



ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS

REQUEST FOR PROPOSAL: **TVN0042** ADDENDUM NO. **2** DATE OF ADDENDUM: **July 30, 2014**

This addendum is to incorporate changes to the above referenced solicitation:

I. Clarifications:

1. Requests for explanations or clarifications must be submitted no later than 3:00 pm on 8/7/2014.
2. In response to a clarification request regarding the inventory of claims, please refer to the following:

| City of Austin Inventory Claims | | | | |
|--|--------------------------|----------------|-----------------------|-----------------------|
| Claim Type | As of 6/20/14 | FY 2013 | End FY2012 | End FY2011 |
| Incident Only | 0 | 0 | 0 | 1 |
| Medical Only | 532 | 515 | 438 | 466 |
| Indemnity Only | 347 | 349 | 333 | 344 |
| Fatalities | 13 | 12 | 12 | 11 |
| Total | 892 | 876 | 783 | 822 |

3. The Evaluation Criteria to be used in this solicitation has been changed to better allow for the possibility of proposals for either TPA or URA, but not both. Therefore the new Evaluation Factors used for Scoring will be as follows:

| Third Party Administrator (TPA) | | |
|--|-----------------------|------------|
| a | Proposal | 50 Points |
| b | Applicable Experience | 20 Points |
| c | Cost Proposal | 20 Points |
| d | Local Presence | 10 Points |
| Total Points Available | | 100 |

| Utilization Review Services (URA) | | |
|--|-----------------------|------------|
| a | Proposal | 50 Points |
| b | Applicable Experience | 20 Points |
| c | Cost Proposal | 20 Points |
| d | Local Presence | 10 Points |
| Total Points Available | | 100 |

II. Questions:

Q1: Are exceptions negotiable that is if we put something in there that you find don't agree, will you call and let us know?

A1: Some terms and conditions are negotiable; however there are also some that are not. We expect any exceptions to be presented in the format requested in the Proposal Preparation Instructions and Evaluation Factors document.

Q2: Can we add text explanations of text to the Cost Sheet?

A2: Please use a separate page and refer to it.

- Q3: On the spreadsheet, under your subcontractor you had JI averaging out at \$15,000 per month. Was that for utilization review or case management?
- A3: JI is the current third party administrator and on the contract they brought all the contractors in under the one umbrella. The \$15K line relates to pre-authorization.**
- Q4: Are the Cost Sheet figures “Not to Exceed”?
- A4: Yes. The numbers can vary between categories but the bottom line should be “Not to Exceed”.**
- Q5: Do you want the flash drives in a separate envelope inside the box?
- A5: Yes.**
- Q6: On the proposal format, do we tab Section H through J?
- A6: No, these are for information only and do not need to be included in the proposal.**
- Q7: Do you want the exhibits and supporting documents on the flash drives as a separate PDF or all as one single document?
- A7: One single document. The flash drive should match the original proposal document.**
- Q8: Is there a place to price open claim inventory? And what is that inventory?
- A8: We want your pricing based on what we have shown you as the inventory of claims and what the projected new lost time, medical only, and incident only claims.**
- Q9: Are you telling us the set number of adjusters and supervisors you want on the account?
- A9: No, but there has to be enough people to meet the responsibilities of the account. However, Respondents will be required to justify your numbers to the City’s satisfaction.**
- Q10: For legal and investigative services, is the expectation that the TPA will bring their own or that we will work with yours?
- A10: Yes, the expectation is the TPA will determine who they choose to work with.**
- Q11: Is it ok when we respond that we include our assumptions with the Cost Sheet?
- A11: Yes, just add it as a separate document in a way that is obvious.**
- Q12: Regarding Local Business Presence it states that headquarters is defined as “where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located”. What do you classify as the important functions?
- A12: It’s about where the activity that we are paying for is happening, but also the administrative functions such as payroll.**
- Q13: How is local presence determined?
- A13: Section 00605 must be completed. Determination is made based on tax jurisdictions.**
- Q14: Will we get credit for local business presence if we open a new office in Austin?
- A14: No, it has to be open for at least five (5) years. For more information on Local Presence, refer to Section 0200, Item 12-C at the following link.**
- https://assets.austintexas.gov/purchase/standard_solicitation_instructions.pdf
- Q15: What about working electronically with a local TPA does that count?
- A15: Again, it depends on the actual functions taking place at the local office. A Sales Office for instance wouldn’t normally qualify as a Branch office.**
- Q16: Are you accepting proposals on URA separately or independently?
- A16: Refer to Section I of the Scope of work.**

PURCHASING OFFICE MEETING SIGN-IN SHEET

| | |
|---|--|
| Bid No & Description: RFP TVN0042 – Workers Compensation Insurance | Meeting Date: July 23, 2014 |
| Check Type of Meeting: Pre Proposal <input checked="" type="checkbox"/> Bid Opening <input type="checkbox"/> | Place/Room: Purchasing Conf. Rm |
| Buyer: Terry Nicholson | |

Please Print Legibly

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