



CITY OF HOUSTON

Annise D. Parker

Mayor

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December 10, 2014

SUBJECT: Letter of Clarification No. 5 Self- Insured Workers' Compensation Third Party Administration & Related Services

REFERENCE: Request for Proposal (RFP) No. S66-T25102

TO: All Prospective Proposers

When issued, Letter(s) of Clarification shall automatically become a part of the proposal documents and shall supersede any previous specification(s) and/or provision(s) in conflict with the Letter(s) of Clarification. All revisions, responses, and answers incorporated into the Letter(s) of Clarification are collaboratively from both the Strategic Purchasing Division and the applicable City Department(s). It is the responsibility of the proposers to ensure that it has obtained all such letter(s). By submitting a proposal on this project, proposers shall be deemed to have received all Letter(s) of Clarification and to have incorporated them into this proposal.

Question:

2.6 Pricing: RFP only allows for a fixed fee to be 2.6 Pricing: RFP only allows for a fixed fee to be input which I believe would result in higher fees than are necessary after the first year. Based on a review of the open inventory it is our belief a decent percentage of the open inventory will be closed after the transition allowing for reduced staffing needs and lower costs. Will the City allow for invoices to be based on actual staffing levels vs fixed fees for future years?

Answer:

Currently the TPA's flat fees can be adjusted for staffing requirements agreed to by both parties. These levels are measured on a monthly staffing report to the City measuring each adjuster's case loads.

Sincerely,

Kim A. Smith

Division Manager Risk Management, Workers' Compensation