



AUDIT COMMITTEE MEETING

POST-SOLICITATION BRIEFING FOR THIRD PARTY ADMINISTRATION FOR WORKERS' COMPENSATION

September 20, 2016

**Debra Ojo, MPA
Assistant Director
Finance**

Solicitation Overview



Originating Department: Finance



Solicitation Type: Request for Proposal (RFP)



High Profile Designation: Contract value exceeds \$1M



Estimated Value: \$1.12M annually / \$5.6M total



Current Contract Status: Expires December 31, 2016



Proposed Term: 3 years, 2 one-year extensions

Project Timeline

Pre-Solicitation

Audit Committee Pre Solicitation Briefing:

- May 31, 2016

Release RFP:

- June 10, 2016

Solicitation

Pre-Submittal Conference:

- June 22, 2016

Deadline for Questions:

- June 24, 2016

RFP Due:

- July 13, 2016

Post – Solicitation

Evaluation Complete:

- August 25, 2016

Contract Negotiated:

- September 2016

Audit Committee Post Solicitation Briefing:

- September 20, 2016

Finalization

City Council Consideration:

- October 6, 2016

Contract Start Date:

- January 1, 2017

Project Scope

Claims Management

- Responsible for the investigating, adjusting and payment of City's workers' compensation claims

Medical Cost Containment

- Provide medical cost containment (bill review, utilization review, peer reviews) and related services

Pharmacy Benefit Management

- Audit and pay pharmacy bills in accordance with Texas Department of Insurance fee guidelines
- Negotiates special pharmacy discounts

Risk Management Information System

- Provide claims platform for the City's internal general liability claims handling

Solicitation Requirements



Evaluation Criteria

- Experience, Background, Qualifications: 30 Points
- Proposed Plan: 35 Points
- Pricing: 15 Points
- SBEDA: 5 Points
- Local Preference Program: 10 Points
- Veteran Owned Small Business Program: 5 Points



Additional Requirements

- SBEDA Subcontracting Requirements: 12% M/WBE
- Audited Financial Statements: Not Required

Project Evaluation Committee Members

| Voting Members | Advisory Members |
|--|--|
| Ben Gorzell, CPA, Chief Financial Officer | Ella Anaya, Claims Manager |
| Troy Elliott, CPA, Deputy Chief Financial Officer | Lauren O'Connor, Assistant City Attorney |
| Debra Ojo, MPA, Assistant Finance Director | |
| Wanda Heard, MBA, Assistant HR Director | |
| Steven Baum, Assistant Director, Police Department | |
| Noel Horan, Assistant to Director, Fire Department | |

Score Matrix

| RFP for Self-Insured Workers Compensation TPA (RFP 16-015) - Part-Time Account Representative Score Summary | Maximum Points | Vendor A | Vendor B |
|---|-----------------------|-----------------|-----------------|
| A - Experience, Background, Qualifications | 30 | 25.83 | 23.83 |
| B - Proposed Plan | 35 | 31.33 | 21.83 |
| C - Pricing Schedule | 15 | 14.65 | 15.00 |
| D - SBEDA Program | 5 | 0.00 | 5.00 |
| E - Local Preference Program | 10 | 0.00 | 0.00 |
| F - Veteran-Owned Small Business Preference Program | 5 | 0.00 | 0.00 |
| TOTAL SCORE | 100 | 71.81 | 65.66 |
| RANK BASED ON TOTAL SCORE | | 1 | 2 |



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**Troy Elliott, CPA
Deputy Chief Financial Officer
and
Kevin Barthold
City Auditor**

Procurement Overview - Due Diligence

FINANCE

| | |
|--|---|
| Number of vendors notified: | 247 |
| Number of vendors at pre-submittal conference: | 18 |
| Number of responses received: | 5 |
| Results of Minimum Requirements Review | 3 Respondents disqualified due to not meeting subcontracting requirements |
| Results of Due Diligence Review | No Findings |
| Respondent Background Check | No Findings |
| Financial Statement Review | No Findings |
| References, Proof of Insurability Review and Litigation Disclosure | No Findings |
| Contracts Disclosure Form | No Findings |

CITY AUDITOR

City Auditor Briefing on Due Diligence Review



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