



# CROWLEY INDEPENDENT SCHOOL DISTRICT

## REQUEST FOR PROPOSAL THIRD PARTY CLAIMS ADMINISTRATION FOR WORKERS' COMPENSATION SPECIFICATIONS

Crowley Independent School District is currently seeking proposals for the following services:

- A. Third Party Claims Administration – Workers' Compensation**
- B. Cost Containment Services- Workers' Compensation**

The return date of all proposals shall be May 16, 2013 at 2:00 P.M. CDT

All responses must be sealed and received in the office of Mr. Dwayne Jones, Executive Director of Business Services, Crowley Independent School District, 512 Peach Street, Crowley, TX 76036. Proposals received after the time and date specified will not be accepted or considered.

The envelope containing your response should be plainly marked in the lower left corner:

RFP: Crowley Independent School District  
Third Party Claims Administration/ Cost Containment Services

Crowley Independent School District reserves the right to accept or reject any or all responses, to waive all technicalities and to accept the proposal(s) deemed most advantageous to the District.

## Crowley Independent School District General Conditions for Proposals

### A. Information

1. All proposals must be summarized on the proposal form included with this packet. Additional information, alternative proposals, or deviations from specifications may be submitted on additional sheets. Any deviations or alternative plan designs must be clearly identified and explained.
2. Providers should submit a description of services to be provided.
3. No telephone or faxed proposals will be accepted. Proposals will be accepted only if delivered in person, by U.S. Postal Service, or by delivery service such as UPS or Federal Express. The School District will not be responsible for missing, lost or late deliveries.
4. **This contract will commence on September 1, 2013 and run through August 31, 2016. With the written agreement of both parties, this contract may be extended for two additional one-year periods. The District desires a multi-year price guarantee for the proposed contract period.**

### B. Legal

All providers submitting proposals are expected to comply with all federal, state and local laws and regulations pertaining to the preparation of proposals and the services to be provided. Specifically, the services to be provided are expected to be in compliance with the Americans with Disabilities Act (ADA), insurance laws and insurance regulations. All proposals that are submitted will be presumed to be in compliance with all applicable laws.

### C. Communication

1. Two (2) copies of the proposals are to be prepared, one of which must be a signed original and delivered in a sealed envelope, clearly labeled in the lower left corner: RFP: Crowley Independent School District - Third Party Claims Administration/Cost Containment Services.

Mr. Dwayne Jones  
Executive Director of Business Services  
Crowley Independent School District  
512 Peach Street  
Crowley, Texas 76036

2. Requests for additional information must be in writing and received by 5:00 P.M. CDT on April 22, 2013 and should be directed to:

Mr. Scott Irot  
Alamo Insurance Group, Inc.  
3201 Cherry Ridge Drive, Suite D405  
San Antonio, Texas 78230  
Fax: 210 – 930-1838  
E-mail: [sirot@alamoinsgrp.com](mailto:sirot@alamoinsgrp.com)

3. If necessary, an addendum to the RFP specifications consolidating additional information requested will be sent to all interested parties at the appropriate time.

**D. Effective Date**

The contract effective date for all Third Party Administration/ and Cost Containment Services will be September 1, 2013.

**E. Proposals**

1. Proposals must be clearly explained and identified. All costs, including optional programs, must be clearly stated and summarized. Exceptions to or deviations from the specifications must be explicitly identified.
2. All costs of proposal preparation will be borne by the proposer.
3. Proposals may be withdrawn prior to the closing time for RFPs. Thereafter, all proposals shall remain open and valid for a period of ninety (90) days.
4. Proposers must include the Submission Forms with their proposals. All costs to be incurred and billed to the School District will be firm and included in these forms. Failure to complete and return this section will be cause for rejection of the proposal as non-responsive.

**F. Disqualification and Rejection of Proposals**

Failure to comply with the requirements or the procedures set forth herein or to satisfy the insurance and servicing criteria as set forth in the specifications may result in disqualification. It is not intended that exceptions to the specifications will, in and of themselves, result in disqualification.

**G. Selection Criteria and Basis for Award**

1. The School District will review all proposals for completeness. Those proposals found to be incomplete or which fail to address the needs of the School District as stated herein will not be evaluated. Only those proposals furnished complete, with all required documentation, will be evaluated. Proposers are urged to initially submit their best offer. An award (if any) will be made to that proposer whose proposal is deemed most advantageous to and in the best interest of the School District.
2. The School District will first evaluate the proposals on all factors other than cost. After a preliminary evaluation of the technical criteria, the cost factor will be included in the evaluation process. Cost will be evaluated on an equal basis with the technical criteria.
3. The District reserves the right to select finalists for interviews.

**H. Authorized Signature**

All proposal forms must be signed by persons who have the legal authority to bind the proposer to the proposed services.

**I. Reservation of Rights**

1. The School District reserves the right to reject any or all proposals, or any part thereof, received by reason of this request. In any event, no contract is implied merely by the submission of a proposal.

2. The School District reserves the right to retain all proposals submitted. The selection or rejection of a proposal does not affect this right.
3. The School District reserves the right to negotiate a contract with the proposer having the best proposal, as determined by the School District. No award will be made based solely on cost. The School District additionally reserves the right to suspend negotiations with the first proposer, should they not progress in a manner satisfactory to the School District, and begin negotiations with the next-best rated proposer.

#### **J. Standard Service Terms and Conditions**

1. *Service Standards* - Contractor shall perform all work set forth in the specifications in a “first class” manner, consistent with all applicable regulations and industry standards. All work shall be performed to the reasonable satisfaction of the School District, and any defective or substandard performance shall be promptly remedied.
2. *Invoices and Payments* - Contractor shall submit separate invoices, in duplicate, on a monthly basis or as otherwise specified in the Contract documents. Invoices shall indicate the contract number and shall be itemized in accordance with the different components of work set forth on the Submission Forms. Payment shall not be due until thirty (30) days after the date the above instruments are submitted or the work is actually performed **whichever is later.**

In the event payment has not been made by the due date, Contractor shall submit a reminder invoice marked “overdue”. The School District reserves the right to review all of Contractor’s invoices after payment and recover any overpayment(s) discovered in such review.

3. *Tools, Equipment and Supplies* - Contractor shall provide such tools, equipment, supplies, materials, employees, management, and any other items or services as may be necessary in order to enable contractor to provide the services required in accordance with the terms of this Contract.
4. *Estimated Quantities* - The estimated quantities for services, supplies or work to be performed on the Submission Forms are approximate. These quantities are to be used only to project usage. Contractor agrees and understands that the actual quantities to be used are within the sole and absolute discretion of the School District. Should the actual quantities be greater or lesser than the estimates contained on the Submission Forms, Contractor agrees that, regardless of the amount of such variance, it shall not be the basis for deviating from the quoted unit prices. Further, the Contractor agrees to honor quoted unit prices for the duration of this Contract.
5. *Insurance Coverage* - Contractor shall maintain at all times during the term of this Contract at its sole cost and expense each of the following insurance coverages listed below, with policy limits not less than the dollar amounts set forth:
  - a. Professional E&O Liability insurance with a minimum policy limit of \$ 3,000,000.
  - b. A blanket Fidelity Bond with a minimum policy limit of \$1,000,000.
  - c. Comprehensive General Liability insurance with minimum policy limits of \$1,000,000 CSL.
  - d. Workers’ Compensation as required by statute; Employer’s Liability insurance with policy limits of \$500,000, and containing a waiver of subrogation endorsement waiving any right of recovery, under subrogation or otherwise, against the School District.
  - e. Contractual liability insurance covering Contractors’ indemnification obligations contained in this Contract.

Each of such insurance policies, with the exception of the workers' compensation coverage, shall name the Crowley Independent School District as an additional insured. Certificates of insurance evidencing such coverages shall be furnished to the School District prior to the commencement of work and maintained throughout the terms of the Contract.

6. *Indemnification* - Contractor shall indemnify and hold harmless the Crowley Independent School District, its officers, employees, agents, attorneys, representatives, successors and assigns from any and all claims, demands, costs, expenses (including attorney's fees and expert witness fees), liabilities and losses of whatsoever kind of character arising out of or in connection with any act of omission of Contractor or its officers, employees or agents, during the term of this Contract. Contractor shall assume on behalf of the School District and the indemnified parties described above, and conduct with due diligence and in good faith, the defense of any and all such claims, whether or not the School District is joined therein, even if such claims be groundless, false or fraudulent.
7. *Independent Contractor* - At all times during the term of this Contract, Contractor shall be an independent contractor to the School District, and Contractor shall not in any event be deemed an employee or other representative of the School District. Any persons employed by Contractor shall at all times hereunder be deemed to be employees of the Contractor, and Contractor shall be solely liable for the payment of all wages and other benefits made available to such employees in connection with their employment. Contractor shall remain solely responsible for the supervision and performance of any such employees in completing its obligations under this Contract. Contractor warrants that any such employees shall be fully covered by workers' compensation insurance and that each of such employees has been carefully screened as to character and fitness for the performance of his or her job.
8. *Assignment* - Contractor shall not assign or subcontract any of its rights, duties or obligations under this Contract without prior written consent from the School District. Contractor shall be entitled to assign, pledge or encumber its right to receive payments under this Contract pursuant to security interests created in conformity with the Uniform Commercial Code, so long as the School District shall never be obligated to negotiate with any such third party in respect to compliance with the terms and conditions of this Contract. Any such assignment, pledge or encumbrance shall be limited by any rights of offset by the School District for damages or claims arising under this Contract or any other obligation owed by Contractor to the School District.
9. *Amendments* - No amendments, modifications or other changes to this Contract shall be valid or effective absent the written agreement of both parties hereto.
10. *Termination* - The School District shall have the right to terminate for default all or any part of its Contract if Contractor breaches any of the terms hereof or if the Contractor becomes insolvent or files for bankruptcy. Such right of termination is in addition to and not in lieu of any other remedies which the School District may have in law or equity, specifically including, but not limited to, the right to sue for damages or demand specific performance. The School District additionally has the right to terminate this Contract without cause by delivery to the Contractor a "Notice of Termination" specifying the extent to which performance hereunder is terminated and the date upon which such termination becomes effective.
11. *Advertising* - Contractor shall not advertise or publish, without the School District's prior consent, the fact that it has entered into this Contract, except to the extent necessary to comply with proper requests for information from an authorized representative of the federal, state or local authority.
12. *Gratuities* - No gratuities in the form of entertainment, gifts or otherwise, shall be offered or given by Contractor, or any agent or representative of Contractor, to any officer or employee of the

School District with a view toward securing a contract or securing favorable treatment with respect to a contract.

13. *Equal Opportunity* - Contractor agrees that during the performance of its Contract, it will:
  - a. Treat all applicants and employees without discrimination as to race, color, religion, sex, national origin, marital status, age or handicap.
  - b. Identify itself as an Equal Opportunity Employer in all "help wanted" ads or postings.

Contractor shall be advised of any complaints filed with the School District alleging Contractor is not an equal opportunity employer. The School District reserves the right to consider such complaints in determining whether or not to terminate any portion of this Contract for which the services have not yet been performed. However, Contractor is specifically advised that no equal opportunity employment complaint will be the sole basis for termination of this Contract or denial of payment for any services already completed.
14. *Enforceability* - This Contract shall be interpreted, construed, and governed by the laws of the United States and the State of Texas and shall be enforceable in any court of competent jurisdiction in Polk County, Texas.
15. *Notices* - Notices shall be given to the parties by delivering or mailing such notice to the addresses set forth in the Contract documents, or at such other addresses as the parties may designate to each other in writing.
16. *Interpretation* - This writing is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms thereof. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used herein, and acceptance of a course of performance rendered under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting party has knowledge of the performance and opportunity for objection.
17. It is the intent of the District to engage the services of a Third Party Administrator and Cost Containment Vendor for a three-year contractual period (with options for two additional years).

#### **K. Qualifications**

1. All companies submitting proposals must be licensed by the State of Texas and have a demonstrated level of good performance with school districts in Texas. Please enclose a list of five school district references with your proposal.
2. The company must have an errors and omissions policy with a minimum of \$3,000,000. Please enclose with your proposal a Certificate of Insurance showing proof of Insurance for E. &O. General Liability & Workers' Compensation coverages.
3. The company must have a willingness to commit to specified levels of performance for service and quality.
4. The company must have an organization that has demonstrated the ability to deliver cost-effective service and efficient claims processing.
5. The company must have the capability to provide loss run reports on a monthly basis and/or upon request of the school district. Sample loss run reports must be submitted with the proposal.

**L. Instructions to Proposers - Third Party Claims Administration - Workers' Compensation**

1. TPA's may submit cost containment services with their proposals or cost containment proposals may be submitted separately by cost containment vendors.
2. Companies submitting proposals for TPA services must submit a list of Texas School Districts for whom they are currently providing service with at least five references among Texas School District clients which include: District, Name, Title and phone number.
3. Each TPA proposer for this service must clearly state its definitions for Indemnity, Medical Only and Report Only claims.
4. Each proposer shall provide samples of standard reports available to the District on a monthly basis.
5. The District desires an adjuster file load of no more than 125 open files for adjusters working on the Crowley ISD account.
6. Each TPA should provide an organizational chart showing its contemplated service team. Include resumes of all service team members.
7. If the District decides to select a new contractor for TPA services, only electronic transfer of data on the tail claims will be acceptable.
8. Please identify your on-line capabilities and any costs or fees related to bringing the District on-line with your database.
9. Each TPA must be able to provide bilingual adjusting services with Spanish and English language capabilities.
10. The District desires **Life of the Contract** unit pricing, but will consider a reasonable alternative if shown as a deviation from these specifications.
11. The District reserves the right to have its claims independently audited, and all time and cooperation necessary for that audit will be without charge.
12. The District desires a claim service with the ability to provide loss information via electronic transfer by email or have the facility for the client to name individuals to visit an internet claims site and structure their own reports.
13. If a new provider is selected, the electronic transfer of claims will not be paid for until a satisfactory evaluation of the data has been completed by the District's consultant.
14. All banking options should be clearly addressed in proposals.
15. The District shall own the electronic data from its claims even if such data is stored in hardware/software owned and operated by the Third Party Administrator.

**M. Instructions to Proposers - Cost Containment Services- Workers' Compensation**

1. Companies submitting proposals for Workers' Compensation related cost containment services must submit a list of five references among Texas School District Clients which include: District, Name, Title and Phone Number.
2. Each proposer shall provide sample reports that show savings to the District.
3. Each proposer must commit to a turnaround time for bill audits not to exceed an average of 25 business days.
4. Each proposer shall indicate if they own or have access to Network Services.
5. Each proposer shall show which Third Party Administrators they are on-line with for the purposes of bill auditing.

**Crowley ISD self-funded Workers' Compensation Program History**

The Crowley Independent School District has been self-funded for its Workers' Compensation coverage since 10/1/1991. JI and Companies have provided claims services for the past 6 years. The District has had quarterly claim reviews since the program inception. The District strives to have a responsive and efficient service delivery system for their injured employees, but will not tolerate fraudulent practices on the part of claimants or vendors. The District believes in a system of overlapping oversight involving the District, the Broker/Risk Management Consultant, the Claims Supervisor and the Adjuster.



## CROWLEY INDEPENDENT SCHOOL DISTRICT

\_\_\_\_\_  
Proposers Name

### A. Third Party Administration

Program Administration	Included		Fee Basis	Total Fee
<b>Total ALL Fees:</b>				
On-Line Capability	Y	N		
<b>Program Adm. Total</b>				

\* LIFE OF THE CONTRACT CLAIMS HANDLING IS DESIRED

Claims Administration	Claim Count	Handled how long?	Rate	Total Fee
Indemnity (I) per claim	10			
Medical (M) per claim	60			
Record (R) Only per claim	1			
Catastrophic per claim	N/A			
<b>Claim Adm. Total</b>				

\* LIFE OF THE CONTRACT CLAIMS HANDLING IS DESIRED

Tail Claim Conversion	Claim Count	Handled how long?	Rate	Total Fee
Indemnity Claim (Est.)	6			
Medical Only Claim (Est.)	6			
<b>Tail Claim Total</b>				

\* TPA WILL AGREE TO HANDLE ANY INDEMNITY CLAIM IN WHICH ALL INDEMNITY HAS BEEN PAID AT A MEDICAL ONLY RATE.

\* FLAT RATE COST FOR DATA CONSERVATION OF TAIL CLAIMS (VENDORS MAY SHOW AN HOURLY RATE BUT MUST ALSO SHOW A FLAT RATE THAT CAPS THIS HOURLY SERVICE):  
\_\_\_\_\_ (TOTAL).

\* NO FUNDS WILL BE EXPENDED UNTIL LISD AND IT'S CONSULTANTS ARE SATIFIED WITH THE TRANSFER OF DATA.

**Part A Continued- Third Party Administration**

<b>Claims Admin. - Misc.</b>	<b>Included</b>		<b>Fee Description</b>	<b>Total Fee</b>
TWCC Pre-Hearing	Y	N		
TWCC Benefit Review Conference	Y	N		
TWCC Contested Case Hearings	Y	N		
TWCC Electronic Reporting	Y	N		
Litigation Management	Y	N		
Subrogation Fees	Y	N		
TWCC Forms	Y	N		
Austin TWCC Representative	Y	N		
Check Printing, Writing & Stuffing	Y	N		
Banking Fees	Y	N		
ACH/Bank Clearing House	Y	N		
<b>Claims-Misc. Total</b>				

<b>Other Services</b>	<b>Included?</b>		<b>Fee / Rate per Unit</b>	<b>Total Fee</b>
Field Investigation	Y	N		
Photocopying	Y	N		
Transcriptions	Y	N		
Phone Charges	Y	N		
Preparation of 1099's	Y	N		

PLEASE DESCRIBE ALL OTHER CHARGES AND INDICATE IF THOSE CHARGES ARE CHARGED TO THE DISTRICT OR CHARGED TO THE LOSS FILE:

- Provide Sample Loss Runs
- Provide Summary of Other Services
- Provide List of Three (3) School District References

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**Proposers Name**
**Part B- Cost Containment Services**

<b>Other Services</b>	<b>Available?</b>		<b>Allocated By Claim?</b>		<b>Unit Description</b>	<b>Unit Cost</b>
Network Savings Reductions	Y	N	Y	N		
Pharmacy RX Program	Y	N	Y	N		
Certified Pre-authorizations	Y	N	Y	N		
Peer Review By Physician Advisor	Y	N	Y	N		
Independent Medical Exams (IME)	Y	N	Y	N		
Medical Bill Auditing (Fee Guidelines/U&C) % of Savings basis	Y	N	Y	N		

1. Please describe your service process and clearly state any costs to the District associated with bill reconsideration.
  2. Please describe your process for catching duplicate billings and clearly state costs to the District associated with duplicate bills.
  3. Cost of State of Texas EDI submissions.
- Provide Sample Savings Reports (Quarterly Reports are expected)
  - Provide Summary of other Services and Costs
  - Provide List of Three (3) School District References

**Deviations from Specifications**

Please list all Deviations from Specifications in the space below. Describe how this deviation benefits the Crowley Independent School District Workers' Compensation Program.