



CITY OF HOUSTON

**REQUEST FOR PROPOSAL FOR PROFESSIONAL SERVICES TO
CONDUCT AN AUDIT OF THE WORKERS' COMPENSATION
PROGRAM THIRD PARTY ADMINISTRATOR (TPA)
CONSULTANT COMPLIANCE & ANCILLARY VENDOR AUDIT**

FOR THE

CITY OF HOUSTON HUMAN RESOURCES DEPARTMENT

NIGP CODE: 946-20

REQUEST FOR PROPOSAL

**NOTICE OF
REQUEST FOR PROPOSAL FOR PROFESSIONAL SERVICES TO
CONDUCT AN AUDIT OF THE WORKERS' COMPENSATION
PROGRAM THIRD PARTY ADMINISTRATOR (TPA)
CONSULTANT COMPLIANCE & ANCILLARY VENDOR
AUDIT**

THE CITY OF HOUSTON

The City of Houston Administration & Regulatory Affairs Department invites prospective contractors to submit a written proposal for professional services to conduct an audit of the Workers' Compensation Program Third Party Administrator (TPA) Consultant Compliance Ancillary Vendor Audit for the City of Houston. Proposals are solicited for this service for the City of Houston in accordance with the terms, conditions and instructions as set forth in this Request for Proposal (RFP).

This Proposal is available on the Internet from: <https://purchasing.houstontx.gov/>

In the event you do not have download capability, the RFP document may be obtained from the Administration & Regulatory Affairs Department, Strategic Purchasing Division, Basement Level, Room B121A, City Hall, 901 Bagby, Houston, Texas 77002.

The City of Houston, Texas will receive proposals at the City Secretary's Office, City Hall Annex, Public Level, 900 Bagby, Houston, Texas 77002 until **Friday, May 28, 2010 at 2:00 P.M.** No proposals will be accepted after the stated deadline.

There will be a **Pre-Proposal Conference on Thursday, April 29, 2010 at 9:00 A.M.** in the Civil Service Conference Room, located at 611 Walker, 4th Floor Annex, Houston, Texas.

Questions concerning the Proposal should be submitted to, **Human Resources Risk Management Division website, wcrfp@cityofhouston.net** no later than **2:00 P.M., Friday, May 7, 2010.**

All proposals will be required to comply with City Council Ordinance No. 78-1538, passed August 9, 1978, relating to Equal Employment Opportunity Contract Compliance. The City reserves the right to reject any or all proposals or to accept any proposal or portion of a proposal deemed to be in the City's best interest.

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SECTION I. GENERAL INSTRUCTIONS

1.0 Submittal Procedure:

- 1.1 Seven (7) copies of the proposal, including one (1) printed original, signed in BLUE ink, are to be submitted in a sealed envelope bearing the assigned Control Number located on the first page of the RFP document to:
 - 1.1.1 City Secretary's Office
City Hall Annex
900 Bagby
Houston, Texas 77002
- 1.2 The deadline for the submittal of the proposal to the City Secretary's Office is no later than **Friday, May 28, 2010 at 2:00 P.M.** Failure to submit the required number of copies as stated above may be subject for disqualification from the proposal process.
- 1.3 Respondents may elect to either mail, or personally deliver, their proposals to the City Secretary's Office.
- 1.4 The City of Houston shall bear no responsibility for submitting responses on behalf of any Proposer. Respondents may submit their proposal to the City Secretary's Office any time prior to the above stated deadline.

2.0 Proposal Format:

- 2.1 The Proposal should be electronically generated and the printed original signed in ink. They should not be submitted in elaborate or expensive binders. Legibility, clarity and completeness are important and essential.
- 2.2 The proposal must be signed by individual(s) legally authorized to bind the Proposer(s) and must contain a statement that the proposal and the prices contained therein shall remain firm for a period of one hundred-eighty (180) days.

3.0 Pre-Proposal Conference:

- 3.1 A Pre-Proposal Conference will be held Thursday, **April 29, 2010 at 9:00 A.M.** in the Civil Service Conference Room, located at 611 Walker, 4th Floor Annex, Houston, Texas. Interested Proposers should plan to attend. It will be assumed that potential Proposers attending this meeting have reviewed the RFP in detail and are prepared to bring up any substantive questions, which have not already been addressed by the City.

4.0 Additional Information and Specifications Changes:

- 4.1 Requests for additional information and questions should be addressed to the Human Resources Risk Management Division website, wcrfp@cityofhouston.net no later than Friday, **May 7, 2010 at 2:00 P.M.** local time. The City of Houston shall provide written response to all questions received in writing on or before the written question submittal deadline. Questions received from all respondents shall be answered and sent to all respondents who are listed as having obtained Requests for Proposals. Proposers shall be notified in writing of any changes in the specifications contained in this Request for Proposal.

5.0 Addenda & Modifications:

- 5.1 All addenda, amendments, and interpretations to this solicitation shall be in writing. Any amendment or interpretation that is not in writing shall not legally bind the City of Houston. Only information supplied by the City of Houston in writing or in this RFP should be used in preparing proposal responses.
- 5.2 The City does not assume responsibility for the receipt of any addendum sent to Proposers.

6.0 Examination of Documents and Requirements:

- 6.1 Each Proposer shall carefully examine all RFP documents and thoroughly familiarize themselves with all requirements prior to submitting a proposal to ensure that the proposal meets the intent of this RFP.
- 6.2 Before submitting a proposal, each Proposer shall be responsible for making all investigations and examinations that are necessary to ascertain conditions and requirements affecting the requirements of this RFP. Failure to make such investigations and examinations shall not relieve the Proposer from obligation to comply, in every detail, with all provisions and requirements of the Request for Proposal.

7.0 Post-Proposal Discussions with Proposers:

- 7.1 It is the City's intent to commence final negotiation with the Proposer(s) deemed most advantageous to the City. The City reserves the right to conduct post-proposal discussions with any Proposer(s).

8.0 Terms, Conditions, Limitations and Exceptions:

- 8.1 This RFP does not commit the City of Houston to award a contract, issue a Purchase Order, or to pay any costs incurred in the preparation of a proposal in response to this request.
- 8.2 The proposals will become part of the City's official files without any obligation on the City's part. All Responses shall be held confidential from all parties other than the City until after the contract is awarded. Afterward, the proposals shall be available to the public.

- 8.3 The City of Houston shall not be held accountable if material from responses is obtained without the written consent of the Proposer by parties other than the City, at any time during the proposal evaluation process.
- 8.4 In the event a Proposer submits trade secret information to the City, the information must be clearly labeled as a "Trade Secret". The City will maintain the confidentiality of such trade secret to the extent provided by law.
- 8.5 Proposer(s) shall not offer any gratuities, favors, or anything of monetary value to any official or employee of the City of Houston (including any and all members of proposal evaluation committees).
- 8.6 Proposer(s) shall not collude in any manner, or engage in any practices, with any other Proposer(s), which may restrict or eliminate competition or otherwise restrain trade. This is not intended to preclude subcontracts and joint ventures for the purposes of: a) responding to this RFP, or b) establishing a project team with the required experience and/or capability to provide the goods or services specified herein. Conversely, the City can combine or consolidate proposals, or portions thereof, for the purposes mentioned above.
- 8.7 All proposals submitted must be the original work product of the Proposer. The copying or paraphrasing of the work product of another Proposer is not permitted.
- 8.8 The RFP and the related responses of the selected Proposer will by reference (within either a Contract or Purchase Order) become part of any formal agreement between the selected Proposer and the City. The City and the selected Proposer may negotiate a contract or contracts for submission to City Council for consideration and approval. In the event an agreement cannot be reached with the selected Proposer, the City reserves the right to select an alternative Proposer. The City reserves the right to negotiate with alternative Proposer the exact terms and conditions of the contract.
- 8.9 Proposers, their authorized representatives, and their agents are responsible for obtaining, and will be deemed to have, full knowledge of the conditions, requirements, and specifications of the Request for Proposal at the time a proposal is submitted to the City.
- 8.10 The price agreement(s) shall become effective on or about **November 1, 2010** for a term of three (3) calendar years. The City of Houston reserves the option of extending the agreement(s) on an annual basis for two (2) additional one-year terms or portions thereof.
- 8.10.1 The City may pursue unbundling of services such as those including, but not limited to, which services will be performed in a given contract year by a preferred provider organization from companies who have demonstrated ability based on providing a separate proposal.

Unbundling should be at the highest discrete level such as Contract Compliance, Ancillary Service Vendor Review, Vendor Management Review, Review of Overpayment Process, and Ad hoc Consulting. If the successful proposer for the unbundled services is a firm other than the firm awarded the contract for Workers' Compensation Program Consultant Compliance and

Ancillary Vendor Audit Services, the consultant firm must use the awarded component for the unbundled services for City of Houston workers' compensation claims rather than any internal program or outside vendor program the successful proposer may currently be using for the unbundled services.

- 8.11 If necessary for the completion of tasks required under the project, the City will provide reasonable working space to the Prime Contractor.
- 8.12 Clerical support and reproduction of documentation costs shall be the responsibility of the Prime Contractor. If required, such support and costs shall be defined in the contract negotiated.
- 8.13 Prime Contractor personnel essential to the continuity and successful and timely completion of the project should be available for the duration of the project unless substitutions are approved in writing by the City Project Director.
- 8.14 The Prime Contractor will be expected to adhere to all standard contractual requirements of the City which will include, but are not limited to, provisions for: Time Extensions, Appropriation of Available Funds, Approvals, Term and Termination, Independent Contractor, Business Structure and Assignments, Subcontractors, Parties in Interest, Non-waiver, Applicable Laws, Notices, Use of Work Products, Equal Employment Opportunity, Force Majeure, and Inspections and Audits.
- 8.15 The City may terminate its performance under a contract in the event of a default by the Prime Contractor and a failure to cure such default after receiving notice of default from the City. Default may result from the Prime Contractor's failure to perform under the terms of the contract or from the Prime Contractor becoming insolvent, having a substantial portion of its assets assessed for the benefit of creditors, or having a receiver or trustee appointed.
- 8.16 Prime Contractor must promptly report to the City Project Director any conditions, transactions, situation, or circumstances encountered by the Prime Proposer, which would impede or impair the proper and timely performance of the contract.
- 8.17 The City of Houston has sole discretion and reserves the right to cancel this RFP or to reject any or all proposals received prior to contract award.
- 8.18 The City reserves the right to waive any minor informality concerning this RFP, or to reject any or all proposals or any part thereof.
- 8.19 The City reserves the right to request clarification of any proposal after they have been received.
- 8.20 The City reserves the right to select elements from different individual proposals and to combine and consolidate them in any way that best serves the City's interest. The City reserves the right to reduce the scope of the project and evaluate only the remaining elements from all proposals. The City reserves the right to reject specific

elements contained in all proposals and to complete the evaluation process based only on the remaining items.

- 8.21 The selected Proposer must furnish a "Certificate of Registration" which authorizes them to conduct business in the State of Texas prior to the awarding of the contract. Such Registration is obtained from the Texas Secretary of State's Office, which will also provide the certification thereof.
- 8.22 After contract execution, the successful Proposer shall be the Prime Contractor and responsible party for contracting and communicating the work to be performed to subcontractors and for channeling other information between the City and subcontractors. Any subcontracting must be specified in the proposal. Any subcontracting not specified in the proposal will need prior written approval from the City Purchasing Agent.
- 8.23 Prime Contractor assumes total responsibility for the quality and quantity of all work performed, whether it is undertaken by the Prime Contractor or is subcontracted to another organization.
- 8.24 If subcontractor involvement is required in the use of license, patent, or proprietary process, the Prime Contractor is responsible for obtaining written authorization from the subcontractor to use the process or providing another process comparable to that which is required and which is acceptable to the City, all at no additional cost or liability to the City.

9.0 Invoicing:

9.1 The City of Houston is a single entity for accounting, billing, and discounting. Any invoices accompanied by detailed supplements and other back up documents are to be submitted to:

9.1.1 City of Houston
Human Resources Department
Accounting Section
P.O. Box 1562
Houston, Texas 77251

9.2 The City of Houston requires timely and accurate accounting and billing information.

10.0 Indemnity and Release:

10.1 RELEASE

PRIME CONTRACTOR/SUPPLIER AGREES TO AND SHALL RELEASE THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS CAUSED BY THE CITY'S SOLE OR CONCURRENT NEGLIGENCE AND/OR THE CITY'S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY.

10.2 INDEMNIFICATION

PRIME CONTRACTOR/SUPPLIER AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") HARMLESS FOR ALL CLAIMS, CAUSES OF ACTION, LIABILITIES, FINES, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS AND INTEREST) FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, THOSE CAUSED BY:

10.2.1 PRIME CONTRACTOR/SUPPLIERS AND/OR ITS AGENTS', EMPLOYEES', OFFICERS', DIRECTORS', CONTRACTORS', OR SUBCONTRACTORS' (COLLECTIVELY IN NUMBERED PARAGRAPHS 10.1-10.3, "PRIME CONTRACTOR/SUPPLIER") ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS;

10.2.2 THE CITY'S AND PRIME CONTRACTOR/SUPPLIER'S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER PRIME CONTRACTOR/SUPPLIER IS IMMUNE FROM LIABILITY OR NOT; AND

10.2.3 THE CITY'S AND PRIME CONTRACTOR/SUPPLIER'S ACTUAL OR ALLEGED STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER PRIME CONTRACTOR/SUPPLIER IS IMMUNE FROM LIABILITY OR NOT.

10.2.4 PRIME CONTRACTOR/SUPPLIER SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS DURING THE TERM OF THIS AGREEMENT AND FOR FOUR YEARS AFTER THE AGREEMENT TERMINATES. PRIME CONTRACTOR/SUPPLIER'S INDEMNIFICATION IS LIMITED TO \$500,000 PER OCCURRENCE. PRIME CONTRACTOR/SUPPLIER SHALL NOT INDEMNIFY THE CITY FOR THE CITY'S SOLE NEGLIGENCE.

10.2.5 CONTRACTOR AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE ACITY@) FROM ALL CLAIMS OR CAUSES OF ACTION BROUGHT AGAINST THE CITY ALLEGING THAT THE CITY'S USE OF ANY EQUIPMENT, SOFTWARE, PROCESS, OR DOCUMENTS CONTRACTOR FURNISHES DURING THE TERM OF THIS AGREEMENT INFRINGES ON A PATENT, COPYRIGHT, OR TRADEMARK, OR MISAPPROPRIATES A TRADE SECRET. CONTRACTOR SHALL PAY ALL COSTS (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS, AND INTEREST) AND DAMAGES AWARDED. CONTRACTOR SHALL NOT SETTLE ANY CLAIM ON TERMS WHICH PREVENT THE CITY FROM USING THE EQUIPMENT, SOFTWARE, PROCESS, AND DOCUMENTS WITHOUT THE CITY'S PRIOR WRITTEN CONSENT. WITHIN 60 DAYS AFTER BEING NOTIFIED OF THE CLAIM, CONTRACTOR SHALL, AT ITS OWN EXPENSE, EITHER (1) OBTAIN FOR THE CITY THE RIGHT TO CONTINUE USING THE EQUIPMENT,

SOFTWARE, PROCESS, AND DOCUMENTS OR, (2) IF BOTH PARTIES AGREE, REPLACE OR MODIFY THEM WITH COMPATIBLE AND FUNCTIONALLY EQUIVALENT PRODUCTS. IF NONE OF THESE ALTERNATIVES IS REASONABLY AVAILABLE, THE CITY MAY RETURN THE EQUIPMENT, SOFTWARE, OR DOCUMENTS, OR DISCONTINUE THE PROCESS, AND CONTRACTOR SHALL REFUND THE PURCHASE PRICE.

10.3 INDEMNIFICATION-SUBCONTRACTOR'S INDEMNITY

10.3.1 CONTRACTOR SHALL REQUIRE ALL OF ITS SUBCONTRACTORS (AND THEIR SUBCONTRACTORS) TO RELEASE AND INDEMNIFY THE CITY TO THE SAME EXTENT AND IN SUBSTANTIALLY THE SAME FORM AS ITS RELEASE AND INDEMNITY TO THE CITY.

11.0 Indemnification Procedures:

11.1 Notice of Claims. If the City or Prime Contractor/Supplier receives notice of any claim or circumstances which could give rise to an indemnified loss, the receiving party shall give written notice to the other party within 10 days. The notice must include the following:

11.1.1 a description of the indemnification event in reasonable detail,

11.1.2 the basis on which indemnification may be due, and

11.1.3 the anticipated amount of the indemnified loss.

11.2 This notice does not stop or prevent the City from later asserting a different basis for indemnification or a different amount of indemnified loss than that indicated in the initial notice. If the City does not provide this notice within the 10 day period, it does not waive any right to indemnification except to the extent that Prime Contractor/Supplier is prejudiced, suffers loss, or incurs expense because of the delay.

11.3 Defense of Claims

11.3.1 Assumption of Defense. Prime Contractor/Supplier may assume the defense of the claim at its own expense with counsel chosen by it that is reasonably satisfactory to the City. Prime Contractor/Supplier shall then control the defense and any negotiations to settle the claim. Within 10 days after receiving written notice of the indemnification request, Prime Contractor/Supplier must advise the City as to whether or not it will defend the claim. If Prime Contractor/Supplier does not assume the defense, the City shall assume and control the defense, and all defense expenses constitute an indemnification loss.

11.3.2 Continued Participation. If Prime Contractor/Supplier elects to defend the claim, the City may retain separate counsel to participate in (but not control) the defense and to participate in (but not control) any settlement negotiations. Prime Contractor/Supplier may settle the claim without the consent or

agreement of the City, unless it (i) would result in injunctive relief or other equitable remedies or otherwise require the City to comply with restrictions or limitations that adversely affect the City, (ii) would require the City to pay amounts that Contractor does not fund in full, (iii) would not result in the City's full and complete release from all liability to the plaintiffs or claimants who are parties to or otherwise bound by the settlement.

12.0 Insurance Requirements:

The Contractor shall obtain and maintain in effect during the term of this agreement, insurance coverage as set forth below and shall furnish certificates of insurance showing the City as an additional insured, in duplicate form, prior to the beginning of the Contract. The City shall be named as an additional insured on all such policies except Professional Liability and Workers' Compensation, must contain an endorsement that the policy is primary to any other insurance available to the Additional Insured with respect to claims arising under the agreement. **The issuer of any policy shall have a Certificate of Authority to transact insurance business in the State of Texas or have a Best's rating of at least B+ and a Best's Financial Size Category of Class VI or better, according to the most current edition of Best's Key Rating Guide, Property-Casualty United States.**

12.1 Comprehensive General Liability including Contractual Liability and Automobile Liability insurance shall be in at least the following amounts:

12.1.1 Commercial General Liability Insurance including Contractual Liability:

12.1.1.1 \$500,000 per occurrence;

12.1.1.2 \$1,000,000 aggregate, (defense costs excluded from face value of the policy)

12.1.2 Workers' Compensation including Broad Form All States Endorsement:

12.1.2.1 Amount shall be statutory amount.

12.1.2.2 **Employer's Liability cannot be used as a substitute for Workers' Compensation**

12.1.3 Automobile Liability (See Note Below):

12.1.3.1 \$1,000,000 Combined Single Limit per occurrence

Defense costs are excluded from the face amount of the policy. Aggregate Limits are per 12-month policy period unless otherwise indicated.

12.1.4 Employer's Liability

12.1.4.1 Bodily injury by accident \$100,000 (each accident)

12.1.4.2 Bodily injury by disease \$100,000 (policy limit)

12.1.4.3 Bodily injury by disease \$100,000 (each employee)

12.1.5 Professional Liability

12.1.5.1 \$500,000 per occurrence \$1,000,000 aggregate

12.2 Automobile liability insurance for autos furnished or used in the course of performance of this Contract including Owned, Non-owned and Hired Auto coverage (Any Auto coverage may be substituted for Owned, Non-owned and Hired Auto coverage.) If no autos are owned by the Contractor, coverage may be limited to Non-owned and Hired Autos. If Owned Auto coverage cannot be purchased by Contractor, Scheduled Auto coverage may be substituted for Owned Auto coverage. **EACH AUTO USED IN PERFORMANCE OF THIS CONTRACT MUST BE COVERED IN THE LIMITS SPECIFIED.**

12.3 All of the insurance required to be carried by the Contractor hereunder shall be by policies which shall require on their face, or by endorsement, that the insurance carrier waives any rights of subrogation against the City, Contractor shall give written notice to the Director if any of its insurance policies are cancelled, materially changed or non-renewed. Within such thirty (30) day period Contractor covenants that it will provide other suitable policies in lieu of those about to be cancelled or materially changed so as to maintain in effect the coverage required under the provisions hereof. Failure or refusal of the Contractor to obtain and keep in force the above required insurance coverage shall authorize the City, at its option, to terminate this Contract at once.

12.4 If any part of the work is sublet, similar insurance shall be provided by or in behalf of the Subcontractor to cover their operations, and the Contractor shall furnish evidence of such insurance, satisfactory to the City. In the event a Subcontractor is unable to furnish insurance in the limits required under the Contract, the Contractor shall endorse the Subcontractor as an Additional Insured on his policies excluding Workers' Compensation and Employer's Liability.

12.4.1 (See Insurance Requirements Exhibit for a sample insurance certificate format).

12.4.2 Only unaltered original insurance certificates endorsed by the underwriter are acceptable. Photocopies are unacceptable.

12.5 Contractor shall maintain in effect certain insurance coverage, which is described as follows:

12.5.1 Form of Policies: The Director may approve the form of the insurance policies, but nothing the Director does or fails to do relieves Contractor from

its duties to provide the required coverage under this Agreement. The Director's actions or in-actions do not waive the City's right under this Agreement.

- 12.5.2 Issuers of Policies: The issuer of any policy shall have a Certificate of Authority to transact insurance business in Texas or have a Best's rating of at least B+ and a Best's Financial Size Category of Class VI or better, according to the most current edition Best's Key Rating Guide, Property-Casualty United States.
- 12.5.3 Insured Parties: Each policy, except those for Workers Compensation, Employer's Liability, and Professional Liability, must name the City (and its officers, agents, and employees) as Additional Insured parties on the original policy and all renewals or replacements.
- 12.5.4 Deductibles: Contractor shall be responsible for and bear any claims or losses to the extent of any deductible amounts and waives any claim it may have for the same against the City, its officers, agents, or employees.
- 12.5.5 Cancellation: Each policy must state that it may not be canceled, materially modified, or non-renewed unless the insurance company gives the Director 30 days' advance written notice. Contractor shall give written notice to the Director within five days of the date on which total claims by any party against Contractor reduce the aggregate amount of coverage below the amounts required by this Agreement. In the alternative, the policy may contain an endorsement establishing a policy aggregate for the particular project or location subject to this Agreement.
- 12.5.6 Subrogation: Each policy must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the City, its officers, agents, or employees.
- 12.5.7 Endorsement of Primary Insurance: Each policy, except Worker's Compensation and Professional Liability (if any), must contain an endorsement that the policy is primary to any other insurance available to the Additional Insured with respect to claims arising under this Agreement.
- 12.5.8 Liability for Premium: Contractor shall pay all insurance premiums, and the City shall not be obligated to pay any premiums.
- 12.5.9 Subcontractors: Contractor shall require all subcontractors to carry insurance naming the City as an additional insured and meeting all of the above requirements except amount. The amount must be commensurate with the amount of the subcontract, but in no case less than \$500,000 per occurrence. Contractor shall provide copies of insurance certificates to the Director.
- 12.5.10 Proof of Insurance: On the Effective Date and at any time during the Term of this Agreement, Contractor shall furnish the Director with Certificates of Insurance, along with an Affidavit from Contractor

confirming that the Certificates accurately reflect the insurance coverage maintained. If requested in writing by the Director, Contractor shall furnish the City with certified copies of Contractor's actual insurance policies.

- 12.5.10.1 Contractor shall continuously and without interruption, maintain in force the required insurance coverages specified in this Section. If Contractor does not comply with this requirement, the Director, at his or her sole discretion, may
- 12.5.10.2 Immediately suspend Contractor from any further performance under this Agreement and begin procedures to terminate for default, or
- 12.5.10.3 Purchase the required insurance with City funds and deduct the cost of the premiums from amounts due to Contractor under this Agreement.
- 12.5.10.4 The City shall never waive or be stopped to assert its right to terminate this Agreement because of its acts or omissions regarding its review of insurance documents.

12.5.11 Other Insurance: If requested by the Director, Contractor shall furnish adequate evidence of Social Security and Unemployment Compensation Insurance, to the extent applicable to Contractor's operations under this Agreement.

13.0 Contractor Performance Language:

13.1 Contractor should make citizen satisfaction a priority in providing services under this Contract. Contractor's employees should be trained to be customer-service oriented and to positively and politely interact with citizens when performing contract services. Contractor's employees should be clean, courteous, efficient and neat in appearance at all times and committed to offering the highest degree of service to the public. If, in the Director's determination, the Contractor is not interacting in a positive and polite manner with citizens, the Contractor shall take all remedial steps to conform to the standards set by this Contract and is subject to termination for breach of contract.

14.0 Inspections and Audits:

14.1 City representatives may have the right to perform, or have performed, (1) audits of Contractor's books and records, and (2) inspections of all places where work is undertaken in connection with this Agreement. Contractor shall keep its books and records available for this purpose for at least three (3) years after this Agreement terminates. This provision does not affect the applicable statute of limitations.

15.0 Interpreting Specifications:

15.1 The specifications and product references contained herein are intended to be descriptive rather than restrictive. The City is soliciting proposals to provide a complete product and service package, which meets its overall requirements. Specific equipment and system references may be included in this RFP for

guidance, but they are not intended to preclude Proposers from recommending alternative solutions offering comparable or better performance or value to the City. Unless specifically stated otherwise with regard to a specific item of equipment, it should be assumed that the City requires all equipment proposed for this project to be supported by a manufacturer's warranty, which is equal to or better than the prevailing standard in the industry.

- 15.2 Changes in the specifications, terms and conditions of this RFP will be made in writing by the City prior to the proposal due date. Results of informal meetings or discussions between a potential Proposer and a City of Houston official or employee may not be used as a basis for deviations from the requirements contained in this RFP.

16.0 Local Minority/Women Businesses Enterprises Participation:

- 16.1 Contractor shall comply with the City's Minority and Women Business Enterprise ("MWBE") programs as set out in Chapter 15, Article V of the City of Houston Code of Ordinances. Contractor shall make good faith efforts to award subcontracts or supply agreements in at least 24% of the value of this Agreement to MWBEs. Contractor acknowledges that it has reviewed the requirements for good faith efforts on file with the City's Affirmative Action Division and will comply with them.
- 16.2 Contractor shall require written subcontracts with all MWBE subcontractors and shall submit all disputes with MWBEs to binding arbitration in Houston, Texas if directed to do so by the Affirmative Action Division Director. MWBE subcontracts must contain the terms set out in Exhibit I. If Contractor is an individual person (as distinguished from a corporation, partnership, or other legal entity), and the amount of the subcontract is \$50,000 or less, the subcontract must also be signed by the attorneys of the respective parties.

17.0 City Contractors' Pay or Play Program:

- 17.1 The requirements and terms of the City of Houston Pay or Play Program, as set out in Executive Order 1-7, are incorporated into this agreement for all purposes. Contractor has reviewed Executive Order No. 1-7 and shall comply with its terms and conditions as they are set out at the time of City Council approval of this agreement. This provision requires certain contractors to offer to certain employees a minimal level of health benefits or to contribute a designated amount to be used to offset the costs of providing health care to uninsured people in the Houston/Harris County area. Failure to complete **Exhibit X** "Pay or Play" Acknowledgement Form & Certification of Agreement to Comply with Pay or Play Program may be just cause for rejection of your proposal.

18.0 City Contractor Ownership Disclosure Ordinance:

- 18.1 City Council requires knowledge of the identities of the owners of entities seeking to contract with the City in order to review their indebtedness to the City prior to entering contracts. Therefore, all respondents to this RFP must comply with Houston Code of Ordinances Chapter 15, as amended (Sections 15-122 through 15-126) relating to the disclosure of owners of entities bidding on, proposing for or receiving City contracts.

18.2 Completion of **Exhibit VI** –“Affidavit of Ownership or Control” will satisfy this requirement. Failure to provide this information may be just cause for rejection of your bid or proposal.

19.0 Contractor Debt:

19.1 IF CONTRACTOR, AT ANY TIME DURING THE TERM OF THIS AGREEMENT, INCURS A DEBT, AS THE WORD IS DEFINED IN SECTION 15-122 OF THE HOUSTON CITY CODE OF ORDINANCES, IT SHALL IMMEDIATELY NOTIFY THE CITY CONTROLLER IN WRITING. IF THE CITY CONTROLLER BECOMES AWARE THAT CONTRACTOR HAS INCURRED A DEBT, SHE SHALL IMMEDIATELY NOTIFY CONTRACTOR IN WRITING. IF CONTRACTOR DOES NOT PAY THE DEBT WITHIN 30 DAYS OF EITHER SUCH NOTIFICATION, THE CITY CONTROLLER MAY DEDUCT FUNDS IN AN AMOUNT EQUAL TO THE DEBT FROM ANY PAYMENTS OWED TO CONTRACTOR UNDER THIS AGREEMENT, AND CONTRACTOR WAIVES ANY RECOURSE THEREFOR.

20.0 City of Houston Fair Campaign Ordinance:

20.1 The City of Houston Fair Campaign Ordinance makes it unlawful for a contractor to offer any contribution to a candidate for City elective office. For purposes of this ordinance a contract is defined as any contract for goods or services having a value in excess of \$30,000 or more, regardless of the way by which it was solicited or awarded. **Exhibit V** of this RFP describes the contract and documentation requirements relating to this ordinance.

21.0 Drug Detection and Deterrence Procedures for Contractors:

21.1 It is the policy of the City to achieve a drug-free workforce and to provide a workplace that is free from the use of illegal drugs and alcohol. It is also the policy of the City that the manufacture, distribution, dispensation, possession, sale or use of illegal drugs or alcohol by contractors while on City premises is prohibited. Accordingly, effective September 1, 1994, and pursuant to the Mayor's Executive Order 1-31, as a condition to the award of any contract for labor or services, a successful Proposer must certify to its compliance with this policy. **EXHIBIT VII** contains the standard language, which will be used in each contract for labor or services, as well as the Executive Order 1-31 disclosure and compliance forms (Attachments A, B and C). These forms must be completed and returned prior to award.

22.0 Project Administration:

22.1 Questions regarding the scope of the project, technical specifications, proposed applications, etc. may be addressed to the Project Manager at the pre-proposal conference.

23.0 Schedule:

23.1 Listed below are important dates and times by which actions related to this Request for Proposal (RFP) should be completed.

23.2 <u>EVENT</u>	<u>DATE</u>
Date of issue of the RFP	April 12, 2010
Pre-Proposal Conference	April 29, 2010
Questions from Proposers due to City	May 7, 2010
Proposals due from Proposers	May 28, 2010
Notification of intent to award (<i>Estimated</i>)	August 30, 2010
Council Agenda Date (Tentative)	October 13, 2010
Contract start date (<i>Estimated</i>)	November 1, 2010

SECTION II. SCOPE OF WORK

1.0 Background

- 1.1 The City's Worker's Compensation Program is completely self-insured, however, there is a contract in place with a Third Party Administrator (TPA) to handle all administrative, claims processing, and payment services to provide statutorily required benefits to eligible current and former employees. The current contract began September 1, 2008 and runs for a three-year term with two successive two-year options. It will expire August 31, 2011. The services requested in the RFP are to conduct an audit of those services provided by the TPA and to provide an overall benchmarking review program.
- 1.2 Approximately 22,944 city employees are covered by the program: 13,627 civilians and 5,395 uniformed police officers and 3,922 firefighters. The City averages approximately 1,394 workers' compensation claims per year with roughly 41% classified as "lost time" (claims where wage replacement benefits are payable). Workers' compensation claims costs for FY09 are approximately \$15 million with 50% medical and 38% indemnity. The number of reported incidents is down 2% from FY08.
- 1.3 Overall program costs have decreased since FY01, largely due to several internal initiatives pertaining to safety, loss control, cost containment, return to work and other programs. As per the attachment on page 21, you will note that the total Workers' Compensation claims costs for FY08 to FY09 were decreased by approximately \$2 million.
- 1.4 The audit/consultant contract(s) will be effective tentatively November 1, 2010. We anticipate a 3-year contract with two successive one-year options.

2.0 Types of Services

2.1 Third Party Administrator (TPA) - Contract/Statutory Compliance Audit

- 2.1.1 Claims Audit - Includes testing the 21 items in the performance guarantees between the city and the TPA. Additionally a review of a random sample of workers' compensation income and medical benefit payments that will generally at least:
 - 2.1.1.1 Assess the claims adjudication process including, payment/pricing accuracy, claimant eligibility, coordination with third parties, provider network status, and duplicate claim system edits;
 - 2.1.1.2 Confirm that proper provisions are being administered, including required documentation and excluded services;
 - 2.1.1.3 Assess the timeliness and accuracy of the initial income benefit payments/denials, and medical benefit payments/denials;

- 2.1.1.4 Assess the internal controls of approval, data integrity, and payment process;
- 2.1.1.5 Assess the internal medical review protocols relative to pre-certification processes, including medical necessity and length of inpatient hospital stays;
- 2.1.1.6 Assess the timeliness of the three-point contact and weekly/bi-weekly contact;
- 2.1.1.7 Confirm the extent that claims are documented for prior injuries and occupational illnesses;
- 2.1.1.8 Verify recorded statements, documentation, claims diaries, and transcriptions for claimants and witnesses;
- 2.1.1.9 Assess the process utilized to recover duplicate medical payments;
- 2.1.1.10 Test the sample of medical claims for accuracy of the medical network provider contracts against the pricing information in the system. In conducting the review the TPA will be asked to provide network contracts and copies of the network fee schedules to review on-site. As contracts may not be available on-site, this component may require an optional focused review at the location of the network provider relations office;
- 2.1.1.11 Assess the statutory compliance observed in the claims reviewed, including timeliness and accuracy of payments, denials and filings; and
- 2.1.1.12 Test for the appropriate use of private investigations and case management. Check for documentation of expenses that exceed the threshold payable amount. Check for posting expenses timeliness. Assess the timeliness and accuracy of paying child support orders. Check for timely notice of contested case hearings. Verify the monthly adjuster claims volume.

2.2. AN OPERATIONAL REVIEW THAT WILL:

- 2.2.1 Assess internal administration procedures and controls to support accurate and timely claim processing, data maintenance, and reporting;
- 2.2.2 Assess records management and retention policies and practices;
- 2.2.3 Assess disaster recovery plan; and
- 2.2.4 Review internal standards and self-reported performance.

2.3 Ancillary Service Vendor Review – Conduct focus reviews of various individual cost containment subcontractor services such as:

- 2.3.1 Facility and non-facility repricing function;
- 2.3.2 Pre-authorization;
- 2.3.3 Peer review;
- 2.3.4 Case management;
- 2.3.5 Private investigator; and
- 2.3.6 Legal services.

- 2.4 A written report of the methodology, results of each of the performance standards, other findings and observations and an exhibit of the errors identified will be submitted at the conclusion of work. Performance penalties payable to the City as a result of the review must also be calculated.

3.0 Vendor Management Review:

- 3.1 Collect and analyze workers' compensation data for internal and external benchmarking;
- 3.2 Identify best practices for service levels for comparable programs in the public sector;
- 3.3 Review for licenses or permits of TPA and sub-contractors;
- 3.4 Review for contract deliverables;
- 3.5 Review payments for accuracy of cost;
- 3.6 Assist with recommendation for and development of standardized reporting;
- 3.7 Highlight areas and aspects for focused corrective action and monitoring;
- 3.8 Develop a platform providing a basis for effective comparisons both internally and externally; and
- 3.9 Assist in developing an integrated risk management business plan for focused strategies to reduce direct and indirect loss costs.

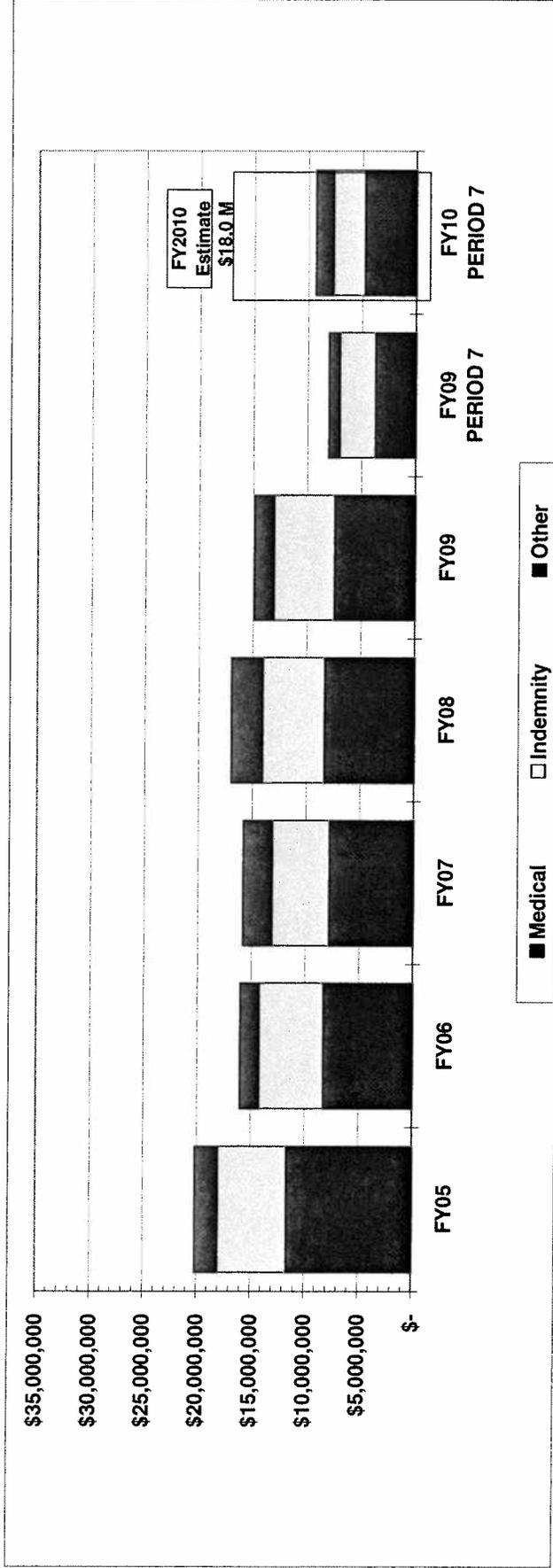
4.0. Review of Overpayment Process:

- 4.1 Perform comprehensive review of paid claim data to identify overpayments and/or duplicate payments due to unbundling, multiple procedure reduction adjustments, or incorrect application of statutory rules and regulations;
- 4.2 Provide recommendation on program procedures and protocols based on trend analysis;
- 4.3 Benchmark program procedures for industry comparisons; and
- 4.4 Develop ongoing reports (cycle TBD) for program improvement recommendation.

5.0 Ad hoc Consulting

- 5.1 The City intends to contract with a firm(s) who will either provide all related services or a portion of the related services. Preference will be given to those firms providing a proposal encompassing all related services. However, the City reserves the right to unbundle any and all services. Each of the services to be provided will be for at least one year but for no longer than the balance of the present contract term.

Attachment A Workers' Compensation Program Overview



	FY05	FY06	FY07	FY08	FY09	FY09 PERIOD 7	FY10 PERIOD 7
Medical	\$ 11,660,629	\$ 8,267,692	\$ 7,801,997	\$ 8,314,895	\$ 7,456,095	\$ 3,739,640	\$ 4,772,323
Indemnity	\$ 6,411,915	\$ 5,994,411	\$ 5,310,645	\$ 5,772,254	\$ 5,625,690	\$ 3,327,113	\$ 2,942,691
Other	\$ 2,122,093	\$ 1,763,595	\$ 2,698,436	\$ 2,863,612	\$ 1,838,946	\$ 994,844	\$ 1,594,457
Total	\$ 20,194,637	\$ 16,025,698	\$ 15,811,078	\$ 16,950,761	\$ 14,920,731	\$ 8,061,597	\$ 9,309,471

* Other includes fees for case management, legal services, investigations, TPA, TWCC representation, legal retainer, medical director, medical director, loss prevention, bank charges and recoveries.
As of 02/03/10



ATTACHMENT B

City of Houston
 FY09 Workers' Compensation
 Ancillary Vendor Audit
 And Program Consultant

Demographics Questionnaire

Part I

Please answer the questions below and provide narrative if additional information is requested. Narratives should be typed on a page titled "Narrative Responses to Questions" and numbered the same as the questions below.

DEMOGRAPHIC/OVERVIEW

General Questions	Answer/Explanation
1. Name of Your Company	
2. Contact Name/Title	
3. Home Office Address	
4. City/State/Zip	
5. Phone Number	
6. Fax Number	
7. E-mail Address	
8. How long has your company: <ul style="list-style-type: none"> • been in this type of business 	
<ul style="list-style-type: none"> • been in Texas 	
<ul style="list-style-type: none"> • been in Houston 	

ATTACHMENT C

Instructions for the Scope of Services Questionnaire Part 2

This section contains requirements and queries your proposal should address in your response to this RFP. You must respond to each item/question separately. If additional information is required please provide that portion of the response on a separate typed page entitled "Narrative Response to Questions" and complete the matrix as appropriate. The narrative page must be numbered the same as the questions below. Please restate the question prior to providing your response.

Each response should consider all information provided in the other sections. As the requirements are to address City of Houston's specific needs, standard application descriptions and literature will not be considered to be responsive. Responses should be clear and concise, and should address the issue directly. The matrices will be provided to each proposer in its original format.

Part 2

SCOPE OF SERVICES QUESTIONNAIRE

Questions	Yes	No
1. Is your company affiliated with another company, including ownership and financial arrangements with ancillary service providers with whom you are proposing? If so, describe the "affiliate relationship". "Affiliated" means owned by another company, owned by a common controller, shareholder, or interest, or inter-tied by contract as to be under the dominion or influence of another.		
2. Are you licensed to do business in the State of Texas?		
3. Do you now have all the necessary licenses and registrations to perform the proposed activities? If answer is no, please explain fully.		
4. Please describe your experience in providing workers' compensation audits, vendor management and benchmarking review services to clients with over 10,000 employees. Please specify two (2) references for each component that you propose. Please note, the City of Houston has 20,870 plus employees.		
5. Does your company or any individual, who owns 5% or more of this firm, owe any delinquent taxes, fees, etc. to the City?		
6. What former City employees (executive level) are working for your firm and for how long?		
7. Is your firm involved with any current litigation against or by the City? If yes, please describe.		
8. Describe fully the experience of your company in providing service to public employers. Specify two (2) of the largest public employers (by employee count) for each component that you propose.		
9. Please identify the individual(s) (name, address, phone number, and title) who would be assigned responsibility for the City's account, and include a resume of his or her experience and qualifications.		
10. Does your company have staff and facilities located in the Houston area? If so, describe your local staff and facilities. Will additional staff and/or facilities be necessary to complete this engagement?		
11. Do you have an audit procedure manual? Please provide a copy.		
12. Is your company and/or any individuals who own or control at least 5% of your company's assets or stocks currently indebted to the City (this includes ad valorem taxes, hotel occupancy taxes, city issued permits, or miscellaneous items such as weed cutting, demolition, or paving)?		
13. Do you have a program for assuring equality of contracting opportunity for Minority and Women Business Enterprises? If you are successful in obtaining this contract, identify all anticipated opportunities (in dollars, annually) to contract for services and supplies with Minority and Women Business Enterprises certified by the City.		
14. Do you anticipate any mergers, transfers of company ownership, sales management reorganizations, or departures of key personnel within the next three years that might affect your ability to carry out your proposal if it results in a contract with the City of Houston?		

Questions	Yes	No
15. Provide the names of any clients who have terminated contracts with your firm since January 1, 1999, for cause or under dispute for any services that you propose to provide. Provide the names and telephone numbers of the former clients' contact person(s) who engaged and managed your services.		
16. Describe your firm's experience in performing claims audits for Workers' Compensation TPA firms or accounts.		
17. Describe how your firm would conduct an annual workers' compensation claims audit, including sample size, subcontractor audits, procedures, processes, and regulatory compliance. Describe your firm's experience in providing workers' compensation medical claims audits. Fully describe your experience in addressing each component in the scope.		
18. Describe your experience in auditing workers' compensation ancillary services, such as cost containment, case management, PPO, and services of private investigators.		
19. Specify the program scope that you anticipate using in reviewing workers' compensation TPA program management. Provide a blinded copy of a previous review.		
20. Describe you firm's experience in performing benchmarking reviews of workers' compensation vendors. Provide specific examples of recommendations that have improved processes or reduced overall program cost. Propose areas of expertise that are unique to your firm. Outline staff resources for vendor management. Describe your firm's capacity to benchmark the City against other comparable entities.		
21. How often do you conduct your clients' workers' compensation benchmarking reviews?		
22. What standardized workers' compensation reports have you provided to your clients and on what cycle?		
23. Describe your experience in performing contiguous overpayment /duplicate payment reviews of paid claim data.		
24. Please describe the methodology that you would use to review and recover overpayment/duplicate payments.		
25. What percentage of these aggregate charges relating to overpayment or duplicate payments would you anticipate receiving?		

ATTACHMENT D

PERFORMANCE STANDARDS:

Listed below are Performance Standards which must be met by the TPA on an annual basis, excluding the 90-day transition period, including any renewal terms. Also listed are the amounts at risk for failure to meet the respective Performance Guarantees. The penalty will be pro-rated if the TPA reaches 90% compliance with the respective standard. Failure to reach 90% compliance will result in full payment of the respective penalty. Each time the TPA fails to meet any of the below Performance Guarantees, an amount at risk is assessed using the sliding scale outlined below. The amount at risk is pro-rated on a percentage shown below if TPA fails to meet the compliance requirement indicated. Random samples shall be representative of the Claim Files. The City shall use the chosen independent auditor who will determine the correct sampling of files at the time of the audit. This performance review shall not apply to any files created before the new contract term. The Performance Guarantees shall apply to all files that had tasks performed after the contract date, not just new files created after the contract date.

Note: The TPA is allowed to participate in the audit to represent TPA's interest.

Pro-Rated Sliding Scale Outline:

Amount at Risk charged to TPA:

98% compliance:	0% of Amount at Risk
96% - 97% compliance:	25% of Amount at Risk
94% - 95% compliance:	50% of Amount at Risk
92% - 93% compliance:	75% of Amount at Risk
90% - 91% compliance:	100% of Amount at Risk

NOTE: If the overall score, as determined by the ratio of the actual amounts at risk assessed to the total amounts at risk, is under 85%, the City shall consider TPA services at risk.

Repayment of the amounts specified herein shall not be the City's sole remedy in the event that the TPA fails to satisfy one (1) or more of the Performance Standards and shall not prejudice the City's right to terminate for cause as provided in the City's Agreement.

Performance Guarantees			
	Standards	Amount at Risk Assessed on annual basis	Measuring Methodology
	Staffing		
1	The City will interview all proposed dedicated Adjusters. Should a change in the staff (Adjuster or Supervisor) servicing the City occur, prior written notice to the City Claims Manager, or their designee is required, along with a two-week transition-orientation training. Candidate should have the equivalent experience as the existing staff.	\$0	Staffing is part of the contract
2	Maintaining a manageable workload of one hundred ten (110) active Lost Time Claims. If the Adjuster's caseload exceeds one hundred twenty-five (125) active Lost Time Claims for 30 days, the TPA agrees to reduce same within thirty (30) days. If the average pending City files reaches 110, TPA will notify the City. TPA and the City will reach a mutually agreeable solution to make adjustments where needed, i.e., either an increase in headcount, or status quo. If TPA does not follow through on the mutually agreeable solution and Adjuster's caseload exceeds 125 Lost Time Claims for three (3) consecutive months, the penalty will be assessed.	\$50,000	Reports to be sent to the City every thirty (30) days
		Total - Staffing \$50,000	
	Administration		
1	Initiating weekly Benefits within the statutory time constraints. A standardized process will be established for all payment calculations to ensure payments are made accurately and timely. Mandatory training will be provided to all adjusters and supervisors - City files DWC-6 notice within 3 days of lost time beginning date per rule 120.3 & 129.4.	\$20,000	Amount at Risk will be assessed according to pro-rated sliding scale outlined below for compliance at 90%-98% of a randomly selected sample. Training will be provided and documented (sign off) for all supervisors and adjusters
2	Complying with Contractual Report Requirements set out in Exhibit J - the reports will be delivered to the City on the 10th day of each month .	\$10,000	Reports to be sent to the City every thirty (30) days

3	The TPA shall, within one payment processing cycle, correctly process child support liens received from the City Payroll Office.	\$5,000	Amount at Risk will be assessed according to pro-rated sliding scale outlined below for compliance at ninety- eight percent (98%) and below of a randomly selected sample
4	The City will be reimbursed for any overpayments, or duplicate payments that cannot be recovered within 90 days.	\$0	Restitution is part of the contract. Reports must be sent to the City every thirty (30) days
5	Posting subrogation recoveries within the month received unless received within the last five (5) working days of the month. If received within 5 working days of month's end then recovery must be posted in the following month.	\$10,000	Amount at Risk will be assessed according to pro-rated sliding scale outlined below for compliance below one-hundred percent (100%) of a randomly selected sample
6	Properly posting Injured Workers expense Activity to the City budgetary organizational structure as provided by the Director.(Properly posting GL accounting data as provided)	\$10,000	Amount at Risk will be assessed according to pro-rated sliding scale outlined below for compliance at ninety- eight percent (98%) and below of a randomly selected sample
		Total - Administration \$55,000	
	<i>Claims Management Intake</i>		
1	Completing and documenting facts pertaining to three (3) or four (4) point contacts for each Lost Time Claim, namely, Injured Workers, the Director, medical provider, and witnesses, if applicable, within twenty-four (24) hours of receipt of the Claim by the Adjuster. (Three efforts will be made for voice to voice contact with the Inured Worker and witnesses, if applicable. If unsuccessful after the third attempt, a contact letter will be sent.)	\$15,000	Amount at Risk will be assessed according to pro-rated sliding scale outlined below for compliance at 90%-98% of a randomly selected sample.

2	Medical Only claims shall have a 3 point contacts required with documentation in the claim notes within two business days. The Employee and the supervisor shall be contacted within 24 hours of the Claim and Treating Doctor within 2 days. Medical Only claims will become a Lost Time Claim when they reach the threshold of \$2,500.00. (Three efforts will be made for voice to voice three point contacts. If unsuccessful after the third attempt, a contact letter will be sent).	\$10,000	Amount at Risk will be assessed according to pro-rated sliding scale outlined below for compliance at 90%-98% of a randomly selected sample.
3	Documenting Claim File notes within 3 business days of Claim receipt regarding Prior Claims History of Injured Workers from City historical claims and other sources and evidencing awareness of contribution applicability to subject Claim.	\$10,000	Amount at Risk will be assessed according to pro-rated sliding scale outlined below for compliance at 9%-98% of a randomly selected sample.
4	Taking recorded statements, documenting daily attempts, or reasons a recorded statement cannot be taken on all Lost Time Claims within 2 business days of receipt of Claim.	\$15,000	Amount at Risk will be assessed according to pro-rated sliding scale outlined below for compliance at 90%-98% of a randomly selected sample.
	<i>On-going</i>		
5	Contacting and documenting Claim File notes regarding contact with Injured Workers (on a weekly but no less than bi-weekly basis) who are receiving Temporary Income Benefits.	\$15,000	Amount at Risk will be assessed according to pro-rated sliding scale outlined below for compliance at 90%-98%) of a randomly selected sample.
6	Every 30 days (90 days for inactive files only paying out mandatory impairment benefits or lifetime medical) the Adjusters must document under the proper code 1) Plan of action or File Review. This should state when the file will be reviewed again. 2) Reserve Review which should address current reserves as outlined in written guidelines.	\$20,000	Amount at Risk will be assessed according to pro-rated sliding scale outlined below for compliance at 90%-98%) of a randomly selected sample.
7	All open cases will be maintained on an open diary and all diaries must be reviewed every 30 days. Unless clearly documented, no file is to go more than 30 days without being seen. Each open indemnity case must have a plan of action with a time-line, which provides adequate information to demonstrate how the adjuster intends to move the claim to	\$20,000	Amount at Risk will be assessed according to pro-rated sliding scale outlined below for compliance at 90%-98% of a randomly selected sample.

	closure. An initial action plan will be documented within 14 days of receipt of claim. (If for any reason a diary date is expected to exceed 30 days, the adjuster must document with supervisor acknowledgement.		
8	The supervisor must review all Lost Time Claims files after the Adjuster has completed their three point contact, investigation, reserves and POA. The supervisor must document the initial review within 14 days of receipt of the claim. Subsequent supervisor reviews will be documented every 60 days until file closure.	\$5,000	Amount at Risk will be assessed according to pro-rated sliding scale outlined below for compliance at 90%-98% of a randomly selected sample.
9	Providing on-line captioned reports of Claim status within thirty (30) days of reserves reaching the threshold amount and periodic update memos to the Claim File regarding status on Claims where the combined included loss reserve exceeds Twenty - Five Thousand Dollars (\$25,000.00) and continuous ninety (90) day memo to file notes.	\$5,000	Amount at Risk will be assessed according to pro-rated sliding scale outlined below for compliance at 90%-98% of a randomly selected sample.
10	Documenting and directing the scope of services sought and rendered in retaining private investigating firms Report should be documented in Claim file notes within 7 days of receipt.	\$5,000	Amount at Risk will be assessed according to pro-rated sliding scale outlined below for compliance at 90%-98% of a randomly selected sample.
11	Notifying Law Firms within twenty-four (24) hours of receipt of notice of Benefit Review Conference and Benefit Contested Case Hearing	\$5,000	Amount at Risk will be assessed according to pro-rated sliding scale outlined below for compliance below one-hundred percent (100%) of a randomly selected sample
		Total - Claims Management \$125,000	
	Medical Management/Cambridge-IMO requirement		
1	Documenting scope and management of case managers and vocational rehabilitation professionals with clear directives and time frames for goal completion	\$5,000	Amount at Risk will be assessed according to pro-rated sliding scale outlined below for compliance at ninety- eight percent (98%) and below of

			a randomly selected sample
2	All medical and reconsideration bills should be paid within an average of 14 days upon receipt. Hospital bills and Reconsideration bills to be paid within statutory guideline requirements.	\$10,000	Amount at Risk will be assessed according to pro-rated sliding scale outlined below for compliance at ninety- eight percent (98%) and below of a randomly selected sample
3	Properly utilizing nurse case management to facilitate obtaining light duty or return to work authorization. Measurement criteria will be determined by the City and the TPA.	\$5,000	Amount at Risk will be assessed according to pro-rated sliding scale outlined below for compliance at ninety- eight percent (98%) and below of a randomly selected sample
		Total - Medical Management \$20,000	
		Total Fees At Risk	\$250,000

SECTION III. PROPOSAL OUTLINE AND CONTENT

To simplify the review process and to obtain the maximum degree of comparability, the proposal must follow the outline as set forth below and, at a minimum, contain the information as requested. Proposers are encouraged to include additional relevant information.

1.0 Title Page:

- 1.1 The title page should include the title of the RFP and number, the name and address of the Proposer, and the date of the proposal.

2.0 Submittal Form:

- 2.1 PROPOSAL MUST BE SIGNED AND NOTORIZED BY AN AUTHORIZED REPRESENTATIVE(S) OF THE PROPOSER, WHICH MUST BE THE ACTUAL LEGAL ENTITY THAT WILL PERFORM THE CONTRACT IF AWARDED AND THE TOTAL FIXED PRICE CONTAINED THEREIN SHALL REMAIN FIRM FOR A PERIOD OF ONE-HUNDRED EIGHTY (180) DAYS.

3.0 Letter of Transmittal:

- 3.1 A letter of transmittal shall include the following:
 - 3.1.1 The names, titles, addresses, and telephone numbers of the individuals who are authorized to make representations on behalf of the Proposer.
 - 3.1.2 A statement that the per unit proposed price and/or lump sum (if prices are proposed) is the total fixed price for the equipment and services enumerated.
 - 3.1.3 A statement that the person signing the letter of transmittal is authorized to legally bind the Proposer; that the proposal and the total fixed price contained therein shall remain firm for a period of one hundred-eighty (180) days and that the proposal will comply with the requirements and arrangements in Section I of this RFP.

4.0 Expertise/Experience/Qualification Statement:

- 4.1 A brief statement describing the Proposer's background information, history, resources and/or track record. Please limit to three (3) pages.
- 4.2 An Organizational Chart.
- 4.3 Provide resumes of key personnel whom will be responsible for the delivery of the services/project.
- 4.4 Provide copies of key personnel certifications and/or licenses.

5.0 Proposed Strategy & Operational Plan:

5.1 Provide a detailed description and methodology of the proposed plan for professional services to conduct an audit of the Workers' Compensation Program Third Party Administrator (TPA) Consultant Compliance Ancillary Vendor Audit for the City of Houston, which should include, but not be limited to the following:

5.1.1 A brief statement of the Proposer's understanding of the work to be done.

5.1.2 A detailed description that clearly defines the method of approach that will be utilized in the successful achievement of the RFP intended Scope of Work.

6.0 Financial Statement:

6.1 Submit your company's audited annual financial statements, in accordance with and as defined in the Financial Accounting Standards Board (FASB) regulation(s) for the past two years. In addition, include your and Dunn & Bradstreet Report or Federal Tax Forms Filed to the Internal Revenue Service (IRS) for the past two years.

7.0 Contents:

7.1 The contents should be identified by section, description, and page number and should include, at a minimum, the following sections:

7.1.1 Title Page

7.1.2 Signed and Notarized Submittal Form (Exhibit II)

7.1.3 Letter of Transmittal

7.1.4 Expertise/Experience/Reliability Statement

7.1.5 Organizational Chart, Resumes & Certifications/Licenses of proposed key personnel.

7.1.6 Proposed Strategy/Operational Plan

7.1.7 Financial Statement and Dunn & Bradstreet Reports or Federal Tax Forms Filed for past two years.

7.1.8 Signed M/WBE Forms: Attachment "A" Schedule of M/WBE Participation and Attachment "B" Letter of Intent (Exhibit I) **(NOTE: TO BE SUBMITTED IN SEALED ENVELOPE WITH PRICING SHEET AND UNBUNDLING OF PRICING SERVICES).**

7.1.9 List of Previous Customers and List of Proposed Subcontractors (Exhibit II)

7.1.10 Pricing Form (Exhibit III) **(NOTE: TO BE SUBMITTED IN SEALED ENVELOPE WITH PRICING SHEET).**

7.1.11 Fair Campaign Ordinance Form "A" (Exhibit V)

7.1.12 Affidavit of Ownership or Control (Exhibit VI)

7.1.13 Drug Compliance Agreement Attachment "A" and Contractor's Certification of No Safety Impact Positions Attachment "C" (Exhibit VII)

7.1.14 Anti Collusion Statement (Exhibit VIII)

7.1.15 Conflict of Interest Questionnaire (Exhibit IX – Download Form at <http://www.ethics.state.tx.us/forms/CIQ.pdf>)

7.1.16 City Contractors' Pay or Play Acknowledgement Form (Exhibit X)

7.1.17 Requested Information Outlined in the Scope of Work & Other Additional Relevant/Supporting Information or Alternate Proposals.

SECTION IV. EVALUATION AND SELECTION PROCESS

1.0 Evaluation Summary:

1.1 An evaluation committee will develop a short list of respondents and those short listed respondents may be scheduled for a structured oral presentation and interview. Such presentations will be at no cost to the City of Houston. At the end of the oral presentation and interview, the evaluation of the short listed respondents will be completed. The oral interview may be recorded and/or videotaped.

2.0 Selection Process

2.1 The award of this contract(s) will be made to the respondent(s) offering the response which best meets the needs of the City. The City may make investigations, as it deems necessary, to determine the capabilities of the Proposer to provide workers' compensation audits, vendor management and benchmarking review services to clients with over 10,000 employees. The Proposer shall furnish to the City such data as the City may request for this purpose. The City reserves the right to reject any offer if the evidence submitted by or the investigation of the Proposer fails to satisfy the City that the Proposer is properly qualified to provide the services contemplated. Each respondent will be evaluated on the basis of the following evaluation criteria that are listed in order of importance below:

2.1.1	Scope of Services Provided:	35%
2.1.2	Demonstrated Experience:	25%
2.1.3	Cost Analysis	20%
2.1.4	Conformity with RFP Specifications:	10%
2.1.5	M/WBE Participation	5%
2.1.6	System Capability	5%
	Total:	100%

EXHIBIT I

Goal Oriented Minority/Women Business Enterprises Contract Requirements

ATTACHMENT "A"
CITY OF HOUSTON
SCHEDULE OF M/WBE PARTICIPATION

DATE OF REPORT: _____

BID No.: _____

FORMAL BID TITLE: _____

NAME OF MINORITY/ WOMEN SUBCONTRACTOR	AFFIRMATIVE ACTION DIVISION CERTIFICATION No.	STREET ADDRESS AND CITY, STATE, ZIP CODE	TELEPHONE No.	SCOPE OF WORK	AGREE PRICE
TOTAL.....					\$ _____
MWBE PARTICIPATION AMOUNT.....					\$ _____%
TOTAL BID AMOUNT.....					\$ _____

ATTACHMENT "A" (CONTINUED)

IF YOU HAVE USED YOUR BEST EFFORTS TO CARRY OUT THE CITY'S M/WBE POLICY BY SEEKING SUBCONTRACTS AND SUPPLY AGREEMENTS WITH MINORITY AND WOMEN BUSINESS ENTERPRISES, YET FAILED TO MEET THE STATED PERCENTAGE GOAL OF THIS BID DOCUMENT, LIST BELOW YOUR GOOD FAITH EFFORTS FOR COMPLIANCE (DEFINITION OF REQUIREMENTS CAN BE OBTAINED THROUGH AFFIRMATIVE ACTION AT (713) 837-9000).

THE UNDERSIGNED WILL ENTER INTO A FORMAL AGREEMENT WITH THE MINORITY AND/OR WOMEN SUBCONTRACTORS AND SUPPLIERS LISTED IN THIS SCHEDULE CONDITIONED UPON AWARD OF A CONTRACT FROM THE CITY.

NOTE:
ALL FIRMS LISTED ABOVE MUST BE CERTIFIED (OR ELIGIBLE FOR CERTIFICATION) BY THE AFFIRMATIVE ACTION DIVISION.
THIS SCHEDULE OF M/WBE PARTICIPATION SHOULD BE RETURNED, IN DUPLICATE, WITH THE BID FORM.

BIDDER COMPANY NAME _____

SIGNATURE OF AUTHORIZED OFFICER OR AGENT OF BIDDER _____

NAME (TYPE OF PRINT) _____

TITLE _____

ATTACHMENT "B"
LETTER OF INTENT

THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION ACCORDING TO THE TEXAS GENERAL ARBITRATION ACT.

TO: **City of Houston**
City Purchasing Agent

MINORITY/WOMEN BUSINESS ENTERPRISE (M/WBE) AND SUPPLIER

LETTER OF INTENT

Contract Bid Number: _____

Bid Title: _____

Bid Amount: _____

M/WBE Participation Amount: \$ _____ **M/WBE GOAL** _____%

1. _____ agrees to perform work/supply goods and/or **Name of Minority/Women Business Enterprise** services in connection with the above-named contract and _____ as: **Name of Prime Contractor**

- (a) _____ An Individual
- (b) _____ A Partnership
- (c) _____ A Corporation
- (d) _____ A Joint Venture

2. _____ status is confirmed by M/WBE Directory made **Name of Minority/Women Business Enterprise** available through the City of Houston Affirmative Action Division. Certificate No.: _____.

3. _____ and _____ **Name of Prime Contractor** **Minority/Women Business Enterprise** intend to work on the above-named contract in accordance with the M/WBE Participation Section of the City of Houston Contract Bid Provision.

The terms and conditions of Attachment "C" attached hereto are incorporated into this Letter of Intent for all purposes.

Signed-Prime Contractor

Signed-Minority/Women Business Enterprise

Title

Title

Date

Date

ATTACHMENT "C"

CITY OF HOUSTON CERTIFIED M/WBE SUBCONTRACT TERMS

Contractor shall insure that all subcontracts with M/WBE subcontractors and suppliers are clearly labeled "**THIS CONTRACT IS SUBJECT TO BINDING ARBITRATION ACCORDING TO THE TEXAS GENERAL ARBITRATION ACT**" and contain the following terms:

1. _____ (M/WBE subcontractor) shall not delegate or subcontract more than 50% of the work under this subcontract to any other subcontractor or supplier without the express written consent of the City of Houston's Affirmative Action Director ("the Director")
2. _____ (M/WBE subcontractor) shall permit representatives of the City of Houston, at all reasonable times, to perform 1) audits of the books and records of the subcontractor, and 2) inspections of all places where work is to be undertaken in connection with this subcontract. Subcontractor shall keep such books and records available for such purpose for at least four (4) years after the end of its performance under this subcontract. Nothing in this provision shall affect the time for bringing a cause of action nor the applicable statute of limitations.
3. Within five (5) business days of execution of this subcontract, Contractor (prime contractor) and Subcontractor shall designate in writing to the Director an agent for receiving any notice required or permitted to be given pursuant to Chapter 15 of the Houston City Code of Ordinances, along with the street and mailing address and phone number of such agent.
4. As conclude by the parties to this subcontract, and as evidenced by their signatures hereto, any controversy between the parties involving the construction or application of any of the terms, covenants or conditions of this subcontract shall, on the written request of one party served upon the other or upon notice by Director served on both parties, be submitted to binding arbitration, under the Texas General Arbitration Act (Tex. Civ. Prac. & Rem. Code Ann., Ch. 171 – "the Act"). Arbitration shall be conducted according to the following procedures:
 - a. Upon the decision of the Director or upon written notice to the Director from either party that a dispute has arisen, the Director shall notify all parties that they must resolve the dispute within thirty (30) days or the matter may be referred to arbitration.
 - b. If the dispute is not resolved within the time specified, any party or the Director may submit the matter to arbitration conducted by the American Arbitration Association under the rules of the American Arbitration Association, except as otherwise required by the City's contract with American Arbitration Association on file in the Office of the City's Affirmative Action Division.
 - c. Each party shall pay all fees required by the American Arbitration Association and sign a form releasing the American Arbitration Association and its arbitrators from liability for decisions reached in the arbitration.
 - d. In the event the American Arbitration Association no longer administers Affirmative Action arbitration for the City, the Director shall prescribe alternate procedures as necessary to provide arbitration by neutrals in accordance with the requirements of Chapter 15 of the Houston City Code of Ordinances.

These provisions apply to goal oriented contracts. A goal oriented contract means any contract for the supply of goods or non-personal or non-professional services in excess of \$100,000.00 for which competitive bids are required by law; not within the scope of the MBE/WBE program of the United States Environmental Protection Agency on the United States Department of Transportation; and ;, which the City Purchasing Agent has determined to have significant M/WBE subcontracting potential in fields which there are an adequate number on known MBEs and/or WBE's to compete for City contract.

The M/WBE policy of the City of Houston will discussed during the pre-bid. For information assistance, and/or to receive a copy of the City's Affirmative action policy and/or ordinance contact the Affirmative Action Division at (713) 837-9000, 611 Walker, 20th Floor, Houston, Texas.

ATTACHMENT "D"
CITY OF HOUSTON
Affirmative Action and Contract Compliance
M/WBE Utilization Report

Report Period _____

PROJECT NAME & NUMBER: _____ AWARD DATE: _____

PRIME CONTRACTOR: _____ CONTRACT No.: _____

ADDRESS: _____ CONTRACT AMOUNT: _____

LIAISON/PHONE No.: _____ MWBE GOAL: _____

M/WBE SUB/VENDOR NAME	DATE OF AA CERTIFICATION	DATE OF SUBCONTRACT	SUBCONTRACT AMOUNT	% OF TOTAL CONTRACT	AMOUNT PAID TO DATE	% OF CONTRACT TO DATE
Use additional pages if needed. Submit by the 15th day of the following month. Provide support documentation on all revenues paid to end of the report period to: M/WBEs to reflect up/down variances on contract amount						
Affirmative Action Division ATTN: Velma Laws 713-837-9018 611 Walker, 20 th Floor Houston, Texas 77002						

EXHIBIT II

LIST OF PREVIOUS CUSTOMERS/LIST OF SUBCONTRACTORS/SUBMITTAL FORMS

LIST OF PREVIOUS CUSTOMERS:

1. Name: _____ Phone No.: _____
Address: _____
Contract Award Date: _____ Contract Completion Date: _____
Contract Name/Title: _____
System Description: _____

2. Name: _____ Phone No.: _____
Address: _____
Contract Award Date: _____ Contract Completion Date: _____
Contract Name/Title: _____
System Description: _____

3. Name: _____ Phone No.: _____
Address: _____
Contract Award Date: _____ Contract Completion Date: _____
Contract Name/Title: _____
System Description: _____

4. Name: _____ Phone No.: _____
Address: _____
Contract Award Date: _____ Contract Completion Date: _____
Contract Name/Title: _____
System Description: _____

SUBMITTAL FORM

NOTE: PROPOSAL MUST BE SIGNED AND NOTORIZED BY AN AUTHORIZED REPRESENTATIVE(S) OF THE PROPOSER, WHICH MUST BE THE ACTUAL LEGAL ENTITY THAT WILL PERFORM THE CONTRACT IF AWARDED **AND THE TOTAL FIXED PRICE CONTAINED THEREIN SHALL REMAIN FIRM FOR A PERIOD OF ONE-HUNDRED EIGHTY (180) DAYS.**

"THE RESPONDENT WARRANTS THAT NO PERSON OR SELLING AGENCY HAS BEEN EMPLOYED OR RETAINED TO SOLICIT OR SECURE THIS CONTRACT UPON AN AGREEMENT OR UNDERSTANDING FOR A COMMISSION, PERCENTAGE, BROKERAGE, OR CONTINGENT FEE, EXCEPTING BONA FIDE EMPLOYEES. FOR BREACH OR VIOLATION OF THIS WARRANTY, THE CITY SHALL HAVE THE RIGHT TO ANNUL THIS AGREEMENT WITHOUT LIABILITY OR, AT ITS DISCRETION, TO DEDUCT FROM THE CONTRACT PRICES OR CONSIDERATION, OR OTHERWISE RECOVER THE FULL AMOUNT OF SUCH COMMISSION, PERCENTAGE, BROKERAGE OR CONTINGENT FEE."

Respectfully Submitted:

(print or type name of Contractor – full company name)

By: _____
(signature of authorized officer or agent)

Name: _____

Title: _____

Date: _____

Address of Contractor: _____

Telephone No. of Contractor: (_____) _____

(signature, name and title of Affiant)

Notary Public in and for _____
_____ County, Texas

My Commission Expires: _____ day of _____ 20_____

EXHIBIT IV

City of Houston Insurance Requirements for Contracts

To comply with the terms and conditions for insurance in a City of Houston Service Contract, the Contractor's Insurance Certificate must be prepared as follows and shall meet the requirements set forth on page 12 hereof and in Section C hereof:

- A. The City of Houston must be listed as an **additional insured** on the face of the Certificate, except those for Worker's Compensation and Employer's Liability.
- B. Each Policy must contain an endorsement to the effect that the **issuer waives any claim or right in the nature of subrogation** to recover against the City, its officers, agents or employees.
- C. The City of Houston must be included in the Insurer's Notification Requirement, which may be accomplished in one of the following ways:
 - 1. By the Contractor's Insurance Agent revising the standard cancellation clause to read substantially as follows (all handwritten strike-outs, additions, and changes to the original text, must all be initialed by the Insurance Agent authorized to make such changes): -

=====CANCELLATION=====

SHOULD ANY OF THE ABOVE DESCRIBED NON-RENEWED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL MAIL 30 DAYS WRITTEN NOTICE OF SUCH CHANGE.

=====

AUTHORIZED REPRESENTATIVE OF INSURER _____

=====

- O R -

- 2. By Attaching Endorsements in the form attached.
- D. Contractor shall require all subcontractors to carry insurance naming the City as an additional insured and meeting the all of the above requirements except as to amount. The amount shall be commensurate with the amount of the subcontract, but not in no case shall it be less than \$500,000 per occurrence.

Revised - 03/09/95

CERTIFICATE OF INSURANCE EXPLANATIONS

1. Certificate must not be more than 90 days old.
2. Name and Address of Producer writing coverage.
3. Name of each insurance company providing coverage (as listed in Best's Key Rating Guide or on company's Certificate of Authority on file with Texas Department of Insurance). Each company must have (1) a Certificate of Authority to transact insurance business in Texas or (2) be an eligible non-admitted insurer in the State of Texas and have a Best's rating of B+ or better and a Best's financial size category of class VI or better according to the most current edition Best's Key Rating Guide.
4. Name and address of Insured (as shown on policy)
5. Letter in the column must reference the insurer of the policy being described
6. Must be a policy number; no binders will be accepted
7. Date policy became effective
8. Expiration date must be at least **60** days from date of delivery of certificate
9. Name and file number of project
10. Name of project manager
11. Signature or facsimile signature of authorized representative of Producer (blue ink preferred)
12. All required endorsements must accompany the certificate.

SAMPLE FOR AWARD OVER \$50,000.00

ACORD. CERTIFICATE OF INSURANCE

Issue Date (MM/DD/YY)

PRODUCER

ISSUERS OF POLICIES: THE ISSUER SHALL HAVE A RATING OF AT LEAST B + AND FINANCIAL SIZE OF CLASS VI OR BETTER ACCORDING TO THE CURRENT YEAR'S BEST RATING.

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

SAMPLE FORM

COMPANIES AFFORDING COVERAGE

-
- COMPANY A
-
- COMPANY B
-
- COMPANY C
-
- COMPANY D
-
- COMPANY E

COVERAGE'S

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR.	TYPE OF INSURANCE	POLICY NUMBER	EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION (MM/DD/YY)	POLICY LIMITS
A.	General Liability (X) Commercial General Liability Claims Made (X) Occur. Owners & Contractors Prot.			General Aggregate Products-Comp/Op Agg. Personal & Adv. Injury Each Occurrence Fire Damage (Any one fire) Med. Expense (Any one person)	\$1,000,000 \$1,000,000 \$1,000,000 \$ 500,000 \$ 50,000 \$ 5,000
A.	Automobile Liability (X) Any Auto (X) All Owned Autos () Scheduled Autos () Hired Autos () Non-Owned Autos Garage Liability	Auto Liability Insurance for autos furnished or used in the course of performance of this Contract. Including Owned, Non-owned, and Hired Auto coverage. (Any Auto coverage may be substituted for Owned, Non-owned and Hired Auto Coverage.) If no autos are owned by Contractor, coverage may be limited to Non-owned and Hired Autos. If Owned Auto coverage cannot be purchased by Contractor, Scheduled Auto coverage may be substituted for Owned Auto coverage. EACH AUTO USED IN PERFORMANCE OF THIS CONTRACT SHALL BE COVERED IN THE LIMITS SPECIFIED.		Combined Single Limit	\$1,000,000
	Excess Liability			Each Occurrence Aggregate	\$ \$
	Worker's Compensation and Employee Liability Other	Statutory Limits		(X) Statutory Limits Each Accident Disease - Policy Limit Disease - Each Employee	\$ 100,000 \$ 100,000 \$ 100,000

DESCRIPTION OF OPERATION/LOCATIONS/VEHICLES/SPECIAL ITEMS

City of Houston is named as additional insured on Auto and General Liability policies, and Waiver of Subrogation on Auto, General Liability, and Worker's Compensation.
For (Project Name)

CERTIFICATE HOLDER

SHALL BE MODIFIED AS FOLLOWS: **CANCELLATION**
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED NON-RENEWED BEFORE THE EXPIRATION DATE THERE OF THE ISSUING COMPANY WILL MAIL THIRTY (30) DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. CITY OF HOUSTON / FINANCE AND ADMINISTRATION

DEPARTMENT - PROCUREMENT SERVICES DIVISION

P.O. BOX 1562
HOUSTON, TEXAS 77251

AUTHORIZED REPRESENTATIVE

EXHIBIT V

CITY OF HOUSTON FAIR CAMPAIGN ORDINANCE

The City of Houston Fair Campaign Ordinance makes it unlawful for a Contractor to offer any contribution to a candidate for City elective office (including elected officers and officers-elect). All respondents to this invitation to bid must comply with Houston Code of Ordinances Chapter 18 as amended relating to the contribution and solicitation of funds for election campaigns. Provisions of this ordinance are provided in part in the paragraphs that follow. Complete copies may be obtained from the office of the City Secretary.

Candidates for city office may neither solicit nor receive contributions except during a period commencing 270 calendar days prior to an election date for which a person is a candidate for such office and ending 90 calendar days after the election date, including run off elections if such candidate is on the ballot.

Further, it shall be unlawful either for any person who submits a bid or proposal to contribute or offer any contribution to a candidate or for any candidate to solicit or accept any contribution from such person for a period commencing at the time of posting of the City Council Meeting Agenda including an item for the award of the Contract and ending upon the 30th day after the award of the Contract by City Council.

For the purposes of this Ordinance, a **Contract** is defined as each Contract having a value in excess of \$30,000 that is let by the City for professional services, personal services, or other goods or services of any other nature whether the Contract is awarded on a negotiated basis, request for proposal basis, competitive proposal basis or formal sealed competitive bids. The term **Contractor** includes proprietors of proprietorships, partners having an equity interest of 10% or more of partnerships, (including limited liability partnerships and companies), all officers and directors of corporations (including limited liability corporations), and all holders of 10% or more of the outstanding shares of corporations.

A STATEMENT DISCLOSING THE NAMES AND BUSINESS ADDRESSES EACH OF THOSE PERSONS WILL BE REQUIRED TO BE SUBMITTED WITH EACH BID OR PROPOSAL FOR A CITY CONTRACT. Completion of the attached form entitled "**Contractor Submission List**" will satisfy this requirement. Failure to provide this information may be just cause for rejection of your bid or proposal.

LIST ALL OFFICERS OF THE CORPORATION (IF NONE STATE NONE”)

Name _____
Officer Address

Name _____
Officer Address

Name _____
Officer Address

LIST ALL INDIVIDUALS OWNING 10% OR MORE OF OUTSTANDING SHARES OF STOCK OF THE CORPORATION (IF NONE STATE “NONE”)

Name _____
Address

Name _____
Address

Name _____
Address

I certify that I am duly authorized to submit this list on behalf of the firm, that I am associated with the firm in the capacity noted below and that I have personal knowledge of the accuracy of the information provided herein.

Preparer

Printed Name

Title

Note: This list constitutes a **government record** as defined by § 37.01 of the Texas Penal Code.

8/23/01

EXHIBIT VI

CITY OF HOUSTON CONTRACTOR OWNERSHIP DISCLOSURE ORDINANCE:

City Council requires knowledge of the identities of the owners of entities seeking to contract with the City in order to review their indebtedness to the City prior to entering contracts. Therefore, all respondents to this invitation to bid must comply with Houston Code of Ordinances Chapter 15, as amended (Sections 15-122 through 15-126) relating to the disclosure of owners of entities bidding on, proposing for or receiving City contracts. Provisions of this ordinance are provided in part in the paragraphs that follow. Complete copies may be obtained from the office of the City Secretary.

Contracting entity means a sole proprietorship, corporation, non-profit corporation, partnership, joint venture, limited liability company, or other entity that seeks to enter into a contract requiring approval by the Council but excluding governmental entities.

A contracting entity must submit at the time of its bid or proposal, an affidavit listing the full names and the business and residence addresses of all persons owning five percent or more of a contracting entity or, where a contracting entity is a non-profit corporation, the full names and the business and residence addresses of all officers of the non-profit corporation.

Completion of the "**Affidavit of Ownership or Control**", included herein, and submitted with the Official Bid or Proposal Form will satisfy this requirement. Failure to provide this information may be just cause for rejection of your bid or proposal.

Orig. Dept.: _____

File/I.D. No.: _____

5. The information shown below is true and correct for the Contracting Entity and all owners of 5% or more of the Contracting Entity and, where the Contracting Entity is a non-profit entity, the required information has been shown for each officer, *i.e.*, president, vice-president, secretary, treasurer, etc. **[NOTE: IN ALL CASES, USE FULL NAMES, LOCAL BUSINESS AND RESIDENCE ADDRESSES AND TELEPHONE NUMBERS. DO NOT USE POST OFFICE BOXES FOR ANY ADDRESS. INCLUSION OF E-MAIL ADDRESSES IS OPTIONAL, BUT RECOMMENDED. ATTACH ADDITIONAL SHEETS AS NEEDED.]**

Contracting Entity

Name: _____

Business Address **[No./STREET]** _____

[CITY/STATE/ZIP CODE] _____

Telephone Number (____) _____

Email Address **[OPTIONAL]** _____

Residence Address **[No./STREET]** _____

[CITY/STATE/ZIP CODE] _____

Telephone Number (____) _____

Email Address **[OPTIONAL]** _____

5% Owner(s) or More (IF NONE, STATE "NONE.")

Name: _____

Business Address **[No./STREET]** _____

[CITY/STATE/ZIP CODE] _____

Telephone Number (____) _____

Email Address **[OPTIONAL]** _____

Residence Address **[No./STREET]** _____

[CITY/STATE/ZIP CODE] _____

Telephone Number (____) _____

Email Address **[OPTIONAL]** _____

6. Optional Information

Contracting Entity and/or _____ [NAME OF OWNER OR NON-PROFIT OFFICER] is actively protesting, challenging or appealing the accuracy and/or amount of taxes levied against _____ [CONTRACTING ENTITY, OWNER OR NON-PROFIT OFFICER] as follows:

Name of Debtor: _____
Tax Account Nos. _____
Case or File Nos. _____
Attorney/Agent Name _____
Attorney/Agent Phone No. (_____) _____
Tax Years _____

Status of Appeal [DESCRIBE] _____

Affiant certifies that he or she is duly authorized to submit the above information on behalf of the Contracting Entity, that Affiant is associated with the Contracting Entity in the capacity noted above and has personal knowledge of the accuracy of the information provided herein, and that the information provided herein is true and correct to the best of Affiant's knowledge and belief.

Affiant

SWORN TO AND SUBSCRIBED before me this _____ day of _____, 20_____.

(Seal)

Notary Public

NOTE:
This affidavit constitutes a **government record** as defined by Section 37.01 of the Texas Penal Code. Submission of a false government record is punishable as provided in Section 37.10 of the Texas Penal Code. Attach additional pages if needed to supply the required names and addresses.

EXHIBIT VII

Drug Detection And Deterrence Procedures For Contractors

- (a) It is the policy of the City to achieve a drug-free workforce and to provide a workplace that is free from the use of illegal drugs and alcohol. It is also the policy of the City that the manufacture, distribution, dispensation, possession, sale or use of illegal drugs or alcohol by contractors while on City premises is prohibited. By executing this Contract, Contractor represents and certifies that it meets and shall comply with all the requirements and procedures set forth in the Mayor's Policy on Drug Detection and Deterrence, City Council Motion No. 92-1971 ("Mayor's Policy") and the Mayor's Drug Detection and Deterrence Procedures for Contractors, Executive Order No. 1-31 ("Executive Order"), both of which are on file in the Office of the City Secretary.
- (b) Confirming its compliance with the Mayor's Policy and Executive Order, Contractor, as a condition precedent to City's obligations under this Contract, will have filed with the Contract Compliance Officer for Drug Testing ("CCODT"), prior to execution of this Contract by the City, (i) a copy of its drug-free workplace policy, (ii) the Drug Policy Compliance Agreement substantially in the format set forth in Attachment "A" to the Executive Order, together with a written designation of all safety impact positions, and (iii) if applicable (e.g. no safety impact positions), the Certification of No Safety Impact Positions, substantially in the format set forth in Attachment "C" to the Executive Order. If Contractor files written designation of safety impact positions with its Drug Policy Compliance Agreement, it also shall file every six (6) months during the performance of this Contract or upon the completion of this Contract if performance is less than six (6) months, a Drug Policy Compliance Declaration in a form substantially similar to Attachment "B" to the Executive Order. The Drug Policy Compliance Declaration shall be submitted to the CCODT within thirty days of completion of this Contract. The first six (6) month period shall begin to run on the date City issues its notice to proceed hereunder or if no notice to proceed is issued, on the first day Contractor begins work under this Contract.
- (c) Contractor shall have the continuing obligation to file with the CCODT written designations of safety impact positions and Drug Policy Compliance Declarations at anytime during the performance of this Contract that safety impact positions are added if initially no safety impact positions were designated. Contractor also shall have the continuing obligation to file updated designations of safety impact positions with the CCODT when additional safety impact positions are added to Contractor's employee work force.
- (d) The failure of Contractor to comply with the above Sections shall be a breach of this Contract entitling City to terminate in accordance with Article IV.

**DRUG POLICY COMPLIANCE AGREEMENT
ATTACHMENT A**

I, _____ as an owner or officer of
(Name) (Print/Type) (Title)

(Name of Company) (Contractor)

have authority to bind Contractor with respect to its bid, offer or performance of any and all contracts it may enter into with the City of Houston; and that by making this Agreement, I affirm that the Contractor is aware of and by the time the contract is awarded will be bound by and agree to designate appropriate safety impact positions for company employee positions, and to comply with the following requirements before the City issues a notice to proceed.

1. Develop and implement a written Drug Free Workplace Policy and related drug testing procedures for the Contractor that meet the criteria and requirements established by the Mayor's Amended Policy on Drug Detection and Deterrence (Mayor's Drug Policy) and the Mayor's Drug Detection and Deterrence Procedures for Contractors (Executive Order No. 1-31).
2. Obtain a facility to collect urine samples consistent with Health and Human Services (HHS) guidelines and a HHS certified drug testing laboratory to perform the drug tests.
3. Monitor and keep records of drug tests given and the results; and upon request from the City of Houston, provide confirmation of such testing and results.
4. Submit semi-annual Drug Policy Compliance Declarations.

I affirm on behalf of the Contractor that full compliance with the Mayor's Drug Policy and Executive Order No. 1-31 is a material condition of the contract with the City of Houston.

I further acknowledge that falsification, failure to comply with or failure to timely submit declarations and/or documentation in compliance with the Mayor's Drug Policy and/or Executive Order No. 1-31 will be considered a breach of the contract with the City and may result in non-award or termination of the contract by the City of Houston.

Date

Contractor Name

Signature

Title

**Contractor's Certification Of No Safety Impact Positions In Performance Of A City Contract
ATTACHMENT "C"**

I, _____
(Name) (Print/Type) (Title)

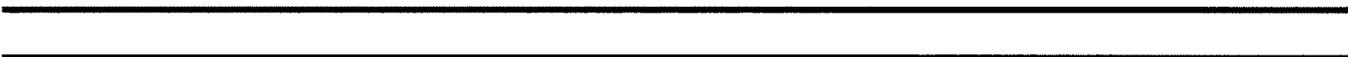
as an owner or officer of _____
(Contractor) have authority to bind the Contractor with respect to its bid, and I hereby certify that Contractor has no employee safety impact positions as defined in §5.18 of Executive Order No. 1-31 that will be involved in performing this City Contract. Contractor agrees and covenants that it shall immediately notify the City's Director of Personnel if any safety impact positions are established to provide services in performing this City Contract.

Date

Contractor Name

Signature

Title



**CONTRACTOR'S CERTIFICATION OF NON-APPLICATION OF
CITY OF HOUSTON DRUG DETECTION AND DETERRENCE PROCEDURES
FOR CONTRACTORS
ATTACHMENT "D"**

I _____ as an owner or officer of
(NAME) (PRINT/TYPE)

_____ (Contractor)
have authority to bind the Contractor with respect to its bid, and I hereby certify that Contractor has fewer than fifteen (15) employees during any 20-week period during a calendar year and also certify that Contractor has no employee safety impact positions as defined in 5.18 of Executive Order No. 1-31 that will be involved in performing this City Contract. Safety impact position means a Contractor's employment position involving job duties that if performed with inattentiveness, errors in judgment, or diminished coordination, dexterity, or composure may result in mistakes that could present a real and/or imminent threat to the personal health or safety of the employee, co-workers, and/or the public.

DATE

CONTRACTOR'S NAME

SIGNATURE

TITLE

EXHIBIT VIII

Anti-Collusion Statement

The undersigned, as Proposer, certifies that the only person or parties interested in this proposal as principals are those named herein; that the Proposer has not, either directly or indirectly entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the award of this contract.

Date

Proposer Signature

EXHIBIT IX

CONFLICT OF INTEREST QUESTIONNAIRE:

Chapter 176 of the Local Government Code requires every Vendor or Contractor with the City of Houston ("City") to file a Conflict of Interest Questionnaire with the City Secretary of the City of Houston by the **seventh** business day after:

(1) any contract discussions or negotiations begin, or

(2) submitting an application, responses to requests for proposals, bids, correspondence, or any writing related to a potential agreement with the City.

The Conflict of Interest Questionnaire is available for downloading from the Texas Ethics Commission's website at <http://www.ethics.state.tx.us/forms/CIQ.pdf>. The completed Conflict of Interest Questionnaires will be posted on the City Secretary's website. There will also be a list of the City's Local Government Officers on the City of Houston's website.

Additionally, each Vendor or Contractor must file updated questionnaires no later than **September 1st** of each year that the Vendor or Contractor seeks to contract with the City, or the **seventh** business day after the date of an event that would render the questionnaire incomplete or inaccurate.

However, a Vendor or Contractor is not required to file a new questionnaire in any year if the vendor has completed a questionnaire between June 1st and September 1st of that year, unless the previous questionnaire is incomplete or inaccurate.

Original Conflict of Interest Questionnaire shall be filed with Houston's Records Administrator (Ms. Anna Russell, City Secretary, 900 Bagby, First Floor, Houston, Texas 77002). Vendors and Contractors shall include a copy of the form that was submitted to the City Secretary as part of the BID package. Any questions about filling out this form should be directed to your attorney

Failure of any Vendor or Contractor to comply with this law is a Class C misdemeanor.

EXHIBIT X

CITY CONTRACTORS' PAY OR PLAY PROGRAM



**City of Houston
Pay or Play Program
Acknowledgement Form**

Form POP-1A

What this form does. This form acknowledges your awareness of the Pay or Play program. Your signature affirms that you will comply with the requirements of the program if you are the successful bidder/proposer, and ensure the same on behalf of subcontracts subject to the Pay or Play Program.

If you cannot make this assurance now, do not return this form.

For more information, contact the Contract Administrator.

Routing. Return this form with your bid or proposal.

I declare under penalty of perjury under the laws of the State of Texas that if awarded a contract, I will comply with the requirements of the Pay or Play Program.

Signature

Date

Print Name

City Vendor ID

Company Name

Phone Number

Email Address

CERTIFICATION OF AGREEMENT TO COMPLY WITH PAY OR PLAY PROGRAM

Contractor Name: _____ \$ _____
(Contractor/Subcontractor) (Amount of Contract)

Contractor Address: _____

Project No.: [GFS/CIP/AIP/File No.] _____

Project Name: [Legal Project Name] _____

In accordance with the City of Houston Pay or Play Program authorized by Ordinance 2007-534, Contractor agrees to abide by the terms of this Program. This certification is required of all contractors for contracts subject to the program. You must agree EITHER to PAY or to PLAY for each covered employee, including those of subcontractors subject to the program.

Yes No Contractor agrees to Pay \$1.00 per hour for work performed by covered employees, including covered subcontractors' employees, under the contract with the City.

Yes No Contractor agrees to offer health benefits to each covered employee, including covered subcontractors' employees that meet or exceed the following criteria:
(1) the employer will contribute no less than \$150 per employee per month toward the total premium cost; and
(2) the employee contribution, if any amount, will be no greater than 50% of the total premium cost.

Yes No Contractor agrees to pay of behalf of some covered employees and play on behalf of other covered employees, in accordance with program requirements, including subcontractors' employees, if applicable.

Yes No Contractor will comply with all provisions of the Pay or Play Program and will furnish all information and reports requested to determine compliance with program provisions.

Yes No For Prime Contractors Only: Contractor will file compliance reports with the City, which will include activity for subcontractors subject to the program, in the form and to the extent requested by the administering department or the Affirmative Action and Contract Compliance Office. Compliance reports shall contain information including, but not limited to, documentation showing employee health coverage and employee work records.

I hereby certify that the above information is true and correct.

CONTRACTOR (Signature)

DATE

NAME AND TITLE (Print or type)