a Proposal containing exceptions, additions, qualifications or conditions not called for in the Solicitation.

**CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS
SOLICITATION NUMBER: RFP GLB0300**

Tab 11 – Proposal Acceptance Period:

All Proposals are valid for a period of one hundred and eighty (180) calendar days subsequent to the RFP closing date unless a longer acceptance period is offered in the Proposal.

2. Part VIII - Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying:

- i. On November 10, 2011, the Austin City Council adopted Ordinance No. 20111110-052 amending Chapter 2-7, Article 6 of the City Code relating to Anti-Lobbying and Procurement. The policy defined in this Code applies to Solicitations for goods and/or services requiring City Council approval under City Charter Article VII, Section 15 (Purchase Procedures). During the No-Contact Period, Offerors or potential Offerors are prohibited from making a representation to anyone other than the Authorized Contact Person in the Solicitation as the contact for questions and comments regarding the Solicitation.
- ii. If during the No-Contact Period an Offeror makes a representation to anyone other than the Authorized Contact Person for the Solicitation, the Offeror's Offer is disqualified from further consideration except as permitted in the Ordinance.
- iii. If a Respondent has been disqualified under this article more than two times in a sixty (60) month period, the Purchasing Officer shall debar the Offeror from doing business with the City for a period not to exceed three (3) years, provided the Respondent is given written notice and a hearing in advance of the debarment.
- iv. Offerors submitting Offers and signing the Cover Sheet on this Solicitation agree to Section 0810, Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying Affidavit certifying that the Offeror has not in any way directly or indirectly made representations to anyone other than the Authorized Contact Person during the No-Contact Period as defined in the Ordinance. The text of the City Ordinance is posted on the Internet at: <http://www.ci.austin.tx.us/edims/document.cfm?id=161145>

3. PROPRIETARY INFORMATION:

All material submitted to the City becomes public property and is subject to the Texas Open Records Act upon receipt. If a Proposer does not desire proprietary information in the Proposal to be disclosed, each page shall be identified and marked proprietary at time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what information shall be disclosed, however, lies with the Texas Attorney General. Failure to identify proprietary information will result in all unmarked sections being deemed non-proprietary and available upon public request.

4. PROPOSAL PREPARATION COST:

All costs directly or indirectly related to preparation of a response to the RFP or any oral presentation required to supplement and/or clarify a Proposal which may be required by the City shall be the sole responsibility of the Proposer.

5. EXCEPTIONS:

Be advised that exceptions to any portion of the Solicitation may jeopardize acceptance of the Proposal.

6. EVALUATION FACTORS AND AWARD:

- A. **Competitive Selection:** This procurement will comply with applicable City of Austin Policy. The City, on a rational basis, will select the successful Proposer. Evaluation factors outlined in Paragraph (B) below shall be applied to all eligible, responsive Proposers in comparing Proposals and selecting the successful Proposer. Award of a contract may be made without discussion with Proposers after Proposals are received. Proposals should, therefore, be submitted on the most favorable terms.

**CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS
SOLICITATION NUMBER: RFP GLB0300**

B. Evaluation Factors: Maximum 100 points.

All Proposals will be evaluated based on the following criteria and rankings.

- i. **Demonstrated Company Experience and Personnel Qualifications:** This includes the executive summary, description of the business organization, the description you provide of your concept and solutions for this project, as well as your management structure, qualifications your will require of personnel working on the is project, and experience. (Tabs 4, 5, 7, and 8) **(25 points)**
- ii. **Program:** This includes each component as listed in the 0500 Scope of Work and the Attachment C worksheets. A comprehensive description of your steps, process, summation, and how you arrive at the statistical sampling. (Tabs 6) **(45 points)**
- iii. **Cost Proposed:** Reasonable costs with the ability to provide services proposed. Proposer with the lowest overall project cost is awarded the maximum points; other proposers are awarded points on a pro-rated basis. **(20 points)**

A total "not-to-exceed" fixed fee is required for the scope of work outlined in this RFP. Payment will be based upon tasks performed. Your proposed fees must be supported with sufficient information to allow the City to evaluate whether the total cost is reasonable. The City upon delivery and acceptance of the audit final report will process invoice amount for payment.

iv. Local Business Presence:

(Maximum 10 points)

Team's Local Business Presence	Points Awarded
Local business presence of 90% to 100%	10
Local business presence of 75% to 89%	8
Local business presence of 50% to 74%	6
Local business presence of 25% to 49%	4
Local presence of between 1 and 24%	2
No local presence	0

- v. **Optional Interviews:** Interviews may be conducted at the discretion of the City. The City will score Proposals on the basis of items 1-4 above. The City may select a "short list" of Proposers based on those scores. "Short-listed" Proposers may be invited for interviews with the City. The City reserves the right to negotiate the actual contract scope of work and cost after submission. **(Additional Maximum 25 points)**

**CITY OF AUSTIN
SCOPE OF WORK
CITY OF AUSTIN WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
AND UTILIZATION REVIEW AGENT CLAIMS MANAGEMENT AUDIT
SOLICITATION NUMBER: RFP GLB0300**

1.0 PURPOSE:

The City of Austin ("City"), seeks proposals in response to this Request for Proposal (RFP) from qualified firms to provide a comprehensive workers' compensation claims management audit of its Third Party Administrator (TPA) and Utilization Review Agent (URA). The Contractor shall meet with the City, TPA, and URA on-site of the TPA to collect and review data, acquire on-line access to claims data base, and explore options for completing the audit electronically. The audit will include all services provided in adjusting Texas Workers' Compensation claims. The audit shall include an evaluation of the Medicare Secondary Payer Recovery (MSPR) required processes.

The successful proposer's first year claims management audit will be based upon TPA/URA services during the period from March 1, 2015 through February 28, 2016, which is the TPA contract year. The following table is the required time frames the audit organization must meet.

6 year Contract	Claim files to Audit by DOI from	Audit Due	Invoice Due	Pay w/in Contract Year
4/16/2016 - 2017	3/1/2015 - 2016	11/16/2016	11/30/2016	12/30/2016
4/16/2017 - 2018	3/1/2016 - 2017	11/16/2017	11/30/2017	12/30/2017
4/16/2018 - 2019	3/1/2017 - 2018	11/16/2018	11/30/2018	12/30/2018
4/16/2019 - 2020	3/1/2018 - 2019	11/16/2019	11/30/2019	12/30/2019
4/16/2020 - 2021	3/1/2019 - 2020	11/16/2020	11/30/2020	12/30/2020
4/16/2021 - 2022	3/1/2020 - 2021	11/16/2021	11/30/2021	12/30/2021

The City works with the TPA/URA and Auditors to ensure the sharing of data in a format each can work with. The City must pay for the service within the contract year. The City may opt not to request audit services every year.

2.0 BACKGROUND:

The City is self-insured for worker's compensation exposures. The City's workers' compensation program covers approximately 13,600 employees within 37 different departments and averages approximately 1400 workers' compensation claims per year. 15% of those claims are classified as lost time claims. The City's current contract for annual external claims management audit services expires on 4/19/2016. There will be one audit per annual period. The City reserves the option of not conducting an audit.

The City's current TPA is The JI Companies dba York Risk Services Group ("York"). York is contracted to handle and procure all administrative, claims processing, ancillary services, and payment services to provide statutorily required workers' compensation benefits to City employees. The current contract began March 1, 2015 and is anticipated to expire on February 28, 2016 with five additional renewal options. Claims are reported to the TPA via a web based system utilizing York Claims Expert (YCE) which interfaces with the Schedule Link Plus, SLP, bill review program run by WellComp. WellComp is a division of York and provides all managed care services. Pre-authorization and Case Management is run through a system known as CareLink. CareLink partially interfaces with YCE and SLP by sending over case management notes and other documents associated with their processes. YCE transmits claims data through Electronic Data Interchange (EDI) to the Division of Workers' Compensation and SLP transmits bill review data. The City's claim files, including bills and pre-authorizations are electronically stored on the YCE system. Healthcare Solutions is the Pharmacy Benefit Management program and can electronically interface with bill review and the claims management system, YCE. Healthcare Solutions transmits medical bill data independent of SLP that submits the medical bill data.

**CITY OF AUSTIN
SCOPE OF WORK
CITY OF AUSTIN WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
AND UTILIZATION REVIEW AGENT CLAIMS MANAGEMENT AUDIT
SOLICITATION NUMBER: RFP GLB0300**

The TPA Claim Management staff at York includes a VP of Claims and a dedicated unit made up of 1 Unit Manager, 2 Lost Time Adjusters, 2 Medical Only Adjusters, 1 Claims Associate, and 1 Registered Nurse who serves as the Dedicated Nurse to the Claims Adjusting team for the medical management of claims. In addition York provides an Account Executive to support the contract.

Utilization Review services are in-house within the WellComp Division for Pre-authorization and Bill Review. Each of these are departmentalized with a manager and a specific staff person responsible for our account.

The claims data for choosing the statistical claim sampling has been delivered in an Excel Format for the last 3 audits conducted in 2012, 2013, and 2014. The statistical sampling historically has consisted of 100 files. The TPA opens the on-line claims system to the auditor for work off site. The COA has a dedicated claims supervisor at the TPA and this will be the auditor's primary contact. The supervisor will coordinate other contacts as necessary.

Per Year Data	2014	2013	2012
Lost time claims	206	202	199
Medical Only claims	1326	1044	1245
# of Bills Medical & Hospital	16,386	16,220	17,902
# of Pre Auths approved by Nurse	828	954	806
# of Pre Auths sent to physician advisor	241	326	389

Over the last four years, the audit has been conducted both on-site, which includes four work days at the City's TPA office, and off-site. The completed document is finalized and submitted electronically.

3.0 SCOPE OF WORK:

3.1 Contractor's Responsibilities

- 3.1.1 The Contractor shall conduct an on-site audit of the City's Third Party Administrator and Utilization Review Agent who is under contract to provide worker's compensation claims management and all ancillary services required in the adjusting of Texas worker's compensation claims. The audit shall include compliance with the Texas Labor Code (TLC) and the Texas Department of Insurance – Division of Worker's Compensation (DWC) Administrative Rules. The audit shall measure the performance, timeliness, and accuracy, as applicable, of each component listed in Attachment C.
- 3.1.2 The Contractor shall contact the City's Risk Management Division by 5/1/2016 and on subsequent years to coordinate the time frames and process to audit.
- 3.1.3 The Contractor shall work with the TPA/URA's Account Executive to obtain the data for the statistical sampling of claims, bill review, and pre-authorizations.
- 3.1.4 The Contractor shall work with the Account Executive to plan how to examine the Medicare Secondary Payer program.
- 3.1.5 The Contractor shall provide a rating for each applicable item listed in the Worksheets in Attachment C and shall include comments in the remarks section on any no or poor rating. As claims are reviewed these items shall be given high priority during the audit process.
 - 3.1.5.1 Income benefits are paid timely as required by TDI-DWC.
 - 3.1.5.2 Medical Bills are processed timely as required by TDI-DWC.
 - 3.1.5.3 Electronic data submissions on claims data and medical bill data that are required by DWC are completed accurately and on time.

**CITY OF AUSTIN
SCOPE OF WORK
CITY OF AUSTIN WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
AND UTILIZATION REVIEW AGENT CLAIMS MANAGEMENT AUDIT
SOLICITATION NUMBER: RFP GLB0300**

- 3.1.6 There are six (6) worksheets in Attachment C that the selected Contractor shall complete. The Contractor shall provide a rating for each item if applicable. The Contractor shall use the worksheets to demonstrate the rating and explain deficiencies. At the conclusion of the audit these worksheets shall be provided for each claim, medical bill, and preauthorization as supporting evidence of the overall ratings and auditor's summations. One worksheet is for the overall Program and the other worksheet is for per claim, per bill or per pre-authorization audited. The Audit will not be considered final until the worksheets are completed. The Contractor may integrate the worksheet information into their own format or system that provides more efficiency and electronic ease of use.
- 3.1.7 The grading scale as follows shall be used to determine compliance with industry standards and laws on the worksheets:
- 3.1.7.1 Yes – Complete compliance
 - 3.1.7.2 No – Lack of compliance and substandard claims handling
 - 3.1.7.3 N/A – No need for claims handling in this area
- 3.1.8 The overall performance evaluation of each section of the audit, claims, bill review, pre-authorization, and Medicare secondary Payer compliance must be rolled up and rated on this scale. The completed audit report will provide a final evaluation on the City's Workers' Compensation Program based on your audit.
- 3.1.8.1 Poor,
 - 3.1.8.2 Meets Industry Standard,
 - 3.1.8.3 Exceeds Industry Standard, or
 - 3.1.8.4 Superior
- 3.1.9 The final audit report, Summation, shall at a minimum include an Audit Summary describing the overall ratings for each category listed in the worksheet titled "The Scope of Work for Claims Adjusting" in the workbook included as Attachment C. Supporting documentation shall include a list of the claims audited, medical bills audited, and pre-authorizations audited with ratings as per the individual worksheets provided in the workbook included as Attachment C. The auditor shall provide details for all findings where improvements or non-compliance is identified.
- 3.1.10 The TPA is subject to penalty if specific items are deficient per their Scope of Work. The Contractor, for each section, shall allow the TPA, Bill Review, Pre-Authorization, and MSPR managers an opportunity for rebuttal of findings.
- 3.1.11 The person or persons auditing in all categories shall have expertise and experience in those categories, including Texas Workers' Compensation, Texas Bill Review, and Texas Pre-authorization.

4.0 MANAGEMENT AUDIT REPORT:

The Contractor shall provide an electronic draft of the results to COA Risk Management for approval and discussion with the Contractor. The final results shall be provided in electronic form within 10 working days of completion of audit but not later than the agreed to time frames. In addition and upon request the Contractor will make an oral presentation by teleconference of the results to the City's Risk Manager and others upon completion of the audit.

**CITY OF AUSTIN
SCOPE OF WORK
CITY OF AUSTIN WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
AND UTILIZATION REVIEW AGENT CLAIMS MANAGEMENT AUDIT
SOLICITATION NUMBER: RFP GLB0300**

5.0 DELIVERABLES:

Deliverables/ Milestones	Description	Timeline (due/completion date, reference date, or frequency)	Performance Measure/ Acceptance Criteria	Contract Reference/ Section
Telephonically contact the City's WC Risk Analyst and Managers of Claims, Bill Review, & Pre-authorization	Provide timeline of events, activity, and data.	5/1/contract year	Completed timely	3.1.2
On-site audit to collect data, verify, inspect, and review as needed to further complete audit electronically.	Coordinate with Account Executive at the TPA for obtaining the report data and time for the on-site visit.	After contract Start date and at the beginning of each Audit term.	Completed timely	3.1.3 3.1.4
Complete audit worksheets in evidence of measuring the performance, timeliness, and accuracy of listed criteria for Claims Management, Bill Review, and Pre-Authorization.	Auditor is expected to audit a statistical # of items in each section and determine if the activity meets or lacks compliance.	After contract Start date and at the during each Audit term.	Completed timely	3.1.5 3.1.6
Summarize and provide an overall performance evaluation of each section of the audit, claims, bill review, and pre-authorization.	Auditor shall produce a document rolling up individual scores to provide the City with one rating for the program.	After contract Start date and at the end of each Audit term.	Completed timely	3.1.8 3.1.9
Evaluate and report on the processes required in the Medicare Secondary Payer Program.	Files sent to CMS timely, confirmations received, files worked and documented.	After contract Start date and at the during each Audit term.	Completed timely	3.1.4



TO: Veronica Lara, Director
Department of Small and Minority Business Resources
FROM: Georgia Billela, Buyer II
DATE: 9/4/15
SUBJECT: Request for Determination of Goals for Solicitation No. RFP GLB0300

Project Name: Workers' Compensation Claims Management Audit
Commodity Code(s): 94620
Estimated Value: Total Contract over 6 years = \$348,000 (\$58,000/year)

Below are scopes of work for this project as determined by the Purchasing Office and Department that are contained in this solicitation.

The contract is to find an audit firm to audit the City's worker's compensation claims management provider and utilization review agent. The Human Resources Risk Management team will request a yearly audit of a sample size of claims.

The Departmental Point of Contact is: Leslie Milvo at Phone: 512-974-3245

Per paragraph 8.2.1 of the Rules Governing the Minority and Women Owned Business Enterprise Procurement Program, please approve the use of the above goals by completing and returning the below endorsement. If you have questions, please call me at 512-322-6586.

☐ **Approved w/ Goals**

☒ **Approved, w/out Goals**

Recommend the use of the following goals based on the below reasons:

- a. Goals: ☐ % MBE ☐ % WBE
b. Subgoals ☐ % African American ☐ % Hispanic
☐ % Native/Asian American ☐ % WBE

This determination is based on the following reasons:

opportunities

There are no subcontracting

Veronica Lara, Director

Date: 9-11-15

cc: Lorena Resendiz