



ADDENDUM NUMBER ONE
to the
Request for Proposals (RFP)
for
Worker's Compensation Administration Services

DATE OF ADDENDUM: July 9, 2012

RRP OPENING: July 13, 2012 (unchanged)

TO ALL FIRMS SUBMITTING ON THE ABOVE REQUEST FOR PROPOSALS:

The following addendum shall be made part of the Request for Proposals (RFP). All other provisions of the RFP remain unchanged. The Firm shall acknowledge receipt of this addendum on page 16 of the Proposal by inserting the addendum number and date on the executed page of the Proposal. The contents of this Addendum shall be given full consideration in the preparation of the proposal.

QUESTIONS AND CLARIFICATIONS

- Please provide a complete copy, including pricing, of the in-force TPA contract.
The City of Prescott does not release copies of current contracts during the RFP process.
- Page 2. Solicitation Schedule. What is the program start-up date? October 1, 2012?
The program start-up date is January 1, 2013.
- Page 5, Letter C, Key Personnel Experience. We use a cross-functional team for the IT implementation element of a program transition. Will it satisfactory to provide just the team leader's resume?
No. Per the requirements on the RFP resumes from all IT member who would be involved in the transition should be provided.
- Page 7, No. 6, Submission of Offers, Paragraph 1. If we use binder clips to hold the response together will that be satisfactory? If not, please advise what method you would prefer.
Yes binder clips to hold the response together is satisfactory.
- Page 9, Table 1: Workers' Compensation Claims. The table indicates there are 42 open claims. Please break the inventory count down between indemnity and medical only. Of the open indemnity claim counts how many are LEC and/or SCA claims?
As of 5/31/2012 – 27 open claims are indemnity and 15 open claims are medical only.
As of 5/31/2012 – Of the 27 open indemnity claims – 3 are LEC and 10 are SCA.
- Page 18, Appendix II: Reference Form. The last bullet point requests that we provide the dollar value of the contract. We consider this information privileged and a trade secret, and in that context unwilling to disclose. Will the City deduct points from our score if we don't provide this information?

No the City will not deduct points from your score if you do not provide the dollar value of the contract.

- Page 23, Item B3, Claims Management, Letter C. Please explain in detail your needs and expectation regarding OSHA Log Reporting and reporting of recordable injuries. What system does the City presently use?
*Currently the City of Prescott Risk Management maintains the OSHA Log Reporting and processes the posting of the OSHA Summary. It is completed manually.
If your company provides any type of OSHA reporting within your customers TPA system the City would like to know what that service is and if there is an additional cost.*
- On Page 5, Letter D., Company Experience, Bullet Point 2 you request that bidders “include the firm’s latest SAS report,” but on Page 25, Letter D, Company Experience, D4, the City requests “a summary of the independent financial auditor’s finding in the last SAS report.” Please clarify the City’s needs.
The City of Prescott would like a copy of your firm’s latest SAS report and that should include a summary of the independent financial auditor’s finding in the latest SAS report.
- Page 26, Exhibit A – Scope of Work. Does the City require us to provide affirmations to each individual question in this section, or can we provide a “blanket” affirmation on a separate page while noting any exceptions (if indeed we have any)?
Yes a “blanket” affirmation on a separate page while noting any exceptions to the Scope of Work detailed in Exhibit A will be sufficient.
- Page 34, Exhibit B – Price Sheet. May we submit supplemental clarifying pricing information with our response to this exhibit?
Yes you may submit supplemental clarifying pricing information with your response to this exhibit.
- Page 37, Draft Service Agreement. Can we submit exceptions to the City’s contractual language?
Yes, you may not submit exceptions to the City’s contractual language which will be taken under advisement.
- Page 6 (bottom of page) states how the proposal is to be bound "with exception of Exhibit D". I am unable to locate this document; can you advise where we may obtain it?
Exhibit D is actually Appendix III Questionnaire. This is located on page 23 of the RFP.
- Page 7 (top of page-Reference documents which shall be submitted by the selected reference firms) and page 18, Appendix Reference Form. Is it the intent for the client/reference(s) we will utilize to complete and sign the forms or does the TPA completes these?
The intent is for the TPA responding to the RFP complete and sign these forms for each client reference that will be submitted.
- Page 4 – Section 4 Offerors Minimum Qualifications – 2nd Paragraph: This paragraph references “Exhibit B: Minimum Qualifications Verification Form (x Pages)”. Does the City mean to reference “Appendix 1” Minimum Qualifications Verification Form (One Page) rather than “Exhibit B”?
City of Prescott Response: Yes the City meant to reference Appendix 1 Minimum Qualifications Verification Form (One Page).
- Appendix 1: Minimum Qualifications Form (One Page) #2F states “Company is represented by at least one Arizona agent duly qualified, under the laws of Arizona, to act as an agent for workers’ compensation and employer’s liability insurance in Arizona. The RFP indicates this is a solicitation for third party claims administration, not for insurance brokerage services. TPA’s do not typically have agents on staff for the purpose to secure quotes or insurance for self-insured organizations. If a

TPA should find an agent to fulfill this requirement, the agent would be representing the County not the TPA to procure insurance. Does the City mean to ask that the TPA have a manager and staff duly licensed as adjusters for workers' compensation?

City of Prescott Response: Yes the City meant to state that the TPA have a manager and staff duly licensed as adjusters for workers compensation for the state of Arizona.

- Will the City please provide a loss run of all claims in Excel for losses from 7/1/1996 to 5/31/2012?
City of Prescott Response: At the time of Mayor & Council approval and execution of the signed contract the City will provide to the firm selected to provide TPA Services a loss run of all claims in Excel for losses from 7/1/1996 thru the end date of the existing contract.
- It appears that the City has approximately 42 open claims that will be transferred to the new TPA. Please indicate: How many of the open claims are indemnity vs. medical claims? ***As of 5/31/2012 – 27 are indemnity claims & 15 are medical only claims***
How many of the open indemnity claims are LEC and/or Supportive Care claims. ***As of 5/31/2012 – Of the Open indemnity Claims – 3 are LEC & 10 are Supportive Care***

- END -

City of Prescott, Public Works Department

Sheri Swain, Risk Manager