

RFP#: 2020.200

Third-Party Administration Services for Worker's Compensation Program



Frontier Central School District

Proposals to be Opened

At: 12:00 PM Local Time on April 24th, 2020

Name of Bidder: _____

Address: _____

Contact Person: _____

Phone Number: _____

Fax Number: _____

E-mail: _____

Frontier Central School District

RFP #: 2020.200

**Request for Proposal
Frontier Central School District
Third Party Administration Services for Workers' Compensation Program
RFP#2020.200**

Notice is hereby given that The Board of Education of the Frontier Central School District - Hamburg Township, Erie County, New York will accept Proposals for Third Party Administration Services for Workers' Compensation Program until **April 24, 2020 at 12:00 p.m.**

Copies of the RFP are available at: <https://www.frontiercsd.org/> on the Business Office page.

Proposals shall be clearly identified as the Third Party Administration Services for Workers' Compensation Program Proposal for Frontier Central School District, directed to William J. Thiel, and contain the date of opening and RFP number on a marked cover sheet. Your Proposal should be forwarded to Frontier in accordance with the RFP.

During the evaluation process, Frontier reserves the right to request additional information or clarifications from vendors, or to allow corrections of errors or omissions.

Inquiries, clarification, or requests should be directed to William J. Thiel by e-mail to wthiel@frontiercsd.org no later than March 25, 2020 at 12:00 p.m.

RFP TERMS AND CONDITIONS

Supplier Default – Failure of the supplier to comply with any of these provisions may be considered reason for rejection of proposal.

1. The issuance of this Request for Proposals (RFP) constitutes only an invitation to submit a response to the Frontier Central School District (**Hereinafter referred to as the “District”**). It is not to be construed as an official and customary invitation to bid, but as a means by which the District can facilitate the acquisition of information related to the purchase or implementation of services.
2. Any and all information presented herein, including drawings, specifications, instructions, policies, engineering guides, questionnaires, methodologies, etc., which is a part of this RFP package, or disclosed during the selection process, is the property of the District, and shall not be duplicated or disclosed except to those employees of the recipient who have a need to know in order to prepare the response.
3. The District neither makes nor assumes any contractual obligations by issuing this RFP, receiving and evaluating supplier response, or making preliminary supplier selection. Providing a response as provided herein shall neither obligate nor entitle a Responder to enter into a contract with the District.
4. This RFP does not commit the District either to award a contract or to pay for any costs incurred in the preparation of a submission. Responders shall bear all costs associated with submission preparation, submission and attendance at presentation interviews, or any other activity associated with this RFP or otherwise.
5. The District reserves the right to determine, in its sole and absolute discretion, whether any aspect of the submission satisfactorily meets the criteria established in this RFP, the right to seek clarification from any Responder (s), and the right to cancel and/or amend, in part or entirely, the RFP, at any time prior to a written contract.
6. Responses should be directed to **William J. Thiel** no later than the time and date stated on the cover sheet, for the opening of the RFP with **title, date of opening and RFP number marked on envelope. Late submissions may be deemed disqualified and may be returned unopened. Submittal of RFP by fax or e-mail is not acceptable.**
7. The District is not obligated to respond to any submission submitted nor is it legally bound in any manner whatsoever by the submission of a response.
8. Upon submission, all responses become the property of the Town. The District reserves the right to use the information and any ideas presented in any submission in response to this RFP, whether or not the submission is accepted.
9. The District will designate one representative who will act as the primary contact for this project. The representative will be responsible for conferring with any and all parties necessary to resolve unanticipated issues or requirements that might occur during the course of the RFP. Questions concerning this RFP should be directed to William J. Thiel via e-mail at wthiel@frontiercsd.org by **March 25th, 2020 @ 12:00 PM Local Time**. All answers will be posted on the department webpage by end of business day on **March 30th, 2020**.

1.0 BACKGROUND INFORMATION

1.1 THE DISTRICT AND CURRENT WC PROGRAM

Frontier Central School District is a school district located in the Town of Hamburg, State of New York. It serves the Southern Portion of Erie County NY and is approaching 5,000 students. The District has 815 employees and there are six schools, including 4 elementary; a middle school and a high school. The District's main office is 5120 Orchard Avenue, Hamburg New York 14075.

The District has a long maintained a self-insured Workers' Compensation program and for many years partnered with Third-Party Administrator (TPA) UMR formally know as POMCO. The District has been advised that UMR / POMCO is closing its operations and the District has been forced to secure a new Third-Party Administrator. The District has limited time to secure and finalize the new TPA.

The District cannot provide a full loss run based on the sensitive information pertaining to the District's employees, however in order to assist the prospective TPAs in assessing the size of the District's WC program, we can provide the following information:

- From 2008 until December 31, 2019 the District has had a total of 39 claims reported. The District averages approximately 6 claims opened per year.
- As of December 31, 2019 the District has 29 open claims and would expect that at the time the program is transitioned to the new TPA that it will have between 25 to 30 open claims that will need to be transitioned.
- Out of the 39 total claims reported the District had 2 Medical Only claims and 37 Lost Time Claims.
- The total incurred for the 29 claims reported is \$2,436,533. As of December 31, 2019 there is \$712,826 in open reserves.

1.2 TIMELINE

March 16 th , 2020	RFP Posted to Website
March 20 th , 2020	RFP Advertised
March 25 th , 2020	All Questions Submitted by 12:00 PM Local Time
March 30 th , 2020	All Questions and Responses Posted
April 24 th , 2020	Proposals due at the District by 12:00 PM Local Time
April 24 th to May 1 st 2020	Proposal review process
May 5 th	Board Recommendation
May 8 th	Award of Contract

The dates specified on the timeline of this RFP are subject to change with any District changes given to vendors via addendum or written vendor notices.

1.3 DEFINITIONS

- “District”: Frontier Central School District and any or all of the departments within the organization.
- “Vendor”, “Bidder”, “Proposer”: An individual, partnership, or corporation from whom the “District” is soliciting a proposal.
- “Contractor”: The individual, partnership, or corporation whose proposal is accepted and who is awarded the contract.
- “Contract”, “Agreement”: The legal document the District issues to bind the Contractor to provide the product and / or service described in the Request for Proposal.
- “Request for Proposal (RFP)”: A competitive negotiation process to procure the best value for the District.

1.3 REQUEST FOR PROPOSAL PARAMETERS & DISCLAIMERS

All Requests for Proposal responses must be date stamped in the Frontier Central School District Purchasing Department no later than **April 24th, 2020**. Proposals received after this date will not be considered. See LATE BIDS section below.

Proposals may also be hand-delivered, by vendor, in a sealed envelope to the Purchasing Department at the location indicated below.

- The Proposal is to be submitted in a sealed envelope. The company name, RFP number, and the date and time the proposal is due must be indicated on the front of the envelope or package.
- **Proposals submitted should consist of:**
 - **one (1) original hard copy with longhand signatures in all appropriate fields, marked on the cover page “ORIGINAL”,**
 - **one (1) paper copy, and**
 - **one (1) electronic copy of signed original on a USB storage device (Thumb or Flash drive)**
- The original proposal shall be signed and dated by an official authorized to contractually bind the vendor. **Unsigned proposals may be rejected.**
- **Submittal of RFP by fax or e-mail is not acceptable.**
- The District may negotiate with any Vendor who, in its judgment, may serve its interests. The District reserves the right to terminate negotiation with any Vendor at any time.
- Elaborate proposals in the form of brochures or other presentations beyond that necessary to present a complete and effective proposal are not desired unless specifically requested.
- This proposal shall be binding upon the Vendor for 90 calendar days following the RFP opening date. Any proposal on which the Vendor shortens the acceptance period may be rejected.

- Under penalty of perjury, the signer of any Proposal submitted in response to this RFP certifies that its Proposal has not been arrived at collusively or otherwise in violation of Federal or New York State antitrust laws.
- Disputes must be received in writing by the District within five business days of receipt of Intent to Award. The District's decision on protest is final.
- A proposal may be withdrawn after its submission by written request signed by the proposer or authorized representative, prior to the time and date specified for proposal submission. Proposals may be withdrawn and resubmitted in the same manner if done prior to the submission deadline. Withdrawal or modification offered in any other manner will not be considered.

1.4 PROPOSAL AND VENDOR INFORMATION

Qualified vendors are encouraged to submit a proposal for providing the TPA services described. If the vendor plans to subcontract any of the work described in the **Scope of Work** the vendor should complete all proposal requirements for the subcontractor.

All proposals should clearly state/include the following:

1. Name and address of company.
2. A TPA representative who shall be the single point of contact for the contract should be identified and Curriculum Vitae or Bio attached.
3. Details of how each item under Section 3: Scope of Work will be addressed.
4. A fixed fee for the requested services, inclusive of travel and other costs necessary to complete the contract services.
5. A detailed description of how the company will implement training that will enable the District to transition to the new system seamlessly.
6. A TPA transition timeline with clear objectives, deliverables, and completion criteria.
7. Vendor's references.
8. TPA status: The TPA must disclose any relevant conflicts of interest and / or pending lawsuits.

1.5 EVALUATION PROCEDURES

Review of Proposals

Proposals will be reviewed by a District's team with unacceptably low qualifications will be eliminated from further consideration.

The District reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal was selected.

Vendors may or may not be required to make one presentation, at the District's discretion, including a question and answer session before all review team members. Questions and specific requests to be addressed during the presentation will be forwarded to those vendors chosen to present.

2.0 PURPOSE OF REQUEST FOR PROPOSAL AND GENERAL PROVISIONS

2.1 PURPOSE OF THE REQUEST FOR PROPOSAL

The purpose of this RFP is to provide prospective Third Party Administrators (TPA) with information that will enable them to prepare and submit a proposal for third-party administration services for Frontier Central School District's self-insured Workers' Compensation Program. It is imperative that respondents outline all their administrative and managerial capabilities based on details in this questionnaire, as well as any additional information you feel will be helpful in emphasizing your expertise and distinguishing your TPA from your competitors.

TPAs responding to this proposal must be a recognized claims administrator of self-insured workers' compensation programs, licensed to do such business in the State of New York.

The Frontier Central School District will use the results of this RFP process to award a service agreement that will include the handling of all existing WC claims and all new claims beginning at the program inception date which is currently anticipated to be **July 1st, 2020 but may be earlier**. RFP submissions should include, as appropriate, responses for both life of claim and life of service agreement options and we would request that each responding TPA's pricing proposal be presented in the format requested.

The RFP will be mailed to several vendors and it is expected approximately three finalist will be selected based on a review of the submitted proposals. A review of your claim operation, information system and staff assigned to this account may be conducted for the final candidates who may or may not be called to make a presentation to the Frontier Central School District Selection Committee.

This RFP provides detailed program requirements. Each TPA must address these program requirements in their proposal submission. In addition, there is an executive summary section of the RFP that provides an opportunity for the TPA to expound and give further details on why their company is best qualified to perform the services.

The Frontier Central School District is looking for a TPA partnership that will deliver objective and measurable results that will reduce the costs associated with work related injuries. This partnership will provide a minimum of the following services:

- **Claims Management, Claims Administration, Subrogation and Apportionment**
- **Loss Reporting, Financial Reporting and Stewardship Reporting**
- **Costs Saving Analysis**
- **Statutory Reporting Requirements and Mandatory Medicare Reporting**
- **Special Funds Reimbursement Administration**

2.2 PROPOSALS

All proposals and contracts awarded as a result of this or any RFP are subject to the District's terms and conditions as stated in this RFP. The submission of any other terms and/or conditions by a Vendor may be grounds for rejection of the Vendor's proposal.

2.3 REFERENCES

Proposer must provide a list of at least three client references and their contact information. References will be contacted at the sole discretion of the District.

2.4 RIGHT TO REJECT PROPOSALS

Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected. The District reserves the right, without prejudice, to reject any and / or all proposals.

2.5 REQUESTS FOR PRESENTATION

Vendors may be required to make one presentation, at the District's discretion, including a question and answer session before all review team members. Questions and specific requests to be addressed during the presentation will be forwarded to those vendors chosen to present.

2.6 FINAL SELECTION

The District and its Board will select a TPA based upon the recommendations of the review team. Following notification of the TPA selected, it is expected that a contract will be executed between both parties and the selected firm must be prepared to begin work upon execution of the TPA contract. The contract will not necessarily be awarded to the proposal with the lowest cost projection.

2.7 TERM OF CONTRACT (Dates are approximate and dependent upon the process.)

The multi-year contract term option, if selected, will begin in 2020 and end in 2023, with the option to add two additional one-year options upon mutual agreement between District & TPA under the same terms and conditions as set forth in this proposal.

3.0 SCOPE OF WORK

Frontier Central School District is seeking proposals from qualified vendors to provide all activities related to claims management in collaboration with The District's internal process for its Workers Compensation Self-Insurance Program.

Minimum Qualifications:

The successful company must be knowledgeable with respect to New York State Workers Compensation laws and regulations. The company and its employees working with Frontier Central School District must be licensed and qualified to administer Workers' Compensation claims as required by New York State. The company must be currently providing adjusting services for self-funded Workers Compensation programs and must have a New York presence. The successful company must have a minimum of five (5) years experience with administration of self-funded Workers Compensation programs. Experience with school Districts will be given special consideration. The successful applicant must have the capabilities of providing online access by employer and employee to client claims.

Proposal Requirements:

The following are expectations of the successful applicant and responses to each item should be submitted with each proposal:

1. Executive Summary and TPA Company Overview

- a. Provide a brief statement of your company's third party administrator experience and qualifications to meet the requirements of this proposal including a list of current clients. Include a brief description of your company, number of years in business providing TPA services, number of employees, number of claim adjusters, corporate headquarter location and location of the claim office that would be assigned to District. The successful TPA must be capable of providing local representation at meetings in Hamburg, NY.
- b. Provide information on the circumstances and status of any disciplinary action taken or pending against your company during the last 3 years by any state regulatory bodies or professional organizations.
- c. Provide three (3) references with similar operations with dates of service, clients name and contact information.
- d. Identify services, if any, you intend to subcontract to others and identify the proposed sub-contractors including names, phone numbers, and qualifications.
- e. Provide an update on any status relative to your company regarding any recent acquisitions/mergers within the last 5 years.
- f. Provide proof of Professional Errors and Omission coverage with limits of at least five million dollars (\$5,000,000) as well as general liability, cyber liability, and workers compensation coverage as defined by District.
- g. Provide Proof of Fidelity Bond with a limit of at least five hundred thousand dollars (\$500,000).
- h. Provide a proposed transition plan and implementation time table.

2. Account Management: A claims account manager must be assigned to Frontier Central School District. Confirm this would occur under your service agreement and that such individual will be responsible for the following factors:

- a. Service Agreement Administration.
- b. Trouble shooting and providing effective solutions to resolve problems with the service agreement and/or services.
- c. Identify key outcome based measurements that are tracked and deliver program improvements and cost reduction results.
- d. Host up to four in-person claim reviews per year with participation of the claim adjuster(s) and, as needed, defense attorneys and nurse case managers.
- e. Coordinate annual management meeting to present service performance metrics, benchmarking, and claim trending/loss analysis reports.
- f. The TPA must perform all services required to supervise and administer a self-insured workers' compensation program for Frontier Central School District.
- g. TPA will process all claims, including but not limited to investigation, reserving and payment, filing reports, negotiating and settling of claims for amount pre-approved by the District.
- h. A customized claims service instructions is required that includes claim handling best practices and any specific service requirements of District. Describe how the special handling instructions would be communicated to the claims team assigned to District, and provide a sample special handling instructions agreement.

3. Litigation Management: Please confirm any of the following services which the proposed TPA will not be able to satisfy under your service agreement:

- a. The District reserves the right to select counsel.
- b. TPA will be required to represent, in collaboration with District, at all Workers Compensation Board hearings and other administrative procedures involving individual claims of the District's employees.

4. Claim Staffing Expectations and Claim Handling Practices

- a. TPA will be required to provide a dedicated claims team. Adjusters must have at least 5 years of technical claim adjusting experience within New York. Please identify proposed staff members who would likely be assigned to the District and submit statements or resumes detailing their qualifications and experience.
- b. Indemnity adjusters working on District's claims shall have caseloads capped at 150 claims.
- c. Disclose the turnover ratio in the last three years of your management team and claim adjusters.
- d. Describe how your adjusters identify and manage fraudulent charges.
- e. Describe how your adjusters pursue early return to work and assist with the provisions of reasonable accommodations.

5. Claims Management Information System: The TPA's Information System must have the following abilities so please confirm any of the following abilities which the proposed TPA will not be able to satisfy under your service agreement:

- a. Internet based claims system with access 24 hours a day, 7 days a week to view claim adjuster and supervisor notes along with all documents, ability to generate loss runs in Excel on a scheduled basis and run other pre-scheduled or adhoc loss management/claim reports.
- b. Please provide sample loss run reports. Loss data will be required to be reported to District on the 10th day following the end of each month.
- c. TPA should be able to provide technical support for questions, problems, or development of customized assistance in reporting (for example, OSHA 300 and 300a. etc.).
- d. TPA should have a quality control program to ensure data integrity and claimant confidentiality.
- e. The TPA should confirm data back-up provisions and disaster recovery plan regarding the continuation of your claims management information system.
- f. The TPA should provide samples what standard reports.
- g. The proposal should set forth if the TPA's Information System differentiates the TPA from other TPAs and how.

6. Pricing

- a. Provide a cost proposal that includes a summary of all fees detailing services related to such fees, including full disclosure of sub-contractor fees associated with claim services to be provided through TPA. Provide pricing for both life of claim and life of service agreement. Describe any charges related to state, board, and legal reporting requirements. Include any pricing changes over the course of the service agreement.
- b. The payment basis provided below is preferred, but other arrangements would be considered. To aid in the equal comparison of all responders, please provide your proposed costs in the section below. Any additional information or proposed payments options may be included. The contract period will start in 2020 and end in 2023 with two optional years.
- c. **The District would request that TPAs utilize the Preferred TPA Pricing Presentation Format which has been specifically formatted to set forth the proposed TPA pricing items the District will be evaluating.**

11.0 EVALUATION CRITERIA

RFP submissions will be based upon the following criteria:

EVALUATION CRITERION	MAXIMUM POINTS
Project Overview	5
Scope of Work	25
Accountability	15
Vendor Experience	10
Comprehensive Proposal of Requested Services	20
Cost	25
Total	100

Cost must be equal to or higher than any other criteria and points will be awarded based on variance from the low bid. $\text{Low Bid} \div \text{Bid being scored} \times \text{Maximum Cost Points}$

12.0 GENERAL PROVISIONS

DISTRICT'S RESERVED RIGHTS

The District reserves the right to:

- Reject any or all proposals received;
- Withdraw the RFP at any time, at the agency's sole discretion;
- Make an award under the RFP in whole or in part;
- Disqualify any bidder whose conduct and/or proposal fails to conform to the requirements of the RFP;
- Seek clarifications and revisions of proposals;
- Use proposal information obtained through site visits, management interviews and the District's investigation of a bidder's qualifications, experience, ability or financial standing, and any material or information submitted by the bidder in response to the agency's request for clarifying information in the course of evaluation and/or selection under the RFP;
- Prior to the bid opening, amend the RFP specifications to correct errors or oversights, or to supply additional information, as it becomes available;
- Prior to the bid opening, direct bidders to submit proposal modifications addressing subsequent RFP amendments;
- Change any of the scheduled dates;
- Eliminate any mandatory, non-material specifications that cannot be complied with by all of the prospective bidders;
- Waive any requirements that are not material;
- Negotiate with bidders within the scope of the RFP in the best interests of the District;
- Conduct contract negotiations with the next responsible bidder, should the agency be unsuccessful in negotiating with the selected bidder;
- Utilize any and all ideas submitted in the proposals received;
- Unless otherwise specified in the solicitation, every offer is firm and not revocable for a period of 60 days from the bid opening; and,
- Require clarification at any time during the procurement process and/or require correction of arithmetic or other apparent errors for the purpose of assuring a full and complete understanding of an offerer's proposal and/or to determine an offerer's compliance with the requirements of the solicitation.

Preferred TPA Pricing Presentation Format

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 2</u>	<u>Option Year 1</u>	<u>Option Year 2</u>
Flat Annual Fee:					
Per Claim Fee:	LT: MO: 15-8:	LT: MO: 15-8:	LT: MO: 15-8:	LT: MO: 15-8:	LT: MO: 15-8:
Medical Bill Review:	Per Bill Fee: % of Savings:				
Any Annual Administrative Fee:	\$	\$	\$	\$	\$
Online Access to Claim System:	\$ Per User				
Take Over of Legacy Claim Fee:	\$ One Time Fee				
Enhanced Savings from PPO:	% of Savings:				
Nurse Case Management:	\$ Per Hour				
Loss Control:	\$ Per Hour				
Medicare Section 111 Reporting:	\$ Per Claim				
Exit Fee:	\$				