

NOTICE: REQUEST FOR PROPOSALS

NOTICE IS HEREBY GIVEN that the City of Alameda will receive sealed Proposals up to the hour of 5:00 p.m. on Thursday, August 22, 2013, for Liability Claims Administration Services.

The Request For Proposal for furnishing to the City of all labor, materials, machinery, tools and equipment necessary for the work may be had by any prospective service provider upon application to City Hall, City Attorney's Office, 2263 Santa Clara Avenue, Room 280, Alameda, California, 94501 and the telephone number is (510) 747-4750. All questions should be directed to Lucretia Akil, Risk Manager at (510) 747-4762.

Proposals must be presented to the City Clerk, City Hall, 2263 Santa Clara Avenue, Room 380, under sealed cover and plainly marked on the outside, "Liability Claims Administration Services," or similar designation.

Contract, if awarded, will be to the responsible service provider who submits the proposal which ranks highest based on selection criteria. The right is reserved to reject any or all proposals. The Alameda City Council encourages all contractors and other businesses providing services to the City to hire Alameda residents, pursuant to the City Resolution No. 12278.

LARA WEISIGER City Clerk

**CITY OF ALAMEDA**

**REQUEST FOR PROPOSALS**

**GENERAL LIABILITY CLAIMS HANDLING AND ADMINISTRATION**

The City wishes to obtain competitive proposals relative to the provision of quality claims administration services for its self-insured general liability program. The RFP requests that specific information be provided. Bidders may expand on the information requested and/or provide other related information. However, it is important that bidders follow the directions, proposal format, and comply with all directions contained in the RFP to ensure that the proposal is considered.

**I. Background**

**Number of Employees and Departments Operated:**

The City of Alameda is a public municipality located in Alameda County, California. The City employs approximately 461 full-time employees, 426 part-time employees, and 311 volunteers. The City has full police and fire services, park and recreation programs, public works, which includes both engineering and maintenance divisions, and an electric utility department.

**Budget information:**

The City's total budget for the 2012/2013 fiscal year was approximately \$160 million. The City's total budget for the 2013/2014 fiscal year is projected to be approximately \$163 million.

**Current Claims Administration:**

The liability claims program is currently administered in house.

**Claims Information:**

See Attachment 1 for a spreadsheet of claims history for the last 5 years.

Total number claims received as of Fiscal Year ending June 30, 2013 is 98. The total number of open claims is 75.

## **Excess Coverage:**

California Joint Powers Risk Management Authority (CJPRMA) provides the City's excess liability and property coverage. The City has a self-insurance retention of \$500,000 per claim for general liability and \$25,000 for City property.

## **Program Management:**

The general liability and property program is managed by the Risk Manager. The Risk Manager will handle the day to day operation of the program within the City. The Risk Management Division is located in the City Attorney's Office. An objective of the risk management function is to evaluate current practices, risks and exposures, and processes to reduce claim frequency, severity, and financial impact upon the City. The risk management function also manages workers compensation claims, risk assessment, contract review, insurance acquisition, and safety programs.

## **II. Scope of Work**

### **A. Claims Handling**

Promptly make up a claims file within seven (7) workdays after receipt of the Claim for damages against the City of Alameda from the City. Investigate General Liability and property claims and incidents which may be the subject of such claim against the City. Recommend acceptance/rejection of submitted claims.

1. Assume all open claims existing at the beginning of the contract term.
2. Assess and evaluate the nature and extent of each claim, and establish claim reserves for general damages, property loss, investigation expenses and legal expenses.
3. Ensure timely claim handling, including follow-up all investigation to ensure timely and expeditious processing.
4. Claims Administrator will make all claims payments in a timely manner; and maintain ongoing reporting of payment status with the City.
5. Determine the need for defense representation, recommend legal counsel, and monitor litigation activity. Selection of defense and subrogation counsel shall be by the City of Alameda with input from the Claims Administrator.
6. Report claims to the excess insurer, and work with the insurer on a claim's progress, in accordance with the insurer's reporting requirements; submit requests for reimbursement on behalf of the City to the insurer.

7. Comply with CJPRMA (excess insurer) claims reporting requirements.
8. It will be the Claims Administrator's duty to proceed against responsible persons, agencies, and/or agents in subrogation actions in an effort to recover losses suffered by the City by way of compensable property damage).
9. Penalties incurred as a result of the failure of Claims Administrator to comply with any statutory laws and regulations shall be the sole responsibility of Claims Administrator. The City shall be notified in writing within 30 days of any penalty paid by the Claims Administrator and the reason for the penalty.
10. All mandated notices under Government code 910 (i.e. rejection, late notices, insufficient claims etc.) will be sent by the City. Recommendations from the Claims Administrator will be sent to the City's Risk Manager for handling.
11. Comply with the mandatory reporting requirements of Section 111 ("Medicare Secondary Payer") of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA) effective July 1, 2009.

B. Litigation

1. Litigation efforts shall be closely monitored by the Claims Administrator with regular communications with City staff. City staff must authorize any and all depositions and any subrosa or independent investigative activities.
2. Settlement authority on litigated claims must be approved by City staff prior to being presented or negotiated with claimant's attorney.
3. Prior to any settlement conference, Claims Administrator and/or legal counsel whichever is appropriate, will provide a written analysis of the case, including options and recommendation for settlement.
4. City staff must be informed of all settlement offers received from claimant or claimant's attorney.
5. When a claim is filed, the Claims Administrator is expected to attempt settlement of the claim before recommending assignment to defense counsel. If unable to settle, Claims Adjuster must obtain City's approval prior to assigning to Defense Counsel.

### C. Financial Accounting

1. A fund shall be maintained by the City for the purpose of paying benefits that may be due on the claims. The amount that will be maintained in the fund shall be determined by the City.
2. A copy of all checks, vouchers or warrants drawn by the Claims Administrator to pay benefits on City claims shall be provided to the City.
3. The claims administrator will have a standing settlement authority of \$2,500.00. Any settlement above that level will require City approval.
4. A monthly check/voucher register of all transactions made for the period shall be provided by the Claims Administrator.
5. The City reserves the right to conduct a financial audit of the trust account to insure the integrity of the account.

### D. Data Products

1. Claims Administrator shall provide a computerized loss analysis and summary report each month covering activity on all newly reported, open, and newly closed claims for the period. This report will be customized for the City's needs and will provide the following by claim year:
  - a. Monthly listing of open claims by department, location, and alpha by name.
  - b. Summaries of all open and closed claims, Indemnity and property, at the end of each department and division, and total for City, by claim year.
  - c. Various responsive reports on demand, at no additional charge, such as injury analysis reports, i.e., by age, occupation, cause, site, etc.
  - d. Provide monthly claim summary reports, within 15 days of month-end.
2. Provide loss run data and required reports for actuarial, auditing and reserve analysis purposes.
3. Prepare and submit in a timely manner all reports, including statistical reports required by the City's excess insurance pool.
4. Provide a report writer function for City staff to design customized ad hoc and standard reports to be printed at City offices.

E. Additional Services

1. Claims Adjuster will attend all Small Claims Court actions, settlement conferences, conferences with legal counsel (defense counsel), meetings with City staff, departments and employee groups when required.
2. Communication, written, oral, and in person, with the City staff by the claims administrator is an important element of the services expected.
3. All records, files, transcripts, computer tapes and other materials on general liability adjusting activity developed on the City of Alameda liability and property claims is the property of the City of Alameda and must be relinquished in good order and condition upon termination of this contract with the Claims Administrator. The City shall not be required to pay any additional cost for the transfer of files to the City.
4. Attend all meetings with City staff as requested.
5. Be available for spot audit checks by the City when requested.
6. Cooperate with file and program audits with state agencies and City designated auditors.
7. Be available to respond to a major emergency or catastrophe involving the City to expedite claims processing.
8. Provide quarterly report to City staff listing all claims by claim number and client name assigned to City's designated claim adjuster.
9. Provide monthly claims review of all active files and enter review notes on claim daily reporting system.
10. Provide training to City managers and supervisors on claims reporting, responsibilities to employees, and practices to reduce accidents.
11. Provide internet e-mail communications for designated claims adjuster to City staff.
12. Provide an administrative manual on claims processing.
13. Provide 24-hour claims reporting capability.

### **III. Minimum Qualifications**

- A. The firm and/or its principals servicing the City shall have at least five (5) years administration experience in the commercial or municipal administration of General Liability. Preference will be given to firms with municipal or other public agency claims handling experience.
- B. The firm servicing the City of Alameda shall at all times have a proximate location to the City conducive to the expedient investigation/administration of claims (in the sole discretion of the City), as part of the claims service.
- C. The designated claims adjusters must have a minimum of five years experience as an adjuster level in addition to lower level position experience (claims assistant).
- D. The designated claims adjusters, and/or senior personnel, must be experienced in issues involving coordination of ADA claims.
- E. The designated claims adjusters must be experienced in public entity client work including fire and police safety employees.
- F. The firm must have a strong customer service orientation at all levels of the firm. A designated manager must have the authority to resolve claims issues immediately, including re-assignment of Claims Administrator's staff to City's satisfaction.
- G. The designated claims adjusters shall have a total maximum caseload of 200 open files only, from any source.
- H. The Claims Administrator must provide a qualified back up adjuster in the event of absence of any designated adjusters.

### **IV. Terms and Conditions**

- A. During the performance of the work, Proposer agrees as follows:
  - 1. The Proposer will not discriminate against any employee or applicant for employment because of race, religion, color, sex, disability or national origin except where religion, sex, disability or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the offeror. The proposer agrees to post in a conspicuous place, available to employees and applicants for employment, notices setting forth provisions on this nondiscrimination clause.
  - 2. The Proposer, in all solicitations or advertisements for employees placed by or behalf of the Proposer, will state that such Proposer is an equal opportunity employer.

3. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation will be deemed sufficient for the purpose of meeting the foregoing requirements. The proposals will include the provisions of the foregoing paragraphs 1 and 2 and this paragraph 3 in every subcontract or purchase order of over \$10,000 so that the provisions will be binding upon each subcontractor or vendor.
- B. The Proposer, by signing the proposal, certifies that it does not and will not during the performance of the work violate the provisions of the Federal Immigration Reform and Control Act of 1986,.
- C. Upon approval by the Alameda City Council, the contract with the Proposer will be for an initial term of three (3) years, terminable without cause by either party at any time upon thirty (30) days' prior written notice.
- D. The City of Alameda reserves the right to request clarification and additional information from respondents.
- E. The City of Alameda reserves the right to reject any and all proposals and to select the proposal that, in its best judgment, best accomplishes the purpose of the request.
- F. All proposals submitted and information included therein or attached thereto shall become public records upon their delivery to the City of Alameda. The City of Alameda reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected.

The City of Alameda reserves the right to:

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

In addition, the City of Alameda reserves the right, during the negotiation process, to adjust the scope of services, alter the method and time frame for completion of services, and/or alter the costs of the services so long as the changes are mutually agreed upon and are in the best interests of the City.

This RFP does not commit the City of Alameda to enter into a Contract, nor does it obligate the City to pay any costs incurred in preparation and submission of Proposals or in anticipation of a Contract.

## V. Proposal Format

### A. General

Please submit one unbound and two bound copies of your proposal. The proposal shall be in an 8 ½ x 11 format with foldouts utilized as a necessary. The cover shall clearly indicate the proposal title and the firm name.

The proposal shall be prepared and organized using the following content format:

- Part 1. Organization of firm
- Part 2. Staffing
- Part 3. Experience
- Part 4. Insurance
- Part 5. Quality Control Procedures
- Part 6. Reports
- Part 7. Fees
- Part 8. Contractual Requirements
- Part 9. Scope of Work
- Part 10. Appendices
- Part 11. Proponent's Fee Schedule (Submit under separate sealed cover with proposal.)

### B. Confidential Material

Any proposal material which a firm considers confidential should be labeled clearly as such, or the identifying factors making it such should be redacted. Any material submitted may be subject to public disclosure in accordance with State and Federal law.

### C. Proposal Content

Proposals are expected to comply with the outline presented, complete with part designations and responses to each part's component.

#### **Part 1. Organization of Firm**

- a. Give name of firm, business address, history of firm and date established.
- b. Specify if a corporation, partnership or sole proprietorship. If a corporation or partnership, specify when and where incorporated or formed. List other DBA's.
- c. List officers, partners or owners of the firm by name, title and percent of ownership.

- d. Indicate any relationship of firm to parent companies or organizations and subsidiary relationships.
- e. Give name, title, address and telephone number of individual with authority to negotiate on behalf of the firm and who may be contacted during the period of proposal evaluation.
- f. Give the total full and part-time staff currently employed by the firm.

## **Part 2. Staffing**

- a. Submit resume(s) of key personnel to be assigned as principals to the City's account if awarded contract. Submit name of designated claims adjusters, resumes, and current salaries.
- b. Describe adjuster assignment procedures and rotation procedures if applicable.
- c. Submit an outline of the firm's organizational structure. Describe support staff.
- d. Identify the person to act as contract administrator if awarded the contract. This person must have full authority to resolve disputes with the City.
- e. Provide the location and address where the claims will be located and managed.
- f. Describe staff training programs and incentive programs.
- g. Specify adjuster turnover rate within the last 2 calendar years.

## **Part 3. Experience**

- a. Describe the firm's business experience in general liability and property claims administration – particularly experience with municipalities or other public agencies.
- b. Include a list of public entity clients within the last five (5) years for whom your firm has performed general liability and property claim administration services. Provide the name and phone number of an individual with each client the City can contact to check references.
- c. Provide a list of clients who have elected to contract with other claims administrators during the past 24 months.

#### **Part 4. Insurance**

The successful firm must be able to provide evidence of insurance coverage as follows:

- a. Professional Liability including Errors and Omissions coverage of at least \$2,000,000 per occurrence.
- b. Comprehensive General or Commercial General Liability (including for each Bodily Injury, Personal Injury and Property Damage) of at least \$2,000,000 per occurrence, and \$3,000,000 general aggregate; and Auto Liability with limits of at least \$1,000,000 combined single limit. The City will require an Additional Insured endorsement. Refer to Attachment 2; General Liability Claims Administration Services Agreement for specific requirements related to insurance.

#### **Part 5. Quality Control Procedures**

- a. Describe internal audit control procedures including methodology, frequency, persons in charge, and corrective actions.
- b. Describe supervisor review of adjuster's claims including frequency and appropriate actions taken.
- c. Describe the business nature of other employers whose claims are to be handled by the designated adjuster.
- d. Explain the customer service and quality assurance program offered by your firm to the client.

#### **Part 6. Reports**

- a. Provide examples of reports contemplated by firm to meet the City's needs.
- b. Describe the computer system used by the firm and what, if any, client access into the system.
- c. Describe internet based services available to client to manage their claims and retrieve information and reports.

#### **Part 7. Fees**

- a. The City is looking for a flat fee program. Every bidder must present a flat fee program. If the administrator wishes to submit an alternate program, the City will entertain alternative programs. Explain the fee structure for claims administration for each type of service, if offered:

- Claims Handling (Provide pricing for an annual flat fee, or per claim fee, or both. If using a per claim costing, please identify all ancillary costs with the program.)
  - MMSEA Reporting
- b. Identify the amount of payment received by your firm by any contracted service. Please provided costs with and without these services.
- c. Provide the name of each firm that provides the above services to the claims adjusting company.

**Part 8. Contractual Requirements**

The City expects to retain a Claims Administrator to serve for a period of at least 3 calendar years with the option to add annual extensions thereafter. A 60-day cancellation clause will be included. In this part, provide information regarding any special contractual requirements your firm desires. The awarding firm shall execute the attached sample contract with the City.

**Part 9. Scope of Work**

Describe how the firm proposes to meet the scope of work in Section II of this RFP, and additional services provided at no additional cost.

**Part 11. Proponent’s Fee Schedule**

Submit under separate sealed cover with proposal

**VI. Schedule**

The following is the tentative schedule for the RFP process. Proposers will be notified of changes.

- |   |                              |
|---|------------------------------|
| ▪ Issuance of the Request for Proposal:   | July 15, 2013                |
| ▪ Date of final acceptance of proposals:  | August 22, 2013, 5:00 pm PST |
| ▪ Interviews of potential administrators: | September 25, 2013           |
| ▪ Decision for award:                     | October 1, 2013              |
| ▪ Assumption of services:                 | October 7, 2013              |

## VII. Proposal Submittal/Evaluation

### A. Date and Time for Proposal Submittal

Proposals shall be submitted to:

Lucretia Akil, Risk Manager  
c/o City Clerk's Office  
City of Alameda  
2263 Santa Clara Avenue, Room 380  
Alameda, CA 94501

**Do not submit proposals directly to the Risk Manager. Submissions shall be filed and date stamped by the City Clerk no later than 5:00 p.m. PST on August 22, 2013 to be considered. Postmarks and faxed submittals will not be accepted. Late proposals will be rejected.**

### B. Evaluation

The proposal will be rated and ranked based on the following criteria (which is not in rank order of importance):

1. Cost of services.
2. Experience of the firm and expertise of its personnel assigned to the City's account in provision of services.
3. Past record of performance including control of costs, quality of work, and completion of tasks in a timely manner.
4. Ability to provide all services as outlined in the Request for Proposal.
5. Concept and proposed solutions, including responsiveness to the RFP, completeness and thoroughness of proposal.
6. Additional services available from firm which are deemed to be of benefit to City.

Once the City has reviewed the submitted proposals, those firms that meet the City's requirements will be invited to an oral presentation. Not all submissions may be included in this oral presentation and after the oral presentation, the City may contract with the firm they find most responsive to their needs.

## **VIII. Disclaimers**

1. Costs for developing proposals are entirely the responsibility of the party responding to the RFP and shall not be chargeable in any way to the City.
2. Proposals shall be reviewed by City and those deemed to be most qualified in the sole discretion of City shall be scheduled for an interview with a review panel.
3. Bidder presentations will be scheduled at the discretion of the City and bidders shall bear any expense associated with such presentation. Bidders not available to attend the presentation may be removed from further consideration.
4. The City shall not discriminate on the basis of race, color, ancestry, religion, creed, national origin, gender, sexual orientation, physical handicap, age and marital status in the award or performance of any contract or subcontract resulting from or relating to this contract.
5. The proposal will not constitute an agreement, but rather, will supply provisions which will be incorporated by reference into an agreement between the parties for claims adjusting services.
6. Payment for services will be made in arrears upon submittal of invoice with terms of net 45.
7. The City reserves the right to withdraw this RFP at any time without prior notice. The City also makes no representations that any agreement will be awarded to any bidder responding to this RFP. The City expressly reserves the right to reject any and all proposals and to be the sole judge of the responsibility of any bidder and of the suitability of the materials and/or services to be rendered. The City reserves the right to waive any minor irregularities, informalities, or oversights at its sole discretion. The term "minor" as used herein means any bidder or City irregularities or oversights that does not materially affect or alter the intent and purpose of the RFP, and does not provide an unfair advantage or disadvantage to a bidder.
8. City reserves right to contract directly with any ancillary service (i.e., claims review, actuary, subrosa activities, etc.) that it deems would better serve the City for cost efficiency and service delivery. It is expected that Claims Administrator shall cooperate with any such ancillary service.
9. Any party submitting a proposal shall not contact or lobby any City Council member, City official, employee (except those specified for contact) or agent regarding the RFP. Any party attempting to influence the RFP, bid submittal, and review process may have their bid rejected for violating this provision of the RFP.

**IX. Information**

Any questions concerning this RFP shall be directed to:

**Information on Technical & Bid Process/Clarification**

Lucretia Akil, Risk Manager  
(510) 747-4762  
Email: [lakil@alamedaca.gov](mailto:lakil@alamedaca.gov)

**X. Due Date of Request for Proposal**

August 22, 2013; 5:00 pm PST

**PROPONENT'S CHECKLIST**  
CITY OF ALAMEDA

Did you:

- \* \_\_\_ Complete the "Proponent's Fee Schedule" form, (Attachment 3, under separate sealed cover with proposal).
- \* \_\_\_ **Include with proposal, name and e-mail address for City contact.**
- \* \_\_\_ Submit one (1) unbound and two (2) bound COPIES of all proposal documents.
- \* \_\_\_ Review all clarifications/questions/answers from the City's Risk Manager, Lucretia Akil (510) 747-4762, Email: [lakil@alamedaca.gov](mailto:lakil@alamedaca.gov)
- \* \_\_\_ Deliver sealed proposal to City Hall, City Clerk's Office 2263 Santa Clara Avenue, Room 380, Alameda, CA 94501, before August 22, 2013; 5:00 pm PST. Sealed proposal shall be marked "Proposal" and indicate project name, number, and proposal opening date. Please note that some overnight delivery services do not deliver directly to the City Clerk's Office. This could result in the proposal arriving in the City Clerk's Office after the proposal opening deadline and therefore not being accepted.

**CONTACT INFORMATION:**

**Information on Technical & Bid Process/Clarification**

Lucretia Akil, Risk Manager  
(510) 747-4762  
Email: [lakil@alamedaca.gov](mailto:lakil@alamedaca.gov)

\*If not completed as required, your proposal may be voided.

DISCLAIMER: The City does not assume any liability or responsibility for errors/omissions in any document transmitted electronically.

THIS FORM IS FOR YOUR INFORMATION ONLY AND DOES NOT NEED TO BE SUBMITTED WITH YOUR PROPOSAL.