

City of Auburn, Maine

"Maine's City of Opportunity"

Financial Services



March 17, 2014

Dear Bidder:

The City of Auburn, is accepting written proposals for the Management of a Group Self-insured Workers' Compensation Program.

The City reserves the right to accept or reject any or all proposals in whole or in part and to waive any informality the City may determine is necessary. The City also reserves to itself the exclusive right to accept any proposals when it is deemed by the City to be in its best interest. The City is governed by Title 1 M.R.S.A. § 401-410, otherwise known as the Freedom of Information Act, which considers bid specifications as public documents. In awarding any proposal, the City may consider, but not be limited to, any of the following factors: the cost, the Contractor's performance on similar projects, recommendations and opinions from previous clients, and financial standing with the City. Consultants shall be current on all amounts due to the City prior to the City entering into a contract.

Proposals must be submitted in accordance with the following instructions. Please mark sealed envelopes plainly: **"Management of Group Self-insured Workers' Compensation Program"**.

Questions regarding this Request for Proposals should be directed to Derek Boulanger, Facilities Manager/ Purchasing Agent, at (207) 333-6601, ext. 1135. E-mail dboulanger@auburnmaine.gov

Please submit your proposal to the City of Auburn by 2:00 p.m. **Thursday, May 29, 2014.** Proposals will be opened at 2:00 p.m. Proposals must be delivered to **Derek Boulanger, Facilities Manager/ Purchasing Agent, 60 Court Street, Auburn, Maine 04210** on or before the date and time appointed. No proposals will be accepted after the time and date listed above.

Sincerely,

Derek Boulanger
Facilities Manager/
Purchasing Agent

REQUEST FOR PROPOSALS

Management of a Group Self-insured Workers' Compensation Program

The City of Auburn requests sealed proposals for the management of a Group Self-insured Workers' Compensation Program. The City is entertaining a three (3) year contract, with annual funding approval by the City Council.

All interested parties should submit a comprehensive, written proposal per the attached specifications in a sealed envelope, signed by an authorized representative, and clearly labeled "**Management of Group Self-insured Workers' Compensation Program**".

Proposals will be received at the Finance Office, 60 Court Street, Auburn, Maine until 2:00 P.M. Thursday, May 29th, 2014.

In order to assist The City in its analysis of the proposals, it is requested that six (6) copies of the proposal be organized in the following manner:

- A: Table of Contents, including clear identification of the material by section and number.
- B: Letter of Transmittal briefly stating the Firm's understanding of the work to be done and identifying those persons authorized to make representations for the company, their titles, addresses and telephone numbers.

The City is seeking a qualified servicing agency capable of effectively administering the necessary services.

The City's selection will be based on its evaluation of the firm's written proposal including claims and loss prevention experience, specialized field experience of personnel, and overall fee.

The City is an equal opportunity employer and bidders must abide by the City's standard non-discrimination clause not to discriminate against any person in the performance of the program.

The City reserves the right to waive any and all informalities in proposals submitted and the City further reserves the right to accept and/or reject any or all proposals and award in the best interest of the City.

SCOPE OF PROPOSAL

The City is seeking proposals for claims administration, data processing, management information reports, underwriting, and loss prevention services.

The successful firm must be able to be qualified as a "third party administrator" by General Reinsurance, our current excess insurance carrier, and licensed with the State of Maine, Bureau of Insurance.

A. Claims Administration:

Enclosed is a copy of the City's historical claims experience - Appendix "A". **(Note: This information is confidential and privileged it shall be used strictly for evaluation for the Request for Proposal).**

The firm is expected to handle all claims from beginning to end during the period of the contract. The Service Agreement will define responsibilities on levels of authority, signing of checks and approval of legal fees and rehabilitation services.

The choice of legal counsel shall be made by the City.

The choice of rehabilitation providers is made by the client as provided or as by State Statute.

Please explain how "allocated expenses" are defined and handled.

In general the minimum services required of the firm will include the following:

Receive first report of injury and activate necessary files.

Review claim reports and process claims in accordance with statutory and administrative requirements.

Review all medical bills for reasonableness and relationship to injury.

Investigate claims and establish compensability.

Contact the injured employee by telephone within 24 hours of the receipt of first report. If the employee cannot be reached by phone, a contact letter will be sent requesting that the employee contact your office.

Make personal contact within 10 days of receipt of first report on all cases resulting in 7 days or more of disability, occupational disease, multi-claim occurrence or death.

Arrange independent medical exams, if appropriate, and coordinate medical data.

Establish case reserves and make payments.

Coordinate and consult with the City's Legal Counsel on all litigated cases.

Review all claims for subrogation possibilities.

Arrange and monitor all rehabilitation efforts.

Maintain files and update case reserves.

On larger claims, consult with the City on reserving and disposition of claims before proceeding.

Attend all mediation sessions.

Assist the City of Auburn's Counsel, if requested, in preparing the defense of litigated cases, negotiate in settlement and pursuing subrogation or contribution actions.

File all required reports and statements with the State of Maine.

Meet with the City on a quarterly basis to review major cases and overall direction of the program.

Provide on an "as needed" basis instructions to the City staff on proper claim reporting procedure.

Solicit quotes for Excess Workers' Compensation Coverage prior to the expiration of the existing coverage and present to the City for review and approval.

Negotiate premium for excess workers' compensation on the City's behalf.

Comply with all requirements for filing and reporting to Medicare as may be required under current provisions or statutes.

Make recommendations to the City for settlement of claims.

B. Management Information Reports:

Monthly loss reports (2 copies) will be required and should include, at a minimum:

Claim member, injury date, name, department, cause, injury, sex, age, lost time and medical only.

Claim status (open or closed).

Payments and reserves, separated by medical and indemnity.

Total incurred loss.

The individual loss reports should be designed specifically to the City's needs (i.e., divided by location, department, injury type, etc.).

Additionally, a monthly report will be issued summarizing cause of injury, type of injury and body part.

Furnish samples of all management information reports which would be provided to the City and the frequency of these reports. Data base access or monthly data in ASCII format must be provided monthly with proper delineators.

On each case with a reserve change of \$25,000 or more, provide the program administrator (Finance Director) with a narrative report explaining the need for such reserve within 15 days of such adjustment.

Maintain on all lost time cases, a running narrative detailing all activities to date.

Any negotiated payment of \$5,000 or more must be reviewed by the program administrator (Finance Director) prior to issuance and all checks over \$5,000 must be approved written or verbally prior to issuance program administrator (Finance Director).

Perform all reporting requirements imposed by the Maine Bureau of Insurance, Maine Workers' Compensation Commission, MSIGA, excess carrier, N.C.C.I. and all reports necessary to comply with Regulation 250, as revised, of the State Insurance Code. Work with the program administrator and ensure compliance with regulations to assure maintaining individual self-insured status.

Describe security controls and contingency disaster plan with respect to the data processing system.

C. Loss Prevention:

The City understands the need for an aggressive safety and loss program, and the services provided by the firm are extremely important. The City will receive an average of (8 hours) of service on a monthly basis for a total of 96 hours annually.

The following is a partial list of the loss prevention programs and services that will be expected from the firm:

Attendance at safety meetings.

Development and distribution of monthly safety bulletins.

Loss prevention surveys (hazard inspections) and audits of all facilities.

Training sessions for managers, supervisors and employees.

Accident investigations of major losses.

Research in areas of loss prevention specific to the City's needs.

Assistance with the development and revision of safety rules, regulations and standard operating procedures.

Annual review and report of City's adherence to loss prevention recommendations.

Conduct defensive driving courses for operators of municipal vehicles.

Assistance in development and implementation of loss prevention procedures and manuals.

D. Check Disbursement:

The firm will be expected to generate checks supplied by the City from the City's bank account and to provide the City with a weekly accounting. All checks over \$5,000 must be signed by the program administrator (Finance Director). Please include in the proposal a sample of the check register or similar document that will be utilized.

PROFILE OF FIRM

- A. State the office location which will be servicing the City and include the total number of employees who will be working on the City's account. An organizational chart is required.

Background experience and resume for each of the principal personnel and those handling the City's account should be included.

- B. Submit a reference list and key contact person (s) for all current self-insured clients.

EDUCATION/COORDINATION

The firm will coordinate its servicing procedures with the City's Risk Manager and will afford said Risk Manager and other designated personnel with training and education as deemed necessary by the City.

TERM OF CONTRACT

The City will award its contract for a three (3) year period, effective on July 1, 2014 and it will expire on June 30, 2017 and the pricing should be based on this time period. Please state the per-year cost for the first, second and third year of the contract on the "**Cost of Proposal**" form.

COMPENSATION

The firm shall submit its cost for each category indicated in the Cost of Proposal Form (attached). Include any deferred payment options, if any. The claim portion should indicate the method applied, i.e. fixed fee, lost time/medical only, per claim. Clearly state additional pricing if volume exceeds a specific claim count. Note that firm will be expected to handle all claims from beginning to end, including outstanding claims existing at the end of the contract period (i.e. tail coverage). The loss prevention portion should indicate the hourly rate and an explanation of how travel, clerical and other expenses will be charged.

SAMPLE AGREEMENT

Proposal should include a copy of Firm's suggested Service Agreement.

COLLUSIVE AGREEMENTS

Proposal must state that the proposal is made without any connection with any other service agent making any proposal for the same service; and that no person acting for, or employed by, the City is directly or indirectly interested in the proposal or in any contract which may be entered, to which the proposal relates, or in any portion of the profit therefrom.

GUARANTEE

The service agent shall indemnify the City from any loss, cost, or damages caused by errors or omissions of the service agent as they relate to the services covered in this proposal. In addition, the service agent shall maintain Professional Liability coverage insuring against errors and omissions in an amount no less than \$1,000,000. The service agent shall provide a Certificate of Insurance for each year that the contract is in effect.

**Management of a Group Self-insured
Workers' Compensation Program**

COST OF PROPOSAL

The undersigned hereby declares that he/she has carefully examined the specifications and that he/she proposes and agrees to provide these services, as required.

Claims Administration and Management Information

Method of Pricing (Options - Attach Information)

a) Year One Cost (twelve (12) months) \$ _____

b) Year Two Cost (twelve (12) months) \$ _____

c) Year Three Cost (twelve (12) months) \$ _____

d) Tail charge, if any \$ _____

e) Data base access, if any \$ _____

Loss Prevention Services \$ _____

Management Information Reports \$ _____

Other \$ _____

Company Name: _____

Signed: _____
(Corporation, Firm or Company Officer,
Authorized Individual or Owner)

By: _____
(Print Name)

Address: _____

Tel: _____

Date: _____

Note: Proposals must bear the handwritten signature of a duly authorized member of the organization making the proposal.