

EXHIBIT A
REQUIREMENTS

HIDALGO COUNTY
REQUEST FOR PROPOSALS/QUALIFICATIONS

**“THIRD PARTY ADMINISTRATION SERVICES-(TPA)
FOR EXCESS WORKERS’ COMPENSATION
INSURANCE”**

Hidalgo County is soliciting statements of qualifications and proposals from qualified firms qualified to perform professional claims administration services for the COUNTY's self-funded Excess Workers' Compensation Insurance. The scope of the work will encompass all aspects of COUNTY operations and requires extensive knowledge and experience across all lines of coverage. The information provided in the Request For Qualifications/Proposals (hereinafter referred to as "RFQ/P") is only to be used for the purpose of submitting their qualifications/proposals in the areas of claims administration services. The County of Hidalgo is seeking to enter into a contract(s) with a state-registered (Texas) TPA Firm. The Hidalgo County Purchasing Department will receive sealed envelopes containing statements of qualifications and proposals for the provision of "Hidalgo County-Third Party Administration Services For Excess Workers Compensation Insurance (TPA)" as specified herein. Statements of qualifications and proposals will be accepted until **9:30 A.M., Wednesday, November 14, 2007. ANY RFQ&P RECEIVED AFTER THAT DATE AND TIME WILL NOT BE ACCEPTED AND WILL BE RETURNED UNOPENED.**

Deliver Submittal to:

RFQ&P NO: 2007-224-11-14-VYG
Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
Administration Building
2812 S. Hwy. 281
Hidalgo County New Administration Building
Edinburg, Texas 78539

The Submittal Envelope Must Show the RFP/Q Number, Name and Acceptance Date.

The following outlines the Request For Proposals/Qualifications:

SECTION I- GENERAL TERMS AND CONDITIONS

ADDITIONAL INFORMATION:

Hidalgo County is requesting that statements of qualifications and proposals be routed to Martha L. Salazar, CPPB, Purchasing Agent, at 2812 S. Hwy. 281, Hidalgo County New Administration Building, Edinburg, Texas 78539.

WRITTEN QUESTIONS WILL BE ACCEPTED VIA FACSIMILE BY NO LATER THAN *Wednesday, November 7, 2007, at 5:00 P.M.* at (956) 318-2629. Responses will be sent to all applicants via facsimile by *Friday, November 9, 2007.* TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.

PROPOSER'S AFFIDAVIT:

Respondents to this RFP/Q must submit a signed Proposer's Affidavit (attached herein in Exhibit "D") certifying that the submission is (1) not the result of Collusion as described in the Proposer's Affidavit; (2) that the Respondent does not have a Conflict of Interest as described in the Proposer's Affidavit; or that the Respondent has not and will not attempt to lobby directly or indirectly as described in the Proposer's Affidavit.

DISCLOSURE OF CONFLICT OF INTEREST:

Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor, person, consultant or contractor considering doing business with Hidalgo County ("the County") to disclose in the Conflict of Interest Questionnaire (the CIQ") attached as **Exhibit D**, vendor, person, consultant or contractor's affiliation or business relationship that might cause a conflict of interest with the County. By law, the CIQ must be filed with the Hidalgo County Clerk's Office no later than the seventh business day after the date the person becomes aware of facts that require that statement to be filed. The disclosure requirement applies to a person or business who contracts or seeks to contract with Hidalgo County for the sale or purchase of property, goods or service. Any purchase order or contract resulting from this process shall be considered null and void if the successful participant fails to comply with Texas Local Government Code Chapter 176. Vendors, consultants, contractors and others who desire to conduct business with Hidalgo County are encouraged to refer to Texas Local Government Code Chapter 176 for the details of this law. An offense under Texas Local Government Code Chapter 176 is a Class C Misdemeanor.

Please Submit completed CIQ forms to the Hidalgo County Clerk's Office located at 100 N. Clossner, Edinburg, Texas 78539-Hidalgo County Courthouse. **COMPLETION AND SUBMISSION OF FORM CIQ IS THE SOLE RESPONSIBILITY OF THE PROPESECTIVE BIDDER.**

NON-DISCRIMINATION:

Submitters, during the performance of this contract, will not discriminate against any employee or applicant for employment because of race, religion, sex, national origin or disability except where religion, sex, national origin or disability is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor.

PROCESSING TIME FOR PAYMENT:

Submitters are advised that a minimum of thirty (30) days is required to process invoices for payment.

ELECTRONIC TRANSMISSION OF BIDS:

Hidalgo County's Purchasing Department will not accept telegraphic or electronically transmitted submissions.

PROOF OF FINANCIAL AND BUSINESS CAPABILITY:

Submitters must, upon request, furnish satisfactory evidence of their ability to furnish products or services in accordance with the terms and conditions of these requirements. Hidalgo County will make the final determination as to the submitter's ability.

SUBMITTER DEFAULT:

Hidalgo County reserves the right, in case of submitter default, to procure the articles or services from other sources and hold the defaulting submitter responsible for any excess costs occasioned thereby.

RESTRICTIVE OR AMBIGUOUS REQUIREMENTS:

It is the responsibility of the submitter to review the Request for Proposals/Qualifications (RFP/Q) packet and to notify the Purchasing Department if the requirements are formulated in a manner that would unnecessarily restrict competition. Any such protest or question regarding the requirements or bidding procedures must be received in the Purchasing Department not less than seventy-two hours prior to the time set for the opening. These criteria also apply to requirements that are ambiguous.

RFP/Q DELIVERY:

Hidalgo County requires submitters, when hand delivering qualifications, to have a Purchasing Department representative time/date stamp and initial the envelope when dropping RFP/Q off.

SIGNING OF QUALIFICATIONS:

In order to be considered all submittals **must** be signed. **Please sign the original in blue ink.**

WAIVING OF INFORMALITIES:

Hidalgo County reserves the right to waive minor informalities or technicalities when it is in the best interest of Hidalgo County.

SUBCONTRACTING:

The successful submitter may not subcontract the award without the written consent of the Commissioners' Court of Hidalgo County.

TERM OF CONTRACT:

- 1.) **Initial Term:** Effective date is from January 1, 2008, through, January 1, 2009
- 2.) **Renewals/Extensions:** It shall be at the County's sole discretion to renew and extend for an additional two (2), one (1) year renewals/extensions at the same rates and under the same terms and conditions. Two (2), one (1) year renewals/extensions rates are to be provided to Hidalgo County for consideration by no later than **October 1, 2008** for the first renewal/extension and no later than **October 1, 2009** for the second renewal/extension.

DAVIS BACON ACT:

All selected and awarded firms are required to include the Davis-Bacon Act when advertising and developing specifications.

SECTION II-RFP/Q -REQUIREMENTS

REQUEST FOR PROPOSALS/QUALIFICATIONS:

The required contents and limitations for the preparation of the RFP/Q are described in this section. Failure to provide the requested information or adhere to any County limitations will result in disqualification of the submitted RFP/Q. A total of **one (1) original and ten (10) copies** of the RFP/Q shall be submitted to the address on the cover letter.

CONTENTS:

The required contents for the RFP/Q are presented below in the order they should be incorporated into the submitted document.

UNDERSTANDING OF THE PROJECT:

This section should demonstrate the submitter's understanding of the project needs, the work required, and any local issues or concerns. This description should be concise, candid, and limited to 3 pages in length.

FIRM QUALIFICATIONS:

The County of Hidalgo is seeking to contract with a competent "Third Party Administrator(s)", registered and licensed to practice in the State of Texas, that has had experience in, but not limited to, the following areas:

- Firm must have experience in handling "Third Party Administration Services for Excess Workers Compensation Insurance."
- Firm must be qualified to perform professional "Claims Administration Services for Excess Workers Compensation Insurance"
- Firm must be available for claims reporting on a 24-hour basis.
- Firm must list any and all licenses required, include categories and expiration dates.
- Further requirements are stated in the Request For Qualifications/Proposal.

Additionally, this section should include a description of the firm's project personnel and their most recent similar projects. For each project, a client contract name and phone number should be included for reference purposes. Additionally, the names of the personnel proposed for this project who participated in the listed projects should be provided. This project list is limited to 5 pages.

PERSONNEL AND STAFFING:

The firm should provide an organizational chart for the project and a summary paragraph of the project work to be performed by each proposed staff member. Biographic summaries that highlight the experience relevant to the specific project responsibilities should be provided for all proposed personnel. There is a one (1) page limitation for each biographic summary provided.

REQUIRED CERTIFICATIONS AND SUBMITTAL:

This section will contain any licenses and certifications as required by HIDALGO COUNTY and the STATE OF TEXAS. The Third Party Administrator (TPA) should add copies of their Professional Liability Insurance.

If proposer/company cannot meet any of the following services/responsibilities, such exceptions must be noted on the company's cover letter.

SCOPE OF SERVICES:

Hidalgo County is requesting proposals from experienced "Third Party Administrator(s)" to provide "Claims Administration and Support Services" for Excess Workers Compensation Insurance for Hidalgo County. The "Third Party Administrator(s) (TPA) services contract will encompass all project-related services to the County of Hidalgo including, but not limited to, the following:

- Proposer must be able to handle all lines of insurance claims to include excess workers compensation.
- Proposer must supply a list of all potential servicing personnel with a current resume of each adjuster who handle or is in any way involved in the handling of COUNTY claims. Any additional personnel to be involved in COUNTY claims handling at a later date should have a

resume submitted for prior consultation with the COUNTY. Resumes should include a summary of education, experience, licenses, and languages spoken/written.

- Proposer shall include samples of the types of statistical data and loss reports they will provide monthly.
- Proposer will prepare and submit IRS form 1099 for all vendors and mail the forms to vendors. Proposer will prepare and submit IRS 1099 data in a magnetic tape format no later than January 15th of each year to COUNTY.
- Proposer will be available for claims reporting on a 24-hour basis.
- Any duplicate payments or overpayments made due to Proposer's oversight or negligence shall be the responsibility of the Proposer. Proposer will reimburse COUNTY for same, within 30 days. In addition, Proposer will provide COUNTY an overpayment report by type, reason, payee and by fiscal year on a quarterly and annual basis.
- Proposer will provide a captioned report to the Safety Division Director when reserves on any claim reaches 50% of COUNTY's retention and Proposer will notify appropriate insurance carriers.
- Proposer will cooperate with any medical cost containment, case management, safety division, investigations, law firm or any other organization designated by COUNTY.
- A monthly summary of the worker's compensation and liability checking account, listing all checks, vouchers, voided checks, in numerical sequence, stating date issued, claim number, claimant name, payee, amount, type of benefit paid, and benefit period.
- Give details on types of reports you offer with samples. We want the ability to run our own reports on-line. Training should be included in costs.
- Proposer will meet the COUNTY's Safety Division Department and Legal Department as follows:
 - Monthly to review the status and or handling of up to 25 claims selected by the COUNTY.
 - Quarterly to review all open claims and any other matters at the discretion of the COUNTY.
- Proposer will respond to any request by the COUNTY within 24-hours from time a request is made.
- The agreement will include an indemnify provision to protect the COUNTY against errors or omissions committed by the TPA. The provision should also specify that the Proposer agrees to hold the COUNTY harmless and to indemnify the COUNTY for all loss arising out of any claims alleging an error or omission with respect to the services performed by the Proposer.
- The selected Proposer will be subject to periodic claims audits by internal COUNTY staff and/or an independent firm at the discretion of the COUNTY.

- Provide description of the on-line computer claims service and attach a sample copy of an on-line illustration or exhibit.
- Proposer should include a description of additional claims and support services and/or risk management services that Proposer offers and wants to propose in written presentation form. All Proposers are encouraged to include any other information that they feel will enhance their opportunities to be awarded a contract.
- Proposer should include location of offices and hours staffed, number of professional staff members, attorneys, claim adjusters, etc. Provide the names of principal owners, partners or officers.
- COUNTY would like Proposals to indicate who is primarily responsible for the management and supervision of COUNTY account. This individual should be a least an account manager level (whose duties are primarily the supervision of claim files). The account manager and the names of any adjusters and/or examiners assigned to the handling of COUNTY files should also be included with an indication of length of service and area of expertise.
- Advise as to the average and maximum number of files claims adjusters and/or examining personnel must handle at the office assigned to handle COUNTY's claims.
- Advise as to whether or not the designated claims personnel on COUNTY's account will also be involved in on-site investigation and other outside claims adjusting functions. If so, provide some detail as to when and who would perform these outside functions and the time frame expected.
- Advise how frequently your diary system allows claims supervisory personnel to review open claims.
- Describe if you have formal program for managing lawsuits and litigation expense.
- Does Proposer use a formal claims procedure and performance manual and, if so, provide a sample.
- Does Proposer use standard forms other than state forms used in claim process? (if so, you may be asked to provide copies.)
- Provide a fixed cost per claim as well as a flat rate cost for:
 - Excess Workers' Compensation (identify separate rates for report only, medical only and indemnity)
 - Provide a not-to-exceed maximum annual fee for any and all workers' compensation claims.
- Specify whether or not fees include your firm performing all of the necessary and required State filings.
- ***"Indicate the types of allocated claims expenses which are not included in your per claim cost."***
- Claim Payment Funding Procedure: Proposer prints Checks on checks from an ACH account and all records for IRS filings are to be maintained and issued by Proposer on taxable income.

- Include a list of local and Texas public entity references. Along with your references, include a list that is representative of your clients. References will be contacted as part of the evaluation process.

PROPOSERS ARE TO PROVIDE A FEE SCHEDULE WITH THIS SUBMITTAL:

Proposer is to provide a fee proposal based on the scope of work/services.

NUMBER OF COPIES TO BE SUBMITTED:

Hidalgo County requires one (1) original submittal and ten (10) copies.

PART III-SELECTION AND SCHEDULES

SELECTION/EVALUATION/PROPOSAL RANKING PROCEDURES:

COUNTY will conduct a comprehensive evaluation of all RFP/Q's received in response to this RFP/Q. COUNTY will establish a Selection Committee comprised of staff members to perform such evaluation. Each RFP/Q received will analyzed to determine overall responsiveness and qualifications under the RFP/Q; further, the Selection Committee may select proposing organization organizations for "in person" presentation. Criteria to be evaluated, not necessarily in order of priority, may include the items listed below. Final approval of a selected Proposer is subject to the action of Hidalgo County's Commissioners Court.

- A. Economic evaluation of the Proposed Fee Schedule **(20 Points)**
- B. Responsiveness to the Request For Proposal/Qualifications **(20 Points)**
 1. Requested information included and thoroughness of response.
 2. Understanding and acceptance of the scope of services.
 3. Acceptance of the RFP/Q and Contract requirements.
 4. Clarity and conciseness of the response.
- C. Proposer's capability to provide the services requested and information contained in Attachment "A". **(60 Points)**.
 1. Background of Proposer and support personnel, including professional qualifications.
 2. Relevant experience of the Proposer/Firm.
 3. Specific experience with public entity clients.
 4. Other resources, including the total number of employees, number and location of offices.
 5. References and experience in the Texas Public Sector.

COUNTY may accept, within the time specified herein, any Proposal/Qualifications in whole or in part, whether or not there are negotiations subsequent negotiations are conducted, they shall not constitute a rejection or alternate RFP/Q on the part of the COUNTY.

The Contract will be awarded to the respondent whose Proposal/Qualifications will be most advantageous to COUNTY, as determined by the evaluation factor's listed herein and by the recommendation of the Selection Committee with approval of the Commissioners' Court.

NEGOTIATION PROCESS:

If negotiations prove unsuccessful, the next highest ranked firm will be contacted. The County of Hidalgo reserves the right to reject any and all RFP/Q's.

TERMINATION OF SERVICES:

Any contract awarded to a successful submitter will be in effect until (a) the contract expires, (b) delivery and acceptance of the performance of services ordered, or (c) terminated by County with thirty day's written notice prior to cancellation.

RFP/Q SUBMITTED TO: An original and ten (10) copies of RFP/Qs should be submitted to:

Martha L. Salazar, Purchasing Agent
Hidalgo County Purchasing Department
2812 S. Hwy. 281
Hidalgo County New Administration Building
Edinburg, Texas 78539

RFP/Qs must be submitted by **no later than 9:30 a.m. on Wednesday, November 14, 2007.**

EVALUATION:

The evaluation system consists of a 100-point system. The firms will be ranked after evaluation. Categories under the 100-point system include response to RFP/Q. RFP/Q submittal evaluation will be based on the criteria outlined in Exhibit B.

Hidalgo County, Texas

(Additional Specifications and Requirements)

REQUEST FOR PROPOSALS/QUALIFICATIONS FOR THIRD PARTY ADMINISTRATION SERVICES FOR EXCESS WORKERS COMPENSATION INSURANCE

I. INTRODUCTION

Hidalgo County (hereinafter referred to as "COUNTY") is soliciting statements of qualifications and proposals from firms qualified to perform professional claims administration services for the COUNTY's self-funded Excess Workers' Compensation. The scope of the work will encompass all aspects of COUNTY operations and requires extensive knowledge and experience across all lines of coverage. The information provided in the Request for Proposals/Qualifications (hereinafter referred to as "RFP/Q") is only to be used for the purpose of preparing a proposal in the areas of claims administration services.

II. GENERAL BACKGROUND

COUNTY is seeking to contract for a "Third Party Administrator (TPA)" for its self-funded Excess Workers' Compensation. Currently the COUNTY purchases Excess Workers' Compensation coverage with a \$_____ per occurrence retention level with Statutory limits. Currently, COUNTY averages approximately _____ workers' compensation claims per year, including approximately _____ indemnity claims.

Currently, COUNTY averages approximately _____ liability claims per year.

COUNTY's designated representative during the RFP/Q process shall be Hidalgo County-Department Of Budget & Management-Workers Comp. Division, attention: Flora Vazquez, Worker's Comp. Administrator , at (956) 318-2663.

The COUNTY's fiscal year is from January 1, 2008 to December 31, 2009.

III. CONTRACT TERM

- 1.) **Initial Term:** Effective date is from January 1, 2008, through, January 1, 2009;
- 2.) **Renewals/Extensions:** It shall be at the County's sole discretion to renew and extend for an additional two (2), one (1) year renewals/extensions at the same rates and under the same terms and conditions. Two (2), one (1) year renewals/extensions rates are to be provided to Hidalgo County for consideration by no later than **October 1, 2008** for the first renewal/extension and no later than **October 1, 2009** for the second renewal/extension.

IV. SCOPE OF SERVICES

- **CLAIMS ADMINISTRATION AND SUPPORT SERVICES**
 - A. Each PROPOSER must be able to handle all lines of insurance claims to include excess workers' compensation.
 - B. Each PROPOSER must supply a list of all potential servicing personnel with a current resume of each adjuster who handle or is in any way involved in the handling of COUNTY claims. Any additional personnel to be involved in COUNTY claims handling at a later date should have a resume' submitted for prior consultation with the COUNTY. Resumes should include a summary of education, experience, licenses, and languages spoken/written.
 - C. Each Proposal shall include samples of the types of statistical data and loss reports they will provide monthly.
 - D. PROPOSER will prepare and submit IRS form 1099 for all vendors and mail the forms to vendors. PROPOSER will prepare and submit IRS 1099 data in a magnetic tape format no later than January 15th of each year to COUNTY.
 - E. PROPOSER will be available for claims reporting on a 24-hour basis.
 - F. Any duplicate payments or overpayments made due to PROPOSER's oversight or negligence shall be the responsibility of the PROPOSER; PROPOSER will reimburse COUNTY for same, within 30 days. In

addition, PROPOSER will provide COUNTY an overpayment report by type, reason, payee and by fiscal year on a quarterly and annual basis.

- G. PROPOSER will provide a captioned report to Hidalgo County Budget & Management-Worker's Comp. Division Department-Flora Vazquez, Worker's Comp. Administrator @ (956 318-2663, when reserves on any claim reaches 50% of COUNTY's retention and PROPOSER will notify appropriate insurance carriers.
- H. PROPOSER will cooperate with any medical cost containment, case management, safety division, investigations, law firm or any other organization designated by COUNTY.
1. A monthly summary of the workers' compensation and liability checking account, listing all checks, vouchers, voided checks, in numerical sequence, stating date issued, claim number, claimant name, payee, amount, type of benefit paid, and benefit period.
 2. Give us details on types of reports you offer with samples. We want the ability to run our own reports on-line. Training should be included in costs.
 3. PROPOSER will meet with the COUNTY'S Safety Division Department and Legal Department as follows:
 - Monthly to review the status and or handling of up to 25 claims selected by the COUNTY
 - Quarterly to review all open claims and any other matters at the discretion of the COUNTY
 4. PROPOSER will respond to any request by the COUNTY within 24-hours from time a request is made.
 5. The agreement will include an indemnify provision to protect the COUNTY against errors or omissions committed by the TPA. The provision should also specify that the PROPOSER agrees to hold the COUNTY harmless and to indemnify the COUNTY for all loss arising out of any claims alleging an error or omission with respect to the services performed by the PROPOSER.
 6. The selected PROPOSER will be subject to periodic claims audits by internal COUNTY staff and/or an independent firm at the discretion of the COUNTY.
 7. Provide description of the on-line computer claims service and attach a sample copy of an on-line illustration or exhibit.

V. PROPOSALS

Proposals should include a description of additional claims and support services and/or risk management services that PROPOSER offers and wants to propose in a written presentation form. All PROPOSERS are encouraged to include any other information that they feel will enhance their opportunities to be awarded a Contract.

A Proposal for Claims Administration should include the following:

- A. The location of your offices and hours staffed, number of professional staff members, attorneys, claims adjusters, etc. Provide the names of principal owners, partners or officers.
- B. COUNTY would like Proposals to indicate who is primarily responsible for the management and supervision of COUNTY account. This individual should be at least an account manager level (whose duties are primarily the supervision of claim files). The account manager and the names of any adjusters and/or examiners assigned to the handling of COUNTY files should also be included with an indication of length of service and area of expertise.
- C. Advise as to the average and maximum number of files claims adjusters and/or examining personnel must handle at the office assigned to handle COUNTY's claims.
- D. Advise as to whether or not the designated claims personnel on COUNTY's account will also be involved in on-site investigation and other outside claims adjusting functions. If so, provide some detail as to when and who would perform these outside functions and the time frame expected.

- E. Advise how frequently your diary system allows claims supervisory personnel to review open claims.
- F. Describe if you have a formal program for managing lawsuits and litigation expense.
- G. Do you use a formal claims procedure and performance manual and, if so, provide a sample.
- H. Do you use standard forms other than state forms used in PROPOSER claim process? (if so, you may be asked to provide copies.)
- I. Provide a fixed cost per claim as well as a flat rate cost for:
 - Excess Workers' Compensation (identify separate rates for report only, medical only and indemnity)
 - Provide a not-to-exceed maximum annual fee for any and all workers' compensation claims.
- J. Specify whether or not fees include your firm performing all of the necessary and required State filings.
- K. **"Indicate the types of allocated claims expenses which are not included in your per claim cost."**
- L. Claim Payment Funding Procedure: PROPOSER prints Checks on checks from an ACH account and all records for IRS filings are to be maintained and issued by PROPOSER on taxable income.
- M. Include a list of local and Texas public entity references. Along with your references, include a list that is representative of your clients. References will be contacted as part of the evaluation process.

VI. PREPARATION OF PROPOSAL

- A. PROPOSER is expected to examine this Request for Proposals/Qualifications (RFQ/P) carefully, understand the terms and conditions for providing the pertinent services, and respond completely. Failure to respond completely may result in disqualification.
- B. Failure to respond to all portions of this RFP/Q may result in the PROPOSER's response being deemed non-responsive. If COUNTY deems a Proposal non-responsive, it will be disqualified. An officer or principal of the PROPOSER must sign proposals, however, an agent if accompanied by written evidence of authority may sign them.
- C. All Proposals should include the PROPOSER's federal tax identification number.

VII. SELECTION PROCESS

COUNTY will conduct a comprehensive evaluation of all Proposals received in response to this RFP/Q. COUNTY will establish a Selection Committee comprised of staff members to perform such evaluation. Each Proposal received will be analyzed to determine overall responsiveness and qualifications under the RFP/Q; further, the Selection Committee may select proposing organizations for "in person" presentation. Criteria to be evaluated, not necessarily in order of priority, may include the items listed below. Final approval of a selected PROPOSER is subject to the action of COUNTY's County Council.

- A. Economic evaluation of the Proposed Fee Schedule (20 Points)
- B. Responsiveness to the Request for Proposals/Qualifications (20 Points)
 1. Requested information included and thoroughness of response.
 2. Understanding and acceptance of the scope of services.
 3. Acceptance of the RFP/Q and Contract requirements.
 4. Clarity and conciseness of the response.
- C. PROPOSER's capability to provide the services requested and information contained in Attachment "A". (60 Points)
 1. Background of PROPOSER and support personnel, including professional qualifications.
 2. Relevant experience of the PROPOSER.
 3. Specific experience with public entity clients.

4. Other resources, including the total number of employees, number and location of offices.
5. References and experience in the Texas public sector.

COUNTY may accept, within the time specified herein, any Proposals/Qualifications in whole or in part, whether or not there are negotiations subsequent to its receipt. If subsequent negotiations are conducted, they shall not constitute a rejection or alternate RFP/Q on the part of COUNTY.

The Contract will be awarded to the respondent whose Proposals/Qualifications will be most advantageous to COUNTY, as determined by the evaluation factor's listed herein and by the recommendation of the Selection Committee with approval of the County Council.

VIII. TERMS AND CONDITIONS

Submission of Proposals: One (1) original and ten (10) typed and bound copies of the Proposals/Qualifications shall be enclosed in a sealed envelope with the notation "Third Party Administration Services for Excess Workers' Compensation Insurance" clearly marked on the envelope. **All RFP/Q's are due in the Purchasing at Hidalgo County no later than 9:30 AM CST on _____.** Any RFQ/P received at the location below after that time shall not be considered.

Please mail or deliver your RFP/Q to:

Physical Address
Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
2812 S. Hwy. 281
Hidalgo County New Administration Building
Edinburg, TX 78539
(956) 318-2626

All provisions in the RFP/Q, including any estimated or projected costs, shall remain valid for ninety (90) days following the deadline date for submissions or if an RFQ/P is selected, throughout the entire term of the Contract.

All RFP/Q's become property of COUNTY upon receipt and will not be returned. RFP/Q's submitted will clearly identify trade secrets or information deemed confidential by the PROPOSER by typing the word **"CONFIDENTIAL"** in bold fourteen (14) point font on the bottom margin and indicate what information is protected. However, all PROPOSERS are hereby notified that any Proposals submitted to COUNTY may be subject to disclosure, either in whole or part, under the Texas Public Information Act.

Independent Contractor - It is expressly understood and agreed that PROPOSER and all persons designated by it to provide services in connection with this RFQ/P, is and shall be deemed to be an independent contractor, responsible for its respective acts or omissions, and that COUNTY shall in no way be responsible for any acts or omissions by the PROPOSER. Neither party hereto has authority neither to bind the other nor to hold out to third party that it has the authority to bind the other.

IX. INSURANCE & INDEMNITY PROVISIONS

- A. Prior to the commencement of any work under this CONTRACT, CONTRACTOR shall furnish an original completed certificate(s) of insurance to Hidalgo County Budget & Management-Worker's Comp. Division, attention: Flora Vazquez, at (956) 318-2663, which shall be completed by an authorized individual.
- B. The COUNTY reserves the right to review the insurance requirements of this section during the effective period of this CONTRACT and any extension or renewal hereof and to modify insurance coverage and their limits when deemed necessary and prudent by the COUNTY's risk manager based upon changes in statutory law, court decisions, or circumstances surrounding this Contract, but in no instance will the COUNTY allow modification whereupon the COUNTY may incur increased risk.
- C. The COUNTY shall be entitled, upon request and without expense, to receive copies of the policies and all endorsements thereto as they apply to the limits required by the COUNTY, and may make a reasonable request for deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). Upon such request by the COUNTY, the CONTRACTOR shall exercise reasonable efforts to accomplish such changes in policy coverage, and shall pay the cost thereof.

- D. CONTRACTOR agrees that with respect to the above required insurance, all insurance contracts and certificate(s) of insurance will contain the following required provisions.
- Name the COUNTY and its directors, officers, employees, agents and elected officials as additional insureds with respects to the operations and activities of, or on behalf of, the named insured performed under contract with the COUNTY, with the exception of the workers' compensation/employers' liability and the professional liability policies.
 - The CONTRACTOR's insurance shall be deemed primary with respect to any insurance or self-insurance carried by the COUNTY for liability arising out of operations under the contract with the COUNTY.
 - Provide for an endorsement that the "other insurance" clause shall not apply to the COUNTY where the COUNTY is an additional insured on the policy.
 - Workers' Compensation/Employers' liability policy will provide a waiver of Subrogation in favor of the COUNTY.
- E. CONTRACTOR shall notify the COUNTY in the event of any notice of cancellation, nonrenewal or material change in coverage and shall give such notices not less than ten (10) days prior to the change, or ten (10) days for nonpayment of premium, which notice must be accompanied by a replacement Certificate of Insurance. All notices shall be given to the COUNTY, by Certified mail, at the following address:

Hidalgo County Purchasing Agent
Attention: Martha L. Salazar, CPPB
2812 S. Hwy. 281
Hidalgo County New Administration Building
Edinburg, Texas 78539

- F. CONTRACTOR covenants and agrees to FULLY INDEMNIFY and HOLD HARMLESS, the COUNTY and its elected officials, employees, officers, directors, and representatives, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the COUNTY directly or indirectly arising out of, resulting from or related to CONTRACTOR's activities under this CONTRACT, including any acts or omissions of CONTRACTOR, any agent, officer, director, representative, employee, consultant or subcontractor of CONTRACTOR, and their respective officers, agents, employees, directors and representatives while in the exercise of performance of the rights or duties under this CONTRACT. The indemnity provided for in this paragraph shall not apply to any liability resulting from the negligence of COUNTY, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. IN THE EVENT CONTRACTOR AND COUNTY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE COUNTY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.
- G. The provisions of this INDEMNIFICATION are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity.
- H. CONTRACTOR shall promptly advise the COUNTY, in writing of any claim or demand against the COUNTY or CONTRACTOR known to CONTRACTOR related to or arising out of CONTRACTOR'S activities under this CONTRACT.

X. SCHEDULE OF EVENTS

RFP/Q Mailouts	<u>Monday, October 22, 2007</u>	
RFP/Q's Due	<u>Wednesday, November 14, 2007</u>	9:30 AM CST
Contract Award	<u>Tuesday, November 20, 2007</u>	
Start Date	<u>January 1, 2008</u>	

XI. RESERVATION OF RIGHTS

COUNTY reserves the right to:

- Reject any and all Proposals/Qualifications received.
- Issue a subsequent RFP/Q
- Cancel the entire RFP/Q
- Remedy technical errors in the RFP/Q process
- Negotiate with any, all or none of the respondents to the RFP/Q
- Accept the written Proposal/Qualifications as an offer
- Waive informalities and irregularities
- Accept one or more Proposals/Qualifications

This RFP/Q does not commit COUNTY to enter into a Contract, nor does it obligate it to pay any costs incurred in preparation and submission of Proposals/Qualifications or in anticipation of a Contract.

WRITTEN QUESTIONS WILL BE ACCEPTED NO LATER THAN Wednesday, November 7, 2007, at 5:00 p.m..
Res-ponses will be sent to all respondents via facsimile by Friday, November 9, 2007. **TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.**

All questions must be transmitted via facsimile to:

Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
Fax No.: 956-292-7612

DRAFT

ATTACHMENT A

HIDALGO COUNTY, TEXAS

PROPOSAL/QUALIFICATION FORM CLAIMS ADMINISTRATION

Firm Name: _____
Address of Service Office: _____
Telephone No.: _____ (County) (State) (zip)
Office Hours: _____ Fax No.: _____
Principal Contact for This Proposal: _____ Date Established: _____

PRICING

COUNTY is requesting statement of proposals/qualifications with the cost distributed on a "per file" set up with a maximum annual not to exceed fee for any and all workers' compensation and liability claims. A file is to be defined as per occurrence, regardless of the number of claimants involved in the same occurrence. In the case of liability claims, an incident is defined as minor or minimal property damage for which COUNTY has immunity. In the case of indemnity claims under the workers' compensation system, an indemnity file will be defined as an occurrence in which an employee has lost eight (8) calendar days. Each Proposer is also requested to submit a flat annual fee for any and all claims. Each Proposer will provide pricing that reflects the total bottom line fee for all lines of claims. All claims costs and related expenses will be projected by the Proposer and included in the fee quoted.

CLAIMS ADMINISTRATION

Please answer the following questions regarding your ability to administer workers' compensation claims for the COUNTY. Answers to all questions, except Item 8, should apply to the specific claims adjusting location that would actually process COUNTY claims should you be selected.

COMPANY QUALIFICATIONS

(Note: If a national or regional company, respond only for the local branch/office that would handle COUNTY's account.)

1. Principal Owner/Owners/Partners and Officers _____
2. Date Founded/Opened _____
3. Total number of full time employees _____
4. Number of public entity clients: _____ % of total clientele
5. Total number of clients: _____
6. List of four (4) similar-size or larger Texas public entity clients, including address, telephone number and contact person. Please indicate length of relationship:
 - a. _____
 - b. _____
 - c. _____
 - d. _____
7. List the three (3) most recent Texas public entity clients that did not renew their contracts for your services, including address, telephone number and contact person.

- a. _____
- b. _____
- c. _____

8. How many claims processing locations does your firm operate in Texas? _____

9. Which claims processing location will be associated with COUNTY account?

10. Please indicate the size of the claims processing location in the following terms:
 Workers' Comp.

- a. Number of accounts served _____
- b. Average number of claims opened each month _____
- c. Average number of claims handled by an adjuster per month _____
- d. Average number of claims processed each month _____

11. Please furnish the following information regarding the workers' compensation claims manager of the claim adjusting location from which COUNTY claims will be paid.

Name: _____
 Years of employment with your firm: _____
 Years of experience in insurance industry: _____
 Years of experience in workers' compensation claims administration _____
 Professional designations and/or degrees earned _____

12. Please furnish the following information regarding the Texas Workers' Compensation Commission hearing professional that would handle this account.

Name: _____
 Years of employment with your firm: _____
 Years of experience in insurance industry: _____
 Years of Texas Workers' Compensation experience: _____
 Years of hearing experience: _____
 Professional designations and/or degrees earned: _____

13. Attach an Organizational Chart for the specified claims processing location. Please include a block for each separate function included in the operation, including, any special units that exist. Label each unit with its function, number of employees, and unit name, if it has one. If there are several claims processing units, please indicate the unit that would be involved in the COUNTY account.

14. Indicate your standards for claims assignment/workload for each adjuster.

15. Provide the following statistics regarding your operation as of January 1, 2003:

- a. Claims on hand
- b. Claims requiring medical only payments
- c. Total claims requiring compensation payments

- d. Open/active claims
- e. Number of claims opened each month
- f. Number of claims closed each month
- g. Number of TWCC hearings each month.

16. Provide information regarding any ongoing training that your employees servicing this account will be required to satisfactorily complete. Indicate if COUNTY personnel may attend this training and at what cost, if any.

17. Describe the workflow of claims presented by COUNTY for handling.

18. Describe your screening and follow-up system for the following:

a. Review of usual, customary and reasonable medical charges: _____

b. Duplicate billings and duplicate payments: _____

c. Duplicate claims filed against employer's major medical plan or other insurance carriers: _____

d. Selection of physician for independent medical exam: _____

e. Peer review or other means of reporting suspected medical malpractice: _____

f. Overpayment of benefits: _____

19. Describe your internal audit procedures for the claims office. Include the frequency of the audits, who performs them, and what percentage of claims are audited. _____

20. How frequently does your diary system allow claims supervisory personnel to review open claims?

21. How are reserves established and monitored? _____

22. How are allocated expenses monitored and adjusted? _____

23. Will you subcontract any portion of the services you propose to furnish?
[] Yes [] No If "yes", give full details below.

24. Does your firm or do persons within your firm currently have claims or litigation against the COUNTY? [] Yes [] No. If "yes", please explain. _____
25. Please attach a copy of all licenses and permits you are required to obtain in order to administer claims in Texas.
26. Is your firm audited by an outside independent auditor?
- ___ Yes, as an independent entity.
 ___ Yes, as a part of parent corporation.
 ___ No (if not, explain below).
27. Has Fidelity Bond or Errors & Omissions coverage ever been refused, non-renewed, or canceled? [] Yes [] No If "yes" please explain below.
28. Is your firm currently approved as a Third Party Administrator for any insurance carrier? [] Yes [] No If "yes", please furnish the information requested below:
- | Name of Insurer | Lines of Insurance Administered | Amount of Authority |
|-----------------|---------------------------------|---------------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |

ADJUSTER QUALIFICATIONS

(Complete for each adjuster and supervisor who will service COUNTY's account)

- Adjuster's Name: _____
Address _____
- Years of adjusting experience: _____ (County) (State) (Zip)
- Years of municipal adjusting experience: _____
- Length of adjusting service with your firm: _____
- Type of adjusting (i.e. inside/outside/public): _____
- Current number of claims handled per month by type:
 PHC, BRC and CCH _____ Liability _____
 Medical only _____
 Lost time _____
 Denials _____
- List adjuster's license, include categories and expiration date: _____
- Languages spoken: _____
- Languages written: _____
- Attach adjuster's Resume.

INSURANCE

Please answer the following questions regarding your firm:

- Employee Fidelity Bond:
 Underwriter: _____
 Bond Amount: _____
 Term: From: _____ to: _____
 Policy Number: _____
- Professional Liability Coverage:
 Insurer: _____
 Liability Limit: _____
 Term: From: _____ to: _____

Policy Number: _____

*List any claims pending against you

3. Commercial General Liability Insurance:
Liability Limit: _____
Term: From: _____ to: _____
Policy Number: _____

4. Business Automobile Liability:
Liability Limit: _____
Term: From: _____ to: _____
Policy Number: _____

5. Workers' Compensation
Liability Limit: _____
Term: From: _____ to: _____
Policy Number: _____

Do fees included in your proposed fee schedule include handling of the claim after suit is filed?
 Yes No

Are the fees proposed in fee schedule for life of this claim or for life of Contract pricing?

Life of the Claim
Life of Contract Pricing

Explain: _____

MISCELLANEOUS

- 1. Have you completed and attached Attachments Yes No
- 2. Federal tax ID number: _____

I affirm that the information provided herein is correct and that pricing information contained in this document shall remain a valid offer for 90 days following the deadline date for submission or if a Proposal is selected, throughout the entire term of the Contract.

By: _____
(Authorized Officer)

Type Name and Title

Date

EXHIBIT A

INSURANCE REQUIREMENTS

Third Party Administrator shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Third Party Administrator, his agents, representatives, employees or subcontractors. The cost of such insurance shall be included in the Contractor's bid.

- A. Minimum Scope of Insurance
Coverage shall be at least as broad as:
1. Broad Form Comprehensive General Liability; or "occurrence" Form CG 0001.
 2. Workers' Compensation insurance as required by the Labor Code of the State of Texas, including Employers' Liability Insurance.
 3. Professional Liability.
- B. Minimum Limits of Insurance
Consultant shall maintain limits not less than:
1. Commercial General Liability: \$500,000 per occurrence for bodily injury, personal injury and property damage. \$1,000,000 Aggregate Policy will include coverage for a) Premises - Operations; b) Broad Form Contractual Liability; c) Products and Completed Operations; d) Use of Contractors and Subcontractors; e) Personal Injury; f) Broad Form Property Damage.
 2. Workers' Compensation and Employer's Liability: Workers' Compensation limits as required by the Labor Code of the State of Texas and Employer's Liability.
 3. Professional Liability \$500,000.
- C. Deductibles and Self-Insured Retentions
Any deductible or self-insured retentions must be declared to and approved by the County.
- D. Other Insurance Provisions
The policies are to contain, or be endorsed to contain the following provisions:
1. General Liability.
 - a. The County, its officers, officials, employees, Boards and Commissions and volunteers are to be added as "Additional Insureds" as respects liability arising out of activities performed by or on behalf of the vendor, products and completed operations of the vendor, premises owned, occupied or used by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the County, its officers, officials, employees or volunteers. It is understood that the business auto policy under "Who is an Insured" automatically provides liability coverage in favor of the County.
 - b. The Third Party Administrator's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the County, its officials, employees or volunteers shall be excess of the consultant's insurance and shall not contribute with it.
 - c. Any failure to comply with reporting provisions of the policy shall not affect coverage provided to the County, its officers, officials, employees, Boards and Commissions or volunteers.
 - d. The Third Party Administrator's insurance shall apply separately to each insured against who claim is made or suit is brought, except with respect to the limits of the insured's liability.

2. **Workers' Compensation and Employer's Liability Coverage** The insurer shall agree to waive all rights of subrogation against the County, its officers, officials, employees and volunteers for losses arising from work performed by the consultant for the County.

3. **All Coverages** Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled or non-renewed by either party, reduced in coverage or in limits except after ten (10) days prior written notice by certified mail return receipt requested, has been given to the County.

E. **Acceptability of Insurers**

The County prefers that Insurance be placed with insurers with an A.M. Best's rating of no less than B+:VI, or, A or better by Standard & Poors. This requirement will be waived for workers' compensation coverage only for those Third Party Administrator's whose workers' compensation coverage is placed with companies who participate in the State of Texas Workers' Compensation Assigned Risk Pool. Professional Liability carriers will need to be approved by the Risk Manager.

F. **Verification of Coverage** Contractor shall furnish the County with certificates of insurance effecting coverage required. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be on forms approved by the County and are to be received and approved by the County before work commences. The County reserves the right to require complete, certified copies of all required insurance policies, at any time.

DRAFT

EXHIBIT B
SELECTION CRITERIA

HIDALGO COUNTY
REQUEST FOR PROPOSAL/QUALIFICATIONS
“THIRD PARTY ADMINISTRATION SERVICES-(TPA)
FOR EXCESS WORKERS’ COMPENSATION
INSURANCE”

SELECTION/EVALUATION/RANKING CRITERIA

**"Third Party Administration Services-(TPA) For Excess Workers' Compensation"
2007-224-11-14-VYG**

Statements of Proposals/Qualifications evaluation criteria will include, but not be limited to, the items listed below.

1. Economic evaluation of the Proposed Fee Schedule **20 Points**
2. Responsiveness to the Request For Proposal/Qualifications **20 Points**
 - a.) Requested information included and thoroughness of response.
 - b.) Understanding and acceptance of the scope of services.
 - c.) Acceptance of the RFP/Q and Contract requirements.
 - d.) Clarity and conciseness of the response.
3. Proposer's/Firm's capability to provide the services requested and information contained in Attachment "A". **60 Points**
 - a.) Background of Proposer/Firm and support personnel, including professional qualifications.
 - b.) Relevant experience of the Proposer/Firm.
 - c.) Specific experience with public entity clients.
 - d.) Other resources, including the total number of employees, number and location of offices.
 - e.) References and experience in the Texas Public Sector.

These criteria will be scored on the scales shown on the enclosed "RFP/Q SELECTION/EVALUATION/RANKING FORM."

Hidalgo County
"Third Party Administration Services-(TPA) For Excess Workers' Compensation Insurance"

SELECTION/EVALUATION/RANKING CRITERIA FORM

<u>Selection</u>	<u>Criteria</u>	<u>Points</u>	<u>Score</u>
1.	Economic evaluation of the Proposed Fee Schedule	<u>20 Points</u>	()
2.	Responsiveness to the Request For Proposal/Qualifications	<u>20 Points</u>	()
	a.) Requested information included and thoroughness of response.		
	b.) Understanding and acceptance of the scope of services.		
	c.) Acceptance of the RFP/Q and Contract requirements.		
	d.) Clarity and conciseness of the response.		
3.	Proposer's/Firm's capability to provide the services requested and information contained in Attachment "A".	<u>60 Points</u>	()
	a.) Background of Proposer/Firm and support personnel, including professional qualifications.		
	b.) Relevant experience of the Proposer/Firm.		
	c.) Specific experience with public entity clients.		
	d.) Other resources, including the total number of employees, number and location of offices.		
	e.) References and experience in the Texas Public Sector		
Total		<u>100%</u>	Total Score _____

Firm: _____

Evaluator: _____ Date: _____

Comments: _____

The RFP/Q will be awarded to the respondent whose Proposal/Qualifications will be most advantageous to COUNTY, as determined by the evaluation factor's listed herein and by the recommendation of the Selection Committee with approval of the Commissioners' Court.