



**REQUEST FOR PROPOSALS
FOR WORKERS' COMPENSATION
THIRD PARTY ADMINISTRATOR
FOR THE CITY OF STOCKTON, CALIFORNIA
(PUR 09-059)**



**BIDS WILL BE RECEIVED UNTIL THE HOUR OF
2:00 O'CLOCK P.M., THURSDAY, JUNE 25, 2009,
IN THE OFFICE OF THE CITY CLERK,
FIRST FLOOR, CITY HALL, 425 NORTH EL DORADO STREET,
STOCKTON, CALIFORNIA 95202-1997**

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

NOTICE INVITING PROPOSALS.....	1
PROPONENT'S CHECKLIST.....	2
1.0 GENERAL INFORMATION.....	3
1.1 REQUEST FOR PROPOSAL (RFP) PROCESS.....	3
1.2 INVITATION TO SUBMIT A PROPOSAL.....	3
1.3 LOCAL BUSINESS PREFERENCE	3
1.4 CONSEQUENCE OF SUBMISSION OF PROPOSAL.....	4
1.5 ACCEPTANCE OR REJECTION OF PROPOSAL.....	4
1.6 RIGHT TO CHANGE OR AMEND REQUEST	4
1.7 CANCELLATION	5
1.8 EXAMINATION OF PROPOSAL MATERIALS.....	5
1.9 ADDENDA AND INTERPRETATION	5
1.10 DISQUALIFICATION	6
1.11 INFORMAL PROPOSAL REJECTED	6
1.12 CONDITIONS TO BE ACCEPTED IF ANY WORK IS SUBCONTRACTED.....	6
1.13 LICENSING REQUIREMENTS	6
1.14 INSURANCE REQUIREMENTS	7
1.15 HOLD HARMLESS DEFENSE CLAUSE.....	7
1.16 APPLICABLE LAW	7
1.17 METHOD OF PAYMENT	7
1.18 NOTICE TO OUT-OF-STATE VENDOR	7
1.19 TERM	8

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

1.20	COMPETITIVE PRICING	8
1.21	FUNDING	8
1.22	UNCONDITIONAL TERMINATION FOR CONVENIENCE	8
1.23	AUDITING OF CHARGES AND SERVICES.....	8
1.24	PROPOSAL SECURITY	9
1.25	CONTRACT BONDS	9
1.26	CHANGES.....	10
1.27	AWARD.....	10
1.28	PRODUCT OWNERSHIP.....	10
1.29	CONFIDENTIALITY	10
1.30	OTHER GOVERNMENTAL AGENCIES.....	10
2.0	GENERAL NATURE OF SERVICES	11
2.1	BACKGROUND AND PURPOSE	11
2.2	SCOPE OF SERVICES	11
2.3	PROGRAM DEVELOPMENT.....	12
2.4	BASIC CLAIMS ADMINISTRATION.....	13
2.5	CUSTOMER SERVICE	15
2.6	CLIENT COMMUNICATIONS	15
2.7	MEDICAL DIRECTION AND CONTROL	16
2.8	MEDICAL BILL REVIEW/PRICING	16
2.9	DIRECTION OF SPECIAL ISSUES	16
2.10	FINANCIAL SERVICES AND ANALYSIS	17
2.11	ADMINISTRATIVE EXPENSES.....	18

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

2.12	MANAGEMENT REPORTS	18
2.13	INTERNAL CONTROLS	19
2.14	ADDITIONAL REQUIREMENTS FOR PROGRESSIVE CLAIMS	
	ADMINISTRATION	19
3.0	PROPOSAL GUIDELINES, CONTENT AND FORMAT	20
3.1	EVALUATION PROCEDURE AND CRITERIA.....	21
3.2	PROPOSED DEVELOPMENT COSTS.....	23
3.3	PROPONENT CONTACT	23
3.4	CITY'S USE OF PROPOSAL MATERIAL	23
3.5	REJECTION OF PROPOSAL.....	23
	PROPONENT'S FEE SCHEDULE.....	24
	PROPONENT'S AGREEMENT	25
	NON-COLLUSION AFFIDAVIT	26
	EXHIBIT A (INSURANCE REQUIREMENTS).....	27

NOTICE INVITING PROPOSALS

NOTICE IS HEREBY GIVEN that Request for Proposals (RFP) are invited by the City of Stockton, California for specifications for Workers' Compensation Third Party Administrator (PUR 09-059) in strict accordance with the specifications.

The City wishes to consider proposals to enter into an Agreement with a qualified Third Party Administrator (TPA) to manage and provide administration of the City's self-insured Workers' Compensation Program which will include new and existing claims.

Proposal forms and specifications are available on the City's web site at <http://www.stocktongov.com/business/bidflash.cfm> and must be delivered to the Office of the City Clerk, City Hall, 425 North El Dorado Street, Stockton, up to but not later than, Thursday, June 25, 2009, at 2:00 p.m.

The City reserves the right to reject any and/or all proposals received.

Information on Technical Data

Stephanie Chain, Human Resources
(209) 937-8618
e-mail: Stephanie.Chain@ci.stockton.ca.us

Information on Bid Process/Clarification

Dianne Samples, Purchasing
(209) 937-8357
e-mail: Dianne.Samples@ci.stockton.ca.us

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

Dated: June 5, 2009

//s//KATHERINE GONG MEISSNER
CITY CLERK OF THE CITY OF STOCKTON

PROPONENT'S CHECKLIST
CITY OF STOCKTON / PURCHASING DIVISION

Did You:

- * ___ Sign and notarize by jurat certificate the "Non-Collusion Affidavit" form. An "All-Purpose Acknowledgment" form will not be sufficient.
 - * ___ Complete and sign the "Proponent's Fee Schedule" form, (under separate cover).
 - * ___ Sign the "Proponent's Agreement" form.
 - * ___ Include your **\$2,000.00** proponent's security, proponents bond, certified or cashier's check.
 - * ___ Include self-addressed, unstamped envelope with proponent's security. Please do not seal your security, proponents bond, certified or cashier's check in this envelope. It is for returning the security to the proponent after project award.
 - * ___ **Include with proposal, name and e-mail address for City contact.**
 - * ___ Submit one (1) ORIGINAL and SIX (6) COPIES of all proposal documents.
 - * ___ Review all clarifications/questions/answers on the City's website at <http://www.stocktongov.com/business/bidflash.cfm> .
 - * ___ Deliver sealed proposal to City Hall, City Clerk's Office (1st floor), 425 North El Dorado Street, Stockton, CA 95202, before **June 25, 2009 at 2:00 p.m.** Sealed proposal shall be marked "Proposal" and indicate project name, number, and proposal opening date. Please note that some overnight delivery services do not deliver directly to the City Clerk's Office. This could result in the proposal arriving in the City Clerk's Office after the proposal opening deadline and therefore not being accepted.
- A) "RFP – FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR"**
- B) PUR 09-059**
- C) JUNE 25, 2009**

CONTACT INFORMATION:

Information on Technical Data	Information on Bid Process/Clarification
Stephanie Chain, Human Resources (209) 937-8618 e-mail: Stephanie.Chain@ci.stockton.ca.us	Dianne Samples, Purchasing (209) 937-8357 e-mail: Dianne.Samples@ci.stockton.ca.us

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

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

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

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

1.0 GENERAL INFORMATION

1.1 REQUEST FOR PROPOSAL (RFP) PROCESS

The purpose of this Request for Proposal (RFP) is to request proponents to present their qualifications and capabilities to provide a Workers' Compensation Third Party Administrator (PUR 09-059) for the City of Stockton. The City of Stockton wishes to consider proposals to enter into an agreement with a qualified Third Party Administrator (TPA) to manage and provide administration of the City's self-insured Workers' Compensation Program which will include new and existing claims.

1.2 INVITATION TO SUBMIT A PROPOSAL

Proposals shall be submitted no later than 2:00 p.m., on Thursday, June 25, 2009, in the office of:

CITY CLERK
CITY OF STOCKTON
425 NORTH EL DORADO STREET
STOCKTON, CA 95202-1997

One (1) original and six (6) copies of the proposal shall be submitted. The proposal should be firmly sealed in an envelope which shall be clearly marked on the outside, "Workers' Compensation Third Party Administrator for the City of Stockton (PUR 09-059)." Any proposal received after the due date may not be accepted and may be rejected and returned, unopened, to the proponent.

Proponent may submit more than one proposal provided the proposal meets the functional requirements.

1.3 LOCAL BUSINESS PREFERENCE

Stockton Municipal Code Section 3-106.1 reads as follows:

Preference shall be given to the purchase of supplies, materials, equipment and contractual services from local merchants, quality and price being equal. Local merchants who have a physical business location within the boundaries of San Joaquin County, and who have applied for and paid a business license tax and registration fee pursuant to Stockton Municipal Code Chapter 6, Division 5, shall be granted a three (3) percent bid preference. The **three (3)** percent preference shall be based on the amount of that portion of the bid which is subject to sales tax. This is intended to provide preference in the award of certain City contracts in order to encourage businesses to move into the City.

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

1.4 CONSEQUENCE OF SUBMISSION OF PROPOSAL

- A. The City shall not be obligated to respond to any proposal submitted nor be legally bound in any manner by the submission of a proposal.
- B. Acceptance by the City of a proposal obligates the proponent to enter into an agreement with the City.
- C. An agreement shall not be binding or valid against the City unless or until it is executed by the City and the proponent.
- D. Statistical information contained in these documents is for informational purposes only. The City shall not be responsible for the accuracy of said data. City reserves the right to increase or decrease the project scope.

1.5 ACCEPTANCE OR REJECTION OF PROPOSAL

The City reserves the right to select the successful proposal and negotiate an agreement as to the scope of services, the schedule for performance and duration of the services with proponent(s) whose proposal(s) is/are most responsive to the needs of the City. Further, the City reserves the right to reject any and all proposals, or alternate proposals, or waive any informality or irregularity in the proposal as is in the City's best interest.

The City reserves the right to reject any and all proposals, or portions thereof, received in response to the Request or to negotiate separately with any source whatsoever, in any manner necessary, to serve the best interests of the City. Additionally, the City may, for any reason, decide not to award an agreement(s) as a result of this Request.

Non-acceptance of any proposal shall not imply that the proposal was deficient. Rather, non-acceptance of any proposal will mean that another proposal was deemed to be more advantageous to the City or that the City decided not to award an agreement as a result of this Request.

1.6 RIGHT TO CHANGE OR AMEND REQUEST

The City reserves the right to change the terms and conditions of this Request. The City will notify potential proponent(s) of any material changes by posting on the City's website. No one is authorized to amend any of the Request requirements in any respect, by an oral statement, or to make any representation or interpretation in conflict with their provisions. If necessary, supplementary information and/or clarifications/questions/answers will be posted on the City's website @ <http://www.stocktongov.com/business/bidflash.cfm> . Failure of any proponent to not

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

have received such information and/or clarifications/questions/answers shall not relieve such proponent from any obligation under his/her proposal as submitted.

Any exceptions to this Proposal shall be clearly stated in writing.

1.7 CANCELLATION

The City reserves the right to rescind award of the contract at any time before execution of the contract by both parties if rescission is deemed to be in City's best interest. In no event shall City have any liability for the rescission of award. The proponent assumes the sole risk and responsibility for all expenses connected with the preparation of its proposal.

1.8 EXAMINATION OF PROPOSAL MATERIALS

The submission of a proposal shall be deemed a representation and warranty by the proponent that it has investigated all aspects of the Request, that it is aware of the applicable facts pertaining to the Request process and its procedures and requirements, and that it has read and understands the Request. No request for modification of the provisions of the proposal shall be considered after its submission on the grounds the proponent was not fully informed as to any fact or condition. Statistical information which may be contained in the Request or any addendum is for informational purposes only. The City disclaims any responsibility for this information which may subsequently be determined to be incomplete or inaccurate.

1.9 ADDENDA AND INTERPRETATION

The City will not be responsible for, nor be bound by, any oral instructions, interpretations, or explanations issued by the City or its representatives. Any request for clarifications/questions/answers of this Request shall be made in writing/e-mail and deliverable to:

CITY OF STOCKTON
ATTN: STEPHANIE CHAIN
HUMAN RESOURCES
22 E. WEBER AVENUE, SUITE 150
STOCKTON, CA 95202-1997
Stephanie.Chain@ci.stockton.ca.us

CITY OF STOCKTON
ATTN: DIANNE SAMPLES
PURCHASING DIVISION
425 NORTH EL DORADO STREET
STOCKTON, CA 95202-1997
Dianne.Samples@ci.stockton.ca.us

Such request for clarifications/questions/answers shall be delivered to the City at least ten (10) calendar days prior to the date for receipt of proposals. Any City response to a request for clarifications/questions/answers will be posted on the City's website at <http://www.stocktongov.com/business/bidflash.cfm> (not later than five (5) calendar days prior to the due date), and will become a part of the Request. The proponent should await responses to inquires prior to submitting a proposal.

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

1.10 DISQUALIFICATION

Any of the following may be considered cause to disqualify a proponent without further consideration:

- A. Evidence of collusion among proponents;
- B. Any attempt to improperly influence any member of the evaluation panel;
- C. A proponent's default in any operation of a professional services agreement which resulted in termination of that agreement; and/or
- D. Existence of any lawsuit, unresolved contractual claim, or dispute between proponent and the City.

1.11 INFORMAL PROPOSAL REJECTED

A proposal shall be prepared and submitted in accordance with the provisions of these Request instructions and specifications. Any alteration, omission, addition, variance, or limitation of, from, or to a proposal may be sufficient grounds for rejection of the proposal. The City has the right to waive any defects in a proposal if the City chooses to do so. The City may not accept a proposal if any document or item necessary for the proper evaluation of the proposal is incomplete, improperly executed, indefinite, ambiguous, or missing.

1.12 CONDITIONS TO BE ACCEPTED IF ANY WORK IS SUBCONTRACTED

- A. The proponent assumes full responsibility, including insurance and bonding requirements, for the quality and quantity of all work performed.
- B. If proponent's supplier(s) and/or subcontractor's involvement requires the use of a licensed, patented, or proprietary process, the proponent of the process is responsible for assuring that the subcontractor, supplier, and/or operator have been properly authorized to use the process or for providing another process which is comparable to that which is required prior to submission of a proposal.

1.13 LICENSING REQUIREMENTS

Any professional certifications or licenses that may be required will be the sole cost and responsibility of the successful proponent.

A City of Stockton Business license may be required for this project. Please contact the City of Stockton Business License Division at (209) 937-8313.

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

1.14 INSURANCE REQUIREMENTS

Proponent, at proponent's sole cost and expense and for the full term of the resultant agreement or any extension, shall obtain and maintain at least all of the insurance requirements listed in Exhibit A.

All policies, endorsements, and certificates shall be subject to approval by the Risk Manager of the City of Stockton as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the Risk Manager. Proponent agrees to provide City with a copy of said policies, certificates, and/or endorsements.

The proponent shall satisfy these insurance requirements concurrently with the signing of the contract prior to commencement of work. Please contact City of Stockton Risk Management at (209) 937-8682.

All coverage shall be provided by a carrier authorized to transact business in California and shall be primary.

1.15 HOLD HARMLESS DEFENSE CLAUSE

The contractor shall indemnify, defend, and save harmless the City against all loss, cost, or damage on account of any injury to persons or property, including employees or property of the City, contractor or third parties, occurring in the performance of the contract.

1.16 APPLICABLE LAW

This agreement shall be governed by the laws of the State of California. Venue shall be proper in the Superior Court of the State of California, county of San Joaquin, Stockton Branch, or, for actions brought in Federal Court, the United States District Court for the Eastern District of California, Sacramento Division.

1.17 METHOD OF PAYMENT

Payment will be made within thirty (30) days after invoices are received and accepted by the Human Resources Director. Invoices are to be rendered monthly.

1.18 NOTICE TO OUT-OF-STATE VENDOR

Do not charge any sales or use tax on this purchase. The City of Stockton will pay all applicable sales/use tax directly to the State of California for this purchase.

It is the policy of the City of Stockton to pay all applicable California sales/use tax directly to the State Board of Equalization (BOE) pursuant to California Revenue and

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

Taxation Code 7051.3. The City of Stockton will self-accrue all sales/use tax on purchases made from out-of-state vendors.

Sales and use tax on purchases made by the City of Stockton from all companies located outside California and whose products are shipped from out of state will be remitted to the BOE directly by the City under permit number **SR KHE 28-051174 DP**. **Please do not include sales/use tax on the invoice that you submit to the City of Stockton.**

Questions regarding the City of Stockton's payment of sales/use tax can be directed to Janet Salvetti at (209) 937-8360.

1.19 TERM

The proposed agreement will be for a five (5) year term. If mutually agreeable the agreement may be extended for an additional five years (In 1 year or 2 year increments) for an additional 5 years not to exceed a maximum combined term of 10 years.

1.20 COMPETITIVE PRICING

Proponent warrants and agrees that each of the charges, economic or product terms or warranties granted pursuant to this Contract are comparable to or better than the equivalent charge, economic or product term or warranty being offered to any similarly situated commercial or other government customer of proponent. If proponent enters into any arrangements with another customer of proponent to provide product under more favorable charges, economic or product terms or warranties, proponent shall immediately notify CITY of such change and this Contract shall be deemed amended to incorporate the most favorable charges, economic or product terms or warranties.

1.21 FUNDING

Any contract which results from this Request will terminate without penalty at the end of the fiscal year in the event funds are not appropriated for the next fiscal year. If funds are appropriated for a portion of the fiscal year, this contract will terminate without penalty, at the end of the term for which funds are appropriated.

1.22 UNCONDITIONAL TERMINATION FOR CONVENIENCE

The City may terminate the resultant agreement for convenience by providing sixty (60) calendar day advance notice unless otherwise stated in writing.

1.23 AUDITING OF CHARGES AND SERVICES

The City reserves the right to periodically audit all charges and services made by the successful proponent to the City for services provided under the contract. Upon

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

request, the proponent agrees to furnish the City with necessary information and assistance.

1.24 PROPOSAL SECURITY

Every proposal offered shall be accompanied by cash or other acceptable financial instrument in favor of and payable to the City of Stockton for an amount not less than **\$2,000.00** or a proponent's bond executed by a surety authorized by the Insurance Commissioner to transact business of insurance in the State of California, made out in favor of the CITY OF STOCKTON for an amount not less than **\$2,000.00** and no proposal shall be considered unless accompanied by such check or proponent's bond.

If proponent elects to accompany their proposal with a proponent's bond, then said bond shall state on its face that, "in the event the person, firm, or corporation is awarded the contract and the said proponent shall fail, neglect, or refuse to enter into a contract to said equipment or materials, then the amount therein mentioned in the proponent's bond accompanying the proposal of said person, firm, or corporation shall be declared to be forfeited to the City."

In the event that the person, firm, or corporation to whom said contract may be awarded fails, neglects, or refuses to enter into contract to furnish said equipment or materials, as hereinbefore provided within thirty (30) days of award, then the cash, cashier's check, or certified check and the amount therein mentioned, accompanying the proposal of said person, firm, or corporation, shall be declared to be forfeited to said City; or, if non-complying proponent has accompanied their proposal with a proponent's bond, appropriate legal action to collect the proponent's bond shall be undertaken.

1.25 CONTRACT BONDS

The successful proponent will be required to furnish the City of Stockton with a Faithful Performance Bond in the amount of **\$2,000.00** and shall be furnished concurrently with the signing of the contract.

The surety which provides the bond(s) must be authorized by the Insurance Commissioner to transact business of insurance in the State of California.

Said bonds shall be executed by the surety and contractor concurrently with the signing of the contract. The form and content of said bonds must be approved by the appropriate City departments.

All alterations, extension of time, extra and additional work, and other changes authorized by these specifications or any part of the contract shall be made without securing the consent of the surety or sureties on the contract bonds.

REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)

1.26 **CHANGES**

The City's Representative has the authority to review and recommend or reject change orders and cost proposals submitted by the proponent or as recommended by the proponent's project manager, pursuant to the adopted City of Stockton Standard Specifications.

1.27 **AWARD**

Upon conclusion of the Request process, a contract may be awarded for Workers' Compensation Third Party Administrator for the City of Stockton.

The City reserves the right to select the successful proponent and to negotiate terms of a contract with the proponent(s) whose proposal(s) is/are most responsive to the needs of the City. Further, the City reserves the right to reject any and all proposals, or alternate proposals, or waive any informality in the proposal as is in the City's best interest.

1.28 **PRODUCT OWNERSHIP**

Any documents, products or systems resulting from the contract will be the property of the City of Stockton.

1.29 **CONFIDENTIALITY**

If proponent believes that portions of a proposal constitute trade secrets or confidential commercial, financial, geological, or geophysical data, then the proponent must so specify by, at a minimum, stamping in bold red letters the term "**CONFIDENTIAL**" on that part of the proposal which the proponent believes to be protected from disclosure. The proponent must submit in writing specific detailed reasons, including any relevant legal authority, stating why the proponent believes the material to be confidential or a trade secret. Vague and general claims as to confidentiality will not be accepted. The City will be the sole judge as to whether a claim is general and/or vague in nature. All offers and parts of offers that are not marked as confidential may be automatically considered public information after the contract is awarded. **The proponent is hereby put on notice that the City may consider all or parts of the offer public information under applicable law even though marked confidential.**

1.30 **OTHER GOVERNMENTAL AGENCIES**

If mutually agreeable to all parties, the use of any resultant contract/purchase order may be extended to other political subdivisions, municipalities, or tax supported agencies.

Such participating governmental bodies shall make purchases in their own name, make payment directly to successful bidder and be liable directly to the successful bidder, holding the City of Stockton harmless.

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

2.0 GENERAL NATURE OF SERVICES

2.1 BACKGROUND AND PURPOSE

The City of Stockton wishes to consider proposals to enter into an Agreement with a qualified Third Party Administrator (TPA) to manage and provide administration of the City's self-insured Workers' Compensation Program which will include new and existing claims.

The City of Stockton, California (population 279,513) is located in San Joaquin County. Stockton is a full service City providing, Police, Fire and Public Workers services. The City employs approximately 1603 full-time employees and 300+ part-time and seasonal employees. Full-time employees are members of the Public Employees' Retirement system (PERS).

Employees include 404 sworn Police, 246 sworn Fire, 240 Trades and Maintenance, and 713 Clerical, Professional and Managerial employees. Most employees are represented by seven (7) bargaining units. Total payroll (salaries) for the 2007-08 fiscal year was approximately \$140,862,757 million.

The City has been permissibly self-insured for Workers' Compensation since January 1, 1979, under State of California Certificate Number 4-7147-45-063. The City purchases excess insurance coverage for its Workers' Compensation claims, maintaining a self-insured retention level of \$500,000.

Since September 1999, the City's Workers' Compensation Program has been administered by Gregory B. Bragg and Associates, Stockton, California.

Over the past five (5) years, the number of new claims has averaged 344 per year. Approximately ten percent (10%) are Medical-only claims, fifty-five percent (55%) are Indemnity claims and forty percent (40%) are future medical awards.

Claim expenditures are approximately \$6,000,000.00 per year. As of May 1, 2009, there were 783 open claims. See Attachment 2 for current statistics on program.

The City's Assistant Director of Human Resources is responsible for management of the Workers' Compensation Program. The City's Workers' Compensation Analyst coordinates day-to-day aspects of the Workers' Compensation Program with the TPA.

2.2 SCOPE OF SERVICES

The scope of claims administration services for the City of Stockton's self-insured Workers' Compensation Program would include, but would not be limited to, administering workers' compensation claims in accordance with State law and regulations and City policies and procedures; maintaining open and closed claim files;

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

stop loss reporting; subrogation recovery; utilization review and medical bill review/pricing program. The City is interested in obtaining a qualified TPA who will be able to provide, at a minimum, the following services.

2.3 PROGRAM DEVELOPMENT

- A. Consult with the City and assist in developing the necessary procedures and practices to implement and administer the City's self-insured program, including administering all open and closed Indemnity claims, Medical-only claims and First Aid claims.
- B. Transfer/convert/install historical claims data and transfer paper files from previous TPA.
- C. The TPA will follow the Records Retention Policy established and approved by the City. All files, records, transcripts, computer tapes including loss run data base files and other materials related to the management and administration of City's Worker's Compensation Program are the exclusive property of the City of Stockton and must be relinquished in good order and condition upon termination of the Agreement with the TPA. Files will be available for review by the City anytime during regular business hours.
- D. Maintain a master file of claims administration policies, practices and guidelines, and any other material needed to properly administer claims in accordance with applicable state law and City instructions.
- E. TPA will assign enough experienced claims examiners to ensure an average caseload of no more than 150 claims per examiner. Claims examiners must have five (5) years experience in adjusting, and must be certified by the State of California to administer a self-insured workers' compensation program. Claims staff must be dedicated (assigned solely to) City's account. City reserves the right to approve and disapprove all claims staff assigned to City's account. TPA agrees to provide claims examiners with a minimum of sixteen (16) hours per quarter of ongoing workers' compensation training in order to keep them abreast of recent industry trends and progressive claims handling practices.
- F. Coordinate all activity with the City's Workers' Compensation Analyst, to include regular file reviews and day-to-day information sharing.
- G. Provide City's Workers' Compensation Analyst with user connections (and software if applicable) on City's existing personal computer, to allow database inquiry access and e-mail capability to TPA's claim processing system.
- H. Conduct or assist in training as needed for City personnel involved directly or indirectly in the processing of industrial injury cases.

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

- I. City reserves the right to approve, disapprove, or select all service providers and vendors.
- J. Establish procedures and necessary documentation to provide for the payment of benefits, medical costs, legal fees, and other related costs to enable the TPA to issue checks to cover such expenditures.
- K. Periodically update all form letters used in connection with claim processing. The City of Stockton reserves the right to approve and disapprove all forms and form letters.

2.4 BASIC CLAIMS ADMINISTRATION

- A. Provide accurate, appropriate claims handling in a timely manner, according to agreed upon performance standards and state requirements.
- B. Provide information and guidance to City employees regarding Workers' Compensation benefits, problems, and other inquiries.
- C. Review and process all claims for workers' compensation benefits in accordance with the requirements of the Industrial Relations Department for reporting and notification, maintaining organized, comprehensive individual claim files.
- D. Determine the compensability of claimed injuries and illnesses in accordance with the State of California's Workers' Compensation Law and Regulations. Send all benefit notices to injured employees within mandatory time frames.
- E. Claims examiners must coordinate the Plan of Action on delayed claims with the City and provide advance notice and explanation for claims they are denying. Denied claims must be based on substantial and clearly documented evidence.
- F. Maintain diary system to review active claims at least every thirty (30) days, companion files twice per year and future medical files every ninety (90) days.
- G. Every file should contain a Plan of Action and the steps to accomplish it. The Plan of Action should be updated during each diary review. Files should be clearly documented, with claim notes reflecting ongoing file activity. All conversations and issues should be documented.
- H. Determine eligibility for and authorize payment of temporary disability compensation in coordination with medical advice and rehabilitation efforts.
- I. Monitor claims for exhaustion of City's Salary Continuation benefits and 4850 benefits.

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

- J. Claims examiner must promptly and accurately rate incoming medical reports, determine the degree of permanent disability, if any, of injured workers, and obtain rating from the Permanent Disability Rating Bureau.
- K. Settlement potential should be analyzed, including options and recommendations. Settlement authority form should be completed and approval should be obtained from City's Human Resources Department prior to being negotiated with claimant or their attorney.
- L. Prepare and submit authorization for settlement recommendations for approval by the City at the time D.O.R. is filed, and prior to finalizing settlement negotiations.
- M. Authorize the payment of permanent disability compensation and death benefits in accordance with D.E.U. ratings, orders of the Workers' Compensation Appeals Board, or settlements.
- N. All self-imposed penalties must be brought to the City's attention. Penalties incurred as a result of the failure of the TPA to comply with statutory laws and/or administrative regulations shall be the sole responsibility of the TPA.
- O. Procure any missing information immediately, by personal contact, telephone or correspondence.
- P. Files should be closed as soon as practical, and according to State Regulations.
- Q. Provide the City of Stockton with copies of all medical, legal, and rehabilitation correspondence/forms/records.
- R. Medical bill payments must be accurate. Medical bills must be paid within sixty (60) days so that penalties are not incurred. Errors should be identified and corrected (such as overpayments). Quality control procedures must exist to identify problems.
- S. There must be supporting documentation for all payments made in a claim file.
- T. A Claims Supervisor must audit/review twenty (20) files per week, and review all delayed claims once forty-five (45) days have passed.
- U. Claim files should be handled uniformly and consistently by all claims staff. Files should be maintained in an organized, labeled, neat manner. File material should be current, accurate and understandable. Work should be professional in appearance. Spelling and grammar in correspondence should be correct.

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

- V. Aggressively control fraud and pursue restitution in all fraud cases. The City shall be made notified of all claims involving potential fraud and initiation of fraud investigation activities.

2.5 CUSTOMER SERVICE

- A. Furnish a toll-free telephone number for incoming customer service calls.
- B. Within 24-hours after receipt of claim in TPA's office, claims examiner must contact injured employees who are incurring lost time or have a claim on delay, to introduce themselves and to explain the benefits available and the claim process. City of Stockton will be advised of any potential problems that arise from such contact with the employee.
- C. Regular telephone contact should be maintained with injured employee throughout the period of disability and whenever there is an upcoming benefit payment change (such as temporary disability to permanent disability, etc.)
- D. Provide professional, courteous, and timely responses to telephone, written or in-person inquiries, complaints and questions from all sources. Such inquiries may include claim payment or benefit related questions from parties with authorized access to information, such as injured employees, providers, legal counsel, the City of Stockton, etc.
- E. Survey injured employees annually on their satisfaction with the service and provide results to the City.

2.6 CLIENT COMMUNICATIONS

- A. Matters of significance must be called to the City's attention at the earliest appropriate time (i.e. disgruntled employees, system problems, large overpayments, etc.).
- B. Attend client meetings as requested by the City of Stockton. Administrator's travel expenses in connection with client meetings or other matters relating to claims processing shall be paid by the TPA.
- C. Promptly provide the City with copies of all medical, legal and rehabilitation records/correspondence/forms.
- D. Provide the City with continuing information on the progress of individual claims, pertinent information as it arises and activity on sensitive files.
- E. Promptly notify the City of any pending litigation and court dates.

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

- F. Provide the City with written information on changes or proposed changes in statutes, rules and regulations affecting the City's responsibility under a legally self-insured Workers' Compensation Program.

2.7 MEDICAL DIRECTION AND CONTROL

- A. Medical care should be properly managed and monitored. Monitor treatment programs for injured employees including review of all "Doctor's First Report of Work Injury/Illness," to ensure that treatment is related to compensable injury or illness.
- B. Maintain close liaison with treating physicians to ensure that employees receive proper care, avoiding over-treatment situations.
- C. Determine eligibility for and authorize payments of medical benefits and authorize examinations to determine the nature and extent of disability, when appropriate, subject to approval from the City.
- D. Initiate Utilization Review according to the City's criteria.
- E. Carefully review all incoming medical reports, including treating physician, qualified medical examiner, agreed medical examiner, etc. Identify work restrictions which may conflict with employee's ability to safely perform their job duties and bring restrictions to the City's attention immediately.
- F. Consult with the City and provide guidance/evaluation of the physical capabilities of injured employees to return to work.
- G. In select cases, recommend and coordinate medical case management utilizing the services of a registered nurse. Prior approval of assignments and vendors must be obtained from City.

2.8 MEDICAL BILL REVIEW/PRICING

Adjust and pay all medical expenses in accordance with the fee schedule promulgated and adopted by the Division of Workers' Compensation or by the City's cost containment firm that utilizes preferred provider organizations and/or hospital network providers, whichever is the lower cost of the two.

2.9 DIRECTION OF SPECIAL ISSUES

- A. Litigation: Files should reflect clear understanding of legal issues. Legal counsel should be used effectively. Refer litigated cases to attorneys, utilizing an agreed listing of legal firms. Assist in preparation of litigated cases. No outside referrals will be made without the approval of the City.

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

Attorneys should not perform work the claims examiners can perform. If administrator recommends a litigated case continue to be handled by claims examiner without the immediate assistance of an attorney, prior approval from City must be obtained. Claims examiners are expected to attend most conferences and trials, some depositions and all strategy meetings with defense counsel and City.

- B. Investigation: Prior approval for investigation and vendor must be obtained from City of Stockton before investigation referral is made. Questionable claims or claims involving potential fraud should be investigated and/or referred for investigation.
- C. Subrogation: Subrogation must be identified and pursued. This includes notice to the employee and the responsible third party; recovering costs for which a third party is liable; and coordinating the filing of actions by City's defense attorney within the statute of limitations.
- D. Excess Insurance: Work with the City's Excess Insurance carrier, reporting claims in accordance with policy requirements. Claims examiners should be aware of the self insured retention (S.I.R.) level; systems should exist that identify excess insurance claims; claims should be promptly reported; regular updates should be provided to excess insurance carriers; and recovery should be properly documented in the claim files.
- E. Rehabilitation: When medically appropriate, upon notice to the City and as required by law, direct rehabilitation programs for injured employees, utilizing vocational rehabilitation agencies to develop rehabilitation plan. City must approve all vendors and rehabilitation plans. Claims examiners must review rehabilitation counselor's work and monitor rehabilitation process. Vocational rehabilitation plans/modified work assignments should be coordinated with the City.

2.10 FINANCIAL SERVICES AND ANALYSIS

- A. Checking: Follow the banking requirements of the City, such as establishing, maintaining and reconciling an **interest-bearing checking account** with appropriate deposit and transfer procedures for the payment of claims; or if utilizing a City of Stockton checking account, provide monthly tape of financial transactions to coordinate with City's computer system, or make other claims payment arrangements which are acceptable to the City. The claims administrator will maintain check registers and provide a monthly check register to the City, along with a copy of all checks and vouchers.
- B. Accumulate data, prepare and mail **1099 forms** for all providers of service who are paid during the calendar year, as required by the Internal Revenue Code.

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

- C. Provide any required federal or state financial or tax reports.
- D. Reserve Adequacy and Accuracy: Reserves for each file should reflect the probable future liability of an injured employee's claim as required by Title 8, California Code of Regulation, Section 15300. Reserve calculations should be accurate and adjusted as facts change. Life medical claims should include calculations of (1) the life expectancy of the injured employee and (2) expected usage of future medical treatment. Keep breakdown of reserve worksheet calculations in claim file.
- E. Provide appropriate information, documentation and cooperation to State of California or City of Stockton Auditor when requested.
- F. Reconcile all claim file payments twice per year, and upon settlement and file closure. Proof of reconciliation should remain in claim file.
- G. Overpayments/Errors: Any overpayments/incorrect payments should be reported to the City immediately. Make diligent efforts to collect all overpayments or other incorrect payments.

2.11 ADMINISTRATIVE EXPENSES

The selected administrator will be expected to bear the cost of:

- A. Installing any necessary automated claims administration systems.
- B. Installing/converting historical data, including claim, payment and reserve information and transferring paper files from previous TPA.
- C. Transferring records and systems to the succeeding Administrator at the termination of the contract with no additional cost or fee required.
- D. Administrative fees should cover the cost of administrator's staff; all office space; storage space for closed files; supplies; forms/posters/pamphlets and brochures for injured employees as required by the State Labor Code and the Administrative Director; standard management reports; telephone expenses; postage; checks (if utilizing TPA's own checking account); computer hardware/software; transcription services (for claims' examiner correspondence); and other equipment/supplies necessary for claims handling.

2.12 MANAGEMENT REPORTS

- A. Provide all reasonable **reports/information** pertaining to the program, which may be required by City auditors, actuary, legal counsel or consultant and assist with the preparation and filing of any reports required by law. This will include, but is not limited to the following.

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

- Prepare State of California self-insurer's annual report in a timely manner.
- Provide a monthly check register/report of claim payments, and other claim data.
- Prepare monthly, fiscal year and calendar year statistical reports on open and closed claims with detail as requested by the City.
- Other specific claims data or special reports as requested by the City of Stockton.

2.13 INTERNAL CONTROLS

- A. Apply industry standard internal claim payment control systems/quality control procedures/security checks and balances necessary for the effective implementation of the plan program.
- B. Administrator must agree to maintain the security and confidentiality of all medical, financial and claim records.

2.14 ADDITIONAL REQUIREMENTS FOR CLAIMS ADMINISTRATION

Completion of **Questionnaire (Attachment 1)** in its entirety is a requirement of this Request for Proposal (RFP) and must be submitted in order for proposal to be considered responsive.

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

3.0 PROPOSAL GUIDELINES, CONTENT AND FORMAT

The City of Stockton uses a qualifications-based selection process in obtaining these services. In order for the City to properly evaluate the Proponents' qualification to perform this work, the proposals shall include, as a minimum, the following information:

- A. Evidence of the Proponent's ability to be responsive to this project in regard to timeliness and expertise, including availability of staff proposed to be assigned.
- B. The Proponents are encouraged to expand on the Scope of Work to demonstrate their expertise. Evaluation of the proposals will be based on qualifications, the experience of staff proposed to be assigned to the project, references and thoroughness of the proponent's response to the Scope of Services.
- C. Such additional information that the Proponent may feel would be pertinent to assist the City of Stockton in making its final decision.
- D. Please submit one (1) original and six (6) copies of your proposal/qualifications. One of the copies should be unbound to allow us to reproduce your proposal, as needed.

3.0.1 Cover Letter

Submit a letter on your company letterhead addressing the proposal and format. The letter should be signed by an officer of the firm authorized to bind the firm to all comments made in the proposal, and shall include the name, address, phone number and e-mail address of the person(s) to contact who will be authorized to represent your firm.

3.0.2 Minimum Experience Qualifications Summary

A statement of professional experience and ability.

3.0.3 Management/Method of Operation

Provide detailed description outlining your firm's approach to provide the service. Highlight innovative ideas your firm may have to provide to the City and describe in detail your procedures and management techniques.

3.0.4 References

Provide a list of references with current contact person, e-mail address and phone number who may be contacted regarding firm performance.

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

3.0.5 Corporate Structure, Organization

Describe how your firm is organized, noting major divisions and any parent/holding companies, as well as brief history of the firm and all personnel potentially to be involved in the project including all sub-consultants. Designate the Principal in Charge and other key personnel. Include résumés. Also provide a description of the experience your firm has had with similar processes.

3.0.6 Proposal Fee (Under Separate Cover)

Provide detailed basic fee structure and break-down of any other charges related to your firm's proposal. Finalist's fee structure may be subject to negotiation.

3.0.7 The proposal must be submitted, typewritten on 8½" X 11" white paper and must be bound in a secure manner.

3.0.8 Material and data not specifically requested for consideration, but which the proponent wishes to submit must not appear with the Proposal Form, but may appear only in an "Additional Data" section. This has specific reference to the following types of data:

Generalized narrative of supplementary information; and
Supplementary graphic material

3.0.9 All proposals must be signed with the full name of the proponent, if an individual; by an authorized general partner, if a partnership; or by an authorized officer, if a corporation.

3.0.10 When proposals are signed by an agent other than an officer of a corporation or a member of a general partnership, a power of attorney authorizing the signature must be submitted with the proposal.

3.0.11 If the proposal is submitted by a partnership or joint venture, the Statement of Personal History attached to the Proposal Form must be completed by each general partner or joint venture thereof. If the proposal is submitted by a corporation, the Statement must be completed by each principal officer of said corporation.

3.0.12 The original proposal must have wet ink signatures. Modification to a proposal after the proposal submittal deadline will not be accepted by the City.

3.1 EVALUATION PROCEDURE AND CRITERIA

The City is interested in selecting a qualified firm with the ability to provide Workers' Compensation Third Party Administration. A key component for the successful firm will be the ability to meet the City's performance desires while minimizing the cost.

A **Screening Committee**, consisting of City of Stockton staff, will review and evaluate all the proposals for accuracy, completeness, scope of work requirements and

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

established criteria. City staff may tour the facility location where third party administrator plans to handle City's account, to observe claim processing system, customer service practices and office facilities.

Those proposals that, at the discretion of the City's Screening Committee, best meet the criteria below and the needs of the City, will be invited for an Evaluation Interview to be conducted by the **Selection Committee**, consisting of City of Stockton staff designated by the City. The Selection Committee will evaluate selected proposals and conduct Evaluation Interviews.

Each firm must be represented by an individual who will be the prime contact person to the City and any other individuals whom the firm may select. The highest-rated proposal(s) will then be further scrutinized through financial analysis and reference checks.

To that end, the Panel will evaluate the proposals based on, but not limited to, the following criteria:

- Proponent's ability to provide all services as outlined in the Scope of Services;
- Demonstrated efficiency and accuracy in handling of claims and administrative functions.
- Innovative Customer Service techniques/systems.
- Related experience with similar projects, company background and personnel qualifications; Staffing and experience levels.
- Proponent's Fee Schedule: completed and signed (under separate sealed cover);
- Proponent's Agreement;
- Non-Collusion Affidavit;
- Modern and effective automated systems.
- The detailed Transition Plan for the assumption of claims administration.
- Organization stability (company background).
- Facilities and convenience of location.
- Questionnaire

**REQUEST FOR PROPOSALS (RFP)
FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
(PUR 09-059)**

- High quality references from public entities, particularly full service municipalities and established record of consistent professional service and reputation within the industry.
- Any other criteria as best suits the City of Stockton.

3.2 PROPOSED DEVELOPMENT COSTS

The cost of preparing and submitting a proposal is the sole responsibility of the proponent and shall not be chargeable in any manner to the City of Stockton.

3.3 PROPONENT CONTACT

Proponent shall provide the name, address, e-mail address and telephone number of an individual in their organization to whom notices and inquiries by the City should be directed as part of this proposal.

3.4 CITY'S USE OF PROPOSAL MATERIAL

All material submitted in or with the proposal shall become the property of the City, unless it is clearly marked as proprietary information. The City reserves the right to use any ideas presented in the proposals, without compensation paid to the Firm. Selection or rejection of the proposal shall not affect this right.

3.5 REJECTION OF PROPOSAL

The City reserves the right to reject any and all proposals submitted and to request additional information from the Proponent. The award will be made to the firm which, in the opinion of the City, is best qualified.

PROPONENT'S FEE SCHEDULE
(SUBMIT UNDER SEPARATE SEALED COVER WITH PROPOSAL)

Please provide your proposed fee(s) schedule below. Please note:

The City of Stockton's current Third Party Administrator currently performs workers' compensation **medical bill review/pricing** (\$8.89 fee per bill reviewed plus a 20% fee on savings of PPO agreement which is lower than State Rate), so **do not include a charge for this service** in your Basic Fees below (Item A). However, if you do offer this service internally or via a subsidiary or affiliate, please specify price under Item B below. The City may elect to add this service during the course of the Contract.

The City of Stockton will pay Workers' Compensation Excess Insurance carrier directly for excess insurance coverage. **Do not include these premiums in your fees.**

A. Basic fees for First Year of Agreement

Monthly cost for claims program administration for first year of contract: \$ _____

B. Additional Fees for Service and Reports not included In Basic Fees:

If you charge separately for any services such as Case Management, or special reports outside the scope of your basic management reports, please list below:

1. Workers' Comp medical bill review/pricing through your internal program, subsidiary or affiliate (estimate 8,500 to 9,000 medical bills per year).....\$ _____
2. _____.....\$ _____
3. _____.....\$ _____
4. _____.....\$ _____

C. One-time Transition/Set-Up/Implementation Charges.....\$ _____

Please list additional charge associated with set-up, Transition, the assumption of "run-in" claim processing, and implementation by September 1, 2009.

D. Price adjustments through the term of the contract, including mutually agreed extensions, for Item A above (Basic Fees): Annual Increase not to exceed ___% (insert percentage) for each succeeding year, or maximum of 100% of the published Consumer Price Index annual increase, whichever is less (published reference American City and County Municipal Cost Index).

PROPONENT'S AGREEMENT

In submitting this proposal, as herein described, the proponent agrees that:

1. They have carefully examined the Scope of Work and all other provisions of this document and understand the meaning, intent and requirements of same.
2. They will enter into contract negotiations and furnish the services specified.
3. They have signed and notarized the attached non-collusion affidavit form, whether individual, corporate or partnership. Must be 'A Jurat' notarization.
4. They have reviewed all clarifications/questions/answers on the City's website at <http://www.stocktongov.com/business/bidflash.cfm> .
5. Confidentiality: Successful Proponent hereby acknowledges that information provided by the City of Stockton is personal and confidential and shall not be used for any purpose other than the original intent outlined in the Request for Proposal. Breach of confidentiality shall be just cause for immediate termination of contract agreement.

FIRM

ADDRESS

SIGNED BY

TITLE OR AGENCY

TELEPHONE NO./FAX NO.

DATE

E-MAIL ADDRESS

NON-COLLUSION

AFFIDAVIT FOR INDIVIDUAL PROPONENT

No. 1

STATE OF CALIFORNIA, _____)ss.

County of _____
(insert)

_____ being first duly sworn, deposes and says: That on behalf of any person not named herein; that said Bidder has not colluded, conspired, connived or agreed, directly or indirectly with, or induced or solicited any other bid or person, firm or corporation to put in a sham bid, or that such other person, firm or corporation shall or should refrain from bidding; and has not in any manner sought by collusion to secure to themselves any advantage over or against the City, or any person interested in said improvement, or over any other Bidder.

(Signature Individual Bidder)

Subscribed and sworn to (or affirmed) before me on this _____ day of _____, 20_____
by _____, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Seal _____

Signature _____

No. 2 AFFIDAVIT FOR CORPORATION PROPONENT

STATE OF CALIFORNIA, _____)ss.

County of _____
(insert)

_____ being first duly sworn, deposes and says: That they are the _____ of _____ a corporation, which corporation is the party making the foregoing bid, that such bid is genuine and not sham or collusive, or made in the interest or behalf of any person not named herein; that said Bidder has not colluded, conspired, connived or agreed, directly or indirectly with, or induced or solicited any other bid or person, firm or corporation to put in a sham bid, or that such other person, firm or corporation shall or should refrain from bidding; and has not in any manner sought by collusion to secure to themselves any advantage over or against the City, or any person interested in said improvement, or over any other Bidder.

(Signature Corporation Bidder)

Subscribed and sworn to (or affirmed) before me on this _____ day of _____, 20_____
by _____, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Seal _____

Signature _____

No. 3 AFFIDAVIT FOR FIRM, ASSOCIATION, OR CO-PARTNERSHIP

STATE OF CALIFORNIA, _____)ss.

County of _____
(insert)

_____,
each being first duly sworn, depose and say: That they are a member of the firm, association or co-partnership,
designated as _____ who is the party making the foregoing bid; that the other partner, or partners, are _____ that such bid is genuine and not sham or collusive, or made in the interest or behalf of any person not named herein; that said Bidder has not colluded, conspired, connived or agreed, directly or indirectly with, or induced or solicited any other bid or person, firm or corporation shall or should refrain from proposing; and has not in any manner sought by collusion to secure to themselves any advantage over or against the City, or any person interested in said improvement, or over any other Bidder.

(Signature)

(Signature)

Subscribed and sworn to (or affirmed) before me on this _____ day of _____, 20_____
by _____, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Seal _____

Signature _____

INSURANCE REQUIREMENTS

1. **INSURANCE** Throughout the life of this Contract, the Consultant shall pay for and maintain in full force and effect with an insurance company(s) (Company) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than “A: VII” in Best Insurance Key Rating Guide, the following policies of insurance:
 - A. **COMMERCIAL OR COMPREHENSIVE GENERAL LIABILITY** insurance which shall include Contractual Liability, Products and Completed Operations coverages, Bodily Injury and Property Damage (including Fire Legal Liability) Liability insurance with combined single limits of not less than \$2,000,000 per occurrence, and if written on an Aggregate basis, \$4,000,000 Aggregate limit (CG 0001).
 - B. **COMMERCIAL (BUSINESS) AUTOMOBILE LIABILITY** insurance, endorsed for “any auto” with combined single limits of liability of not less than \$1,000,000 each occurrence. (CA 0001)
 - C. **WORKERS’ COMPENSATION** Insurance as required under the California Labor Code, and **Employers Liability Insurance** with limits not less than \$1,000,000 per accident/injury/disease.
 - D. **PROFESSIONAL ERRORS AND OMISSIONS**, Not less than \$1,000,000 per Claim./\$2,000,000 Aggregate. (5 yr discovery and reporting tail period coverage). Certificate of Insurance only required.

Deductibles and Self-Insured Retention

Deductibles and Self-Insured Retentions must be declared and are subject to approval by the CITY.

Other Insurance Provisions

The Policy (s) shall also provide the following:

2. The Commercial General Liability and Automobile Liability insurance shall be written on ISO approved occurrence form (see item 1 and 2 above) and endorsed to name: “City of Stockton (CITY), its Mayor, Council, officers, representatives, agents, employees and volunteers are additional insureds”. The City requires Additional Insured form: ISO Endorsement CG 20 10 11 85 (or equal).
3. For any claims related to this project, the Consultant’s insurance coverage shall be primary insurance as respects the City of Stockton, its Mayor, Council, officers, representative, agents, employees and volunteers. Any coverage maintained by the CITY shall be excess of the Consultant’s insurance and shall not contribute with it. Policy shall waive right of recovery (waiver of subrogation) against the CITY.

4. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days' prior to written notice by certified mail, return receipt requested, has been given to the CITY. Further, the thirty (30) day notice shall be unrestricted, except for workers' compensation, which shall permit ten (10) days advance notice. The Insurer shall provide the CITY with notification of any cancellation, major change, modification or reduction in coverage.
5. Regardless of these contract minimum insurance requirements, the Consultant and its insurer shall agree to commit the Consultant's full policy limits and these minimum requirements shall not restrict the Consultant's liability or coverage limit obligations.
6. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the California Civil Code.
7. The Company shall furnish the City of Stockton with the Certificates and Endorsements for all required insurance, prior to the CITY's, execution of the Agreement and start of work.
8. Proper Address for Mailing Certificates, Endorsements and Notices shall be: City of Stockton, Attn: Risk Services 425 N. El Dorado Stockton, CA 95202
9. Upon notification of receipt by the City of a Notice of Cancellation, major change, modification, or reduction in coverage, the Contractor shall immediately file with the City a certified copy of the required new or renewal policy and certificates for such policy.

Any variation from the above contract requirements shall only be considered by and be subject to approval by the City's Risk Services (209) 937-8629. Our Fax is (209) 937-8833.

If at any time during the life of the Contract or any extension, the Consultant fails to maintain the required insurance in full force and effect, all work under the Contract shall be discontinued immediately, and all payments due or that may become due to the Consultant shall be withheld until acceptable replacement coverage notice is received by the City. Any failure to maintain the required insurance shall be sufficient cause for the City to terminate this Contract. In the event of insurance cancellation, the City reserves the right to purchase insurance or insure (or self-insure) for the above required coverages, at the Consultant's full expense.

If the Consultant should subcontract all or any portion of the work to be performed in this contract, the Consultant shall cover the Sub-consultant, and/or require each Sub-consultant to adhere to all subparagraphs of these Insurance Requirements section. Similarly, any Cancellation, Lapse, Reduction in Coverage, or Change of Subcontractors insurance shall have the same impact as described above.

2. **INDEMNIFICATION**

(Design Professional) agrees to indemnify, including the cost to defend, CITY OF STOCKTON, and its officers, agents and employees from any and all claims, demands, costs or liability that arise out of, or pertain to, or relate to the negligence, recklessness, or willful misconduct of (Design Professional) and its agents in the performance of services under this contract, but this indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, arising from the sole negligence, willful misconduct or defects in design by the CITY OF STOCKTON or the agents, servants, or independent contractors who are directly responsible to the CITY OF STOCKTON, or arising from the active negligence of the CITY OF STOCKTON.

INSURED:

POLICY NUMBER: COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

**ADDITIONAL INSURED- -OWNERS, LESSEES
OR CONTRACTORS (FORM B)**

This endorsement modifies insurance provided under the following
COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Name of Person or Organization:

CITY OF STOCKTON
425 N. El Dorado Street
Stockton, CA 95202-1997

(if no entry appears above, information required to complete this
endorsement will be shown in the Declarations as applicable to this
endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured
the person or organization shown in the Schedule, but only with respect to
liability arising out of "your work" for that insured by or for you.