



Judicial Council of California
ADMINISTRATIVE OFFICE OF THE COURTS

FINANCE DIVISION

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TO: POTENTIAL BIDDERS

FROM: Administrative Office of the Courts (“AOC”), Finance Division for Human Resources Division

ISSUE DATE: November 3, 2005

SUBJECT/PURPOSE OF MEMO: REQUEST FOR PROPOSALS: Propose Workers’ Compensation claims administration services for the State of California’s judicial branch

ACTION REQUIRED: You are invited to review and respond to the attached Request for Proposals (“RFP”):
Project Title: Workers’ Compensation TPA Program Consolidation
RFP Number: HR 0502

DUE DATE FOR SUBMISSION OF QUESTIONS: Prior to submittal of proposals, questions may be submitted in writing no later than:
1:00 p.m. on November 22, 2005

SUBMISSION OF QUESTIONS: Questions are to be submitted to the following email address:
solicitations@jud.ca.gov

PROPOSAL DUE DATE AND TIME: Proposals must be received by:
1:00 p.m. on December 9, 2005

SUBMISSION OF PROPOSAL: Proposals must be submitted to:
Judicial Council of California,
Administrative Office of the Courts
Attn: Nadine McFadden
455 Golden Gate Avenue, 7th Floor
San Francisco, CA 94102



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**SECTION I
INTRODUCTION**

1.1 BACKGROUND

This Request for Proposals (RFP) is for a consolidated workers' compensation program of Judicial Branch Workers' Compensation Program (JBWCP) that will combine the two separate programs currently in existence for the judicial branch of the state of California. The two programs are: (1) the Judiciary Program (Judiciary) which includes the State Supreme Court and the six Courts of Appeal, Commission on Judicial Performance, Habeas Corpus Resource Center, Judicial Library, the Judicial Council of California, Administrative Office of the Courts, and trial court judges; and (2) the Trial Court Workers' Compensation program (TCWCP) which includes the employees and subordinate judicial officers of fifty-four active trial courts and the potential for an additional four trial courts, including Los Angeles, Mono, Inyo, and Yuba, which are not part of the program at this time, and any runoff claims that may exist with the respective counties with injury dates of 1/1/01 to the date of inception into the TCWCP, as follows:

- The date of inception into TCWCP was 1/1/03 for the following trial courts: Alpine, Amador, Del Norte, Lake, Mariposa, Riverside, and San Bernardino.
- The date of inception into TCWCP was 7/1/03 for the following trial courts: Alameda, Butte, Calaveras, Colusa, Contra Costa, El Dorado, Fresno, Humboldt, Imperial, Kings, Lassen, Madera, Marin, Mendocino, Merced, Modoc, Monterey, Napa, Nevada, Orange, Placer, Sacramento, San Benito, San Francisco, San Joaquin, San Mateo, Santa Barbara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, and Ventura.
- The date of inception into TCWCP was 7/1/04 for the following trial courts: Kern, Plumas, San Diego, San Luis Obispo, Santa Clara, and Yolo.
- The date of inception into TCWCP was 7/1/05 for the following trial court: Glenn.

The current third party administrator (TPA) for the Judiciary is JT² Integrated Resources (JT2) and the current TPA for the TCWCP is Tristar Risk Management (Tristar). For JT2's summary of claims as of 9/30/05, reference Appendix B, Claims Summary By Year; for Tristar's summary of claims as of 9/30/05, reference both Appendix C, Custom Claim Summary JBWCP Open Claims, and Appendix D, Custom Claim Summary JBWCP Closed Claims. Various TPAs have been used by the counties: these are identified in Appendix E, Workers' Compensation Claims TPAs for California Counties. Note that the following eight



counties have been transferred to Tristar as of this RFP: Alameda, Contra Costa, Marin, San Diego, Santa Clara, Santa Cruz, San Luis Obispo, and Ventura.

For the purpose of this RFP, the term “trial court” is used synonymously with “superior court.”

1.1.1 Trial Courts

AB433 and SB2140 legislation merged the municipal courts and superior courts of California into one Superior Court system. The Superior Court system in California is comprised of fifty-eight trial courts, one in each county, with from one to fifty branches, located throughout the state. Trial courts provide a forum for resolution of criminal and civil cases under state and local laws.

Trial courts have been insured or self-insured for workers’ compensation alone or as a part of a master program with their respective counties in which they are located. The legislation establishes the trial courts as separate public entities from the counties and requires the AOC to develop a workers’ compensation alternative for the trial courts. There are approximately 19,958 employees in the California trial courts. The trial courts range in size from six to more than 5,300 employees (full-time equivalent (FTE) basis). Appendix A, California Judicial Officers and Court Employees, provides a list of the trial courts and their FTE for your information.

1.1.2 Judiciary

Members of the Judiciary program are primarily located in San Francisco with the exception of the trial court judges who reside in their respective courts and the Second through Sixth Appellate Districts of the Courts of Appeal who are located in respective order in Los Angeles, Sacramento, San Diego, Riverside, Santa Ana, Fresno, and San Jose. The First Appellate District is in San Francisco. The Judiciary provides coverage for approximately 1,600 judicial branch employees, 111 justices, and approximately 1,500 trial court judges. In addition, the AOC maintains three regional offices in San Francisco, Sacramento, and Burbank. Judiciary program claims, prior to JT2, was adjusted by the State Compensation Insurance Fund (SCIF).

1.2 PURPOSE OF REQUEST FOR PROPOSALS

The goal of this RFP is to secure one vendor to serve as a third-party administrator (TPA) for the entire Judicial Branch Workers’ Compensation Program (JBWCP). The JBWCP will consolidate both the TCWCP and Judiciary program into one joint program. The JBWCP may consist of as many as 58 trial courts and their respective, existing runoff claims and any new court runoff claims that are transferred from their respective counties, and, the Judiciary



program claims and its existing runoff. Currently, there are only 54 trial courts which will be participating in the JBWCP. The selected vendor will provide appropriate Workers' Compensation (WC) claims services that will include analysis of losses, development of methods of reducing WC costs while improving program efficiencies and effectiveness. The TPA shall also support the individual members of the JBWCP with their WC inquiries and participate and assist in any AOC training programs.

Prospective vendors are advised to carefully read the requirements of this RFP.

END OF SECTION



**SECTION II
GENERAL RULES GOVERNING REQUESTS FOR PROPOSALS**

2.1 GENERAL

- 2.1.1 This solicitation document, the evaluation of proposals, and the award of any contract shall conform with current competitive bidding procedures as they relate to the procurement of goods and services. A vendor's proposal is an irrevocable offer for *60 days* following the deadline for its submission.
- 2.1.2 In addition to explaining the Administrative Office of the Courts' (AOC's) requirements, the solicitation document includes instructions which prescribe the format and content of proposals.

2.2 TERM OF AGREEMENT

- 2.2.1 The AOC anticipates the initial term of the awarded agreement shall be for two years beginning February 1, 2006 and ending March 31, 2008, with the option to extend the agreement for up to three consecutive one-year terms. Implementation will occur the first month of the initial term; JT2 and Tristar will assist in the implementation period, as appropriate.
- 2.2.2 AOC reserves the option to extend the agreement for the optional extension periods. These extensions will be based upon acceptable vendor performance, and will be at the prices and/or rates and fees to be negotiated for the applicable optional extension period, subject to the terms and conditions of the executed agreement.

2.3 PROJECT MANAGEMENT

The Project Manager for this RFP project is:

Hiroko Nagata, Senior Human Resources Analyst
Human Resources Division
Judicial Council of California,
Administrative Office of the Courts
455 Golden Gate Avenue
San Francisco, CA 94102



2.4 MANDATORY PRE-PROPOSAL CONFERENCE

2.4.1 The conference will be held to clarify the requirements of this RFP. The time, date, and location of the mandatory conference is as follows: commencing at **10:00 A.M., November 17, 2005, at the Administrative Office of the Courts, 455 Golden Gate Ave., 3rd floor, Sequoia Room, San Francisco, CA 94102.**

2.4.2 Only proposals from firms which have attended the mandatory conference will be accepted. Representatives attending the conference must sign-in; additionally, business cards will be accepted, of conference attendees only, to ensure correct identification of names, phone numbers, and email addresses.

2.5 DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION GOALS

The State of California Executive Branch requires contract participation goals of a minimum of three percent (3%) for disabled veteran business enterprises (DVBEs). The AOC, as a policy, follows the intent of the Executive Branch program. Therefore, your response should demonstrate DVBE compliance; otherwise, if it is impossible for your company to comply, please explain why, and demonstrate written evidence of a "good faith effort" to achieve participation. Your company must complete Attachment 3, DVBE Participation Form and include the form with your separately sealed Cost Proposal. If your company has any questions regarding the form, you should contact the individual listed in the Submission of Proposal section on the coversheet of this RFP. For further information regarding DVBE resources, please contact the Office of Small Business and DVBE Certification, at 916-375-4940, or access DVBE information on the Executive Branch's Internet web site at: <http://www.dgs.ca.gov/default.htm>.

2.6 QUESTIONS REGARDING THE RFP

2.6.1 If a vendor's question relates to a proprietary aspect of its proposal and the question would expose proprietary information if disclosed to competitors, the vendor may submit the question in writing, conspicuously marking it as "CONFIDENTIAL." With the question, the vendor must submit a statement explaining why the question is sensitive. If the AOC concurs that the disclosure of the question or answer would expose proprietary information, the question will be answered, and both the question and answer will be kept in confidence. If the AOC does not concur regarding the proprietary nature of the question, the question will not be answered in this manner and the vendor will be notified.

2.6.2 Vendors interested in responding to the solicitation may submit questions on procedural matters related to the RFP or requests for clarification or modification of this solicitation no later than the deadline set forth on the RFP cover memo. If the



vendor is requesting a change, the request must set forth the recommended change and the vendor's reasons for proposing the change. All questions and requests must be submitted in writing (email is authorized). Questions or requests submitted after the due date will not be answered. Without disclosing the source of the question or request, a copy of the questions and the AOC's responses will be posted on the Courtinfo website (<http://www.courtinfo.ca.gov/reference/rfp/>).

2.7 ERRORS IN THE RFP

- 2.7.1 If, prior to the date fixed for submission of proposals, a vendor discovers any ambiguity, conflict, discrepancy, omission, or error in this solicitation document, the vendor shall immediately notify the AOC in writing and request modification or clarification of the RFP in accordance with item 2.6, above. Without disclosing the source of the request, the AOC may modify the solicitation document prior to the date fixed for submission of proposals by posting an addendum to the solicitation on the AOC's web site "Courtinfo" (<http://www.courtinfo.ca.gov/reference/rfp/>)
- 2.7.2 If a vendor fails to notify the AOC of an error in the RFP known to vendor, or an error that reasonably should have been known to vendor, prior to the date fixed for submission of proposals, vendor shall bid at its own risk. Furthermore, if vendor is awarded the TPA agreement, vendor shall not be entitled to additional compensation or time by reason of the error or its later correction.

2.8 ADDENDA

The AOC may modify the solicitation document prior to the date fixed for submission of proposals by posting an addendum on the Courtinfo website (<http://www.courtinfo.ca.gov/reference/rfp/>). If any vendor determines that an addendum unnecessarily restricts its ability to bid, it must notify the Project Manager, as listed in item 2.3, above, no later than one day following the receipt of the addendum.

2.9 WITHDRAWAL AND RESUBMISSION/MODIFICATION OF PROPOSALS

A vendor may withdraw its proposal at any time prior to the deadline for submitting proposals by notifying the AOC in writing of its withdrawal. The notice must be signed by the vendor. The vendor may thereafter submit a new or modified proposal, provided that it is received at the AOC no later than the proposal due date and time listed on the cover memo of this RFP. Modifications offered in any other manner, oral or written, will not be considered. Proposals cannot be changed or withdrawn after the proposal due date and time listed on the coversheet of this RFP.



2.10 ERRORS IN THE PROPOSAL

If errors are found in a proposal, the AOC may reject the proposal; however, AOC may, at its sole option, correct arithmetic or transposition errors or both on the basis that the lowest level of detail will prevail in any discrepancy. If these corrections result in significant changes in the amount of money to be paid to the vendor (if selected for the award of the agreement), the vendor will be informed of the errors and corrections thereof and will be given the option to abide by the corrected amount or withdraw the proposal.

2.11 RIGHTS TO REJECT OR AWARD PROPOSALS

2.11.1 The AOC may reject any or all proposals and may or may not waive an immaterial deviation or defect in a bid. The AOC's waiver of an immaterial deviation or defect shall in no way modify the solicitation document or excuse a vendor from full compliance with solicitation document specifications. The AOC reserves the right to accept or reject any or all of the items in the proposal, to award the contract in whole or in part and/or negotiate any or all items with individual vendors if it is deemed in the AOC's best interest. Moreover, the AOC reserves the right to make no selection if proposals are deemed to be outside the fiscal constraint or against the best interest of the State of California.

2.11.2 In addition to the right to reject any and all proposals, in whole or in part, the AOC also reserves the right to issue similar RFPs in the future. This RFP is in no way an agreement, obligation, or contract and in no way is the AOC or the State of California responsible for the cost of preparing the proposal. One copy of a submitted proposal will be retained for official files and becomes a public record.

2.11.3 Vendors are specifically directed NOT to contact any AOC or AOC Group personnel or consultants for meetings, conferences, or discussions that are specifically related to this RFP at any time prior to any award and execution of a contract. Unauthorized contact with any AOC or AOC Group personnel or consultants may be cause for rejection of the vendor's proposal.

2.12 CONFIDENTIAL OR PROPRIETARY INFORMATION

The Administrative Office of the Courts policy is to follow the intent of the California Public Records Act (PRA). If a vendor's proposal contains material noted or marked as confidential and/or proprietary that, in the AOC's sole opinion, meets the disclosure exemption requirements of the PRA, then that information will not be disclosed pursuant to a request for public documents. If the AOC does not consider such material to be exempt from disclosure under the PRA, the material will be made available to the public, regardless of the notation or markings. If a vendor is unsure if its confidential and/or proprietary material meets the



disclosure exemption requirements of the PRA, then it should not include such information in its proposal.

2.13 DISPOSITION OF MATERIALS

All materials submitted in response to this solicitation document will become the property of the State of California and will be returned only at the AOC's option and at the expense of the vendor submitting the proposal. One copy of a submitted proposal will be retained for official files and become a public record. Any material that a vendor considers as confidential but does not meet the disclosure exemption requirements of the California Public Records Act should not be included in the vendor's proposal as it may be made available to the public.

2.14 PROTEST PROCEDURE

2.14.1 General

Failure of a vendor to comply with the protest procedures set forth herein will render a protest inadequate and non-responsive and will result in rejection of the protest.

2.14.2 Prior to Submission of Proposal

An interested party that is an actual or prospective proposer with a direct economic interest in the procurement may file a protest based on allegedly restrictive or defective specifications or other improprieties in the solicitation process that are apparent, or should have been reasonably discovered prior to the submission of a proposal. Such protest must be received prior to the proposal due date and time. The protestor shall have exhausted all administrative remedies discussed in this Section prior to submitting the protest. Failure to do so may be grounds for denying the protest.

2.14.3 After Notice of Intent to Award

A vendor submitting a proposal may protest the award based on allegations of improprieties occurring during the proposal evaluation or award period if it meets all of the following conditions:

1. The vendor has submitted a proposal that it believes to be responsive to the solicitation document;
2. The vendor believes that its proposal meets the administrative and technical requirements of the solicitation, proposes services of proven quality and performance, and offers a competitive cost; and,



3. The vendor believes that the AOC has incorrectly selected another vendor submitting a proposal for an award.

Protests must be received no later than five (5) business days after the non-award letter.

2.14.4 Form of Protest

A vendor who is qualified to protest should submit the protest to the individual listed in the Submission of Proposals section on the coversheet of this RFP who will forward the matter to the appropriate Contracting Officer.

1. The protest must be in writing and sent by certified, or registered mail, or overnight delivery service (with proof of delivery), or delivered personally to the address noted above. If the protest is hand-delivered, a receipt must be requested.
2. The protest shall include the name, address, telephone and facsimile numbers, and email address of the party protesting or their representative.
3. The title of the solicitation document under which the protest is submitted shall be included.
4. A detailed description of the specific legal and factual grounds of protest and any supporting documentation shall be included.
5. The specific ruling or relief requested must be stated.

The AOC, at its discretion, may make a decision regarding the protest without requesting further information or documents from the protestor. Therefore, the initial protest submittal must include all grounds for the protest and all evidence available at the time the protest is submitted. If the protestor later raises new grounds or evidence that was not included in the initial protest but which could have been raised at that time, the AOC will not consider such new grounds or new evidence.

2.14.5 Determination of Protest Submitted Prior to Submission of Proposal

Upon receipt of a timely and proper protest based on allegedly restrictive or defective specifications or other improprieties in the solicitation process that are apparent, or should have been reasonably discovered prior to the submission of a proposal, the AOC will provide a written determination to the protestor prior to the proposal due date and time. If required, the AOC may extend the proposal due date and time to allow for a reasonable time to review the protest. If the protesting party elects to appeal the decision, the protesting party will follow the appeals process outlined below and the AOC, at its sole discretion, may elect to withhold the contract award



until the protest is resolved or denied or proceed with the award and implementation of the contract.

2.14.6 Determination of Protest Submitted After Submission of Proposal

Upon receipt of a timely and proper protest, the AOC will investigate the protest and will provide a written response to the vendor within a reasonable time. If the AOC requires additional time to review the protest and is not able to provide a response within ten (10) business days, the AOC will notify the vendor. If the protesting party elects to appeal the decision, the protesting party will follow the appeals process outlined below. The AOC, at its sole discretion, may elect to withhold the contract award until the protest is resolved or denied or proceed with the award and implementation of the agreement.

2.14.7 Appeals Process

The Contracting Officer's decision shall be considered the final action by the AOC unless the protesting party thereafter seeks an appeal of the decision by filing a request for appeal with the AOC's Business Services Manager, at the same address noted in the Submission of Proposal section of the coversheet of this RFP, within five (5) calendar days of the issuance of the Contracting Officer's decision.

The justification for appeal is specifically limited to:

1. Facts and/or information related to the protest, as previously submitted, that were not available at the time the protest was originally submitted;
2. The Contracting Officer's decision contained errors of fact, and that such errors of fact were significant and material factors in the Contracting Officer's decision; or
3. The decision of the Contracting Officer was in error of law or regulation.

The vendor's request for appeal shall include:

1. The name, address telephone and facsimile numbers, and email address of the vendor filing the appeal or their representative;
2. A copy of the Contracting Officer's decision;
3. The legal and factual basis for the appeal; and
4. The ruling or relief requested. Issues that could have been raised earlier will not be considered on appeal.

Upon receipt of a request for appeal, the AOC's Business Services Manager will review the request and the decision of the Contracting Officer and shall issue a final



determination. The decision of the AOC's Business Services Manager shall constitute the final action of the AOC.

2.14.8 Protest Remedies

If the protest is upheld, the AOC will consider all circumstances surrounding the procurement in its decision for a fair and reasonable remedy, including the seriousness of the procurement deficiency, the degree of prejudice to the protesting party or to the integrity of the competitive procurement system, the good faith efforts of the parties, the extent of performance, the cost to the AOC, the urgency of the procurement, and the impact of the recommendation(s) on the AOC. The AOC may recommend any combination of the following remedies:

1. Terminate the contract for convenience;
2. Re-solicit the requirement;
3. Issue a new solicitation;
4. Refrain from exercising options to extend the term under the contract, if applicable;
5. Award a contract consistent with statute or regulation; or
6. Other such remedies as may be required to promote compliance.

2.15 PAYMENT

2.15.1 Payment terms will be specified in any agreement that may ensue as a result of this solicitation document.

2.15.2 THE STATE DOES NOT MAKE ANY ADVANCE PAYMENT FOR SERVICES. Payment is normally made based upon completion of tasks as provide in the agreement between the AOC and the selected vendor.

2.16 AWARD AND EXECUTION OF AGREEMENT

2.16.1 Award of contract, if made, will be in accordance with the solicitation document to a responsible vendor submitting a proposal compliant with all the requirements of the solicitation document and any addenda thereto, except for such immaterial defects as may be waived by the AOC.

2.16.2 The AOC reserves the right to determine the suitability of proposals for contracts on the basis of a proposal's meeting administrative requirements, technical requirements, its assessment of the quality of service and performance of items proposed, and cost.



2.16.3 The AOC will make a reasonable effort to execute any contract based on this solicitation document within *60 days* of selecting a proposal that best meets its requirements. However, exceptions taken by a vendor may delay execution of a contract.

2.16.4 A vendor submitting a proposal must be prepared to use a standard state contract form rather than its own contract form. Contracts with successful firms will be signed by the parties on a State of California Standard Agreement form and will include terms appropriate for this project. Terms and conditions typical for the requested services are attached as Attachment 1, Contract Terms.

2.16.5 Upon award of the agreement, the agreement shall be signed by the vendor(s) in two original counterparts and returned, along with the required attachments, to the AOC no later than ten (10) calendar days of receipt of agreement. The period for execution may be changed by mutual agreement of the parties. Agreements are not effective until executed by both parties and approved by the appropriate AOC officials. Any work performed prior to receipt of a fully executed agreement shall be at vendor(s)' own risk.

2.17 FAILURE TO EXECUTE THE AGREEMENT

Failure to execute the agreement within the time frame identified above shall be sufficient cause for voiding the award. Failure to comply with other requirements within the set time shall constitute failure to execute the agreement. If the successful vendor(s) refuse or fail to execute the agreement, the AOC may award the agreement to the next qualified vendor(s).

2.18 DECISION

Questions regarding the AOC's award of any business on the basis of proposals submitted in response to this solicitation document, or on any related matter, should be emailed to the address on the cover memo of this RFP; it will then be forwarded to the appropriate individual.

2.19 NEWS RELEASES

News releases pertaining to the award of a contract may not be made without prior written approval of the AOC's Business Services Manager.

END OF SECTION



**SECTION III
EVALUATION CRITERIA AND PROCESS**

3.1 EVALUATION PROCESS

- 3.1.1 An evaluation team will review in detail all proposals that are received to determine the extent to which they comply with solicitation document requirements.
- 3.1.2 If a proposal fails to meet a material solicitation document requirement, the proposal may be rejected. A deviation is material to the extent that a response is not in substantial accord with solicitation document requirements. Material deviations cannot be waived. Immaterial deviations may cause a bid to be rejected.
- 3.1.3 Proposals that contain false or misleading statements may be rejected if in the AOC's opinion the information was intended to mislead the state regarding a requirement of the solicitation document.
- 3.1.4 Cost sheets will be checked only if a proposal is determined to be otherwise qualified. All figures entered on the Cost Proposal must be clearly legible.
- 3.1.5. During the evaluation process, the AOC may require a vendor's representative to answer questions with regard to the vendor's proposal. Failure of a vendor to demonstrate that the claims made in its proposal are in fact true may be sufficient cause for deeming a proposal non-responsive.

3.2 EVALUATION OF PROPOSALS

The TPA selection team may be comprised of representatives of the Judiciary and the trial courts. The AOC's consultant for this program, Marsh Risk & Insurance Services, will serve the TPA selection team in a non-voting advisory capacity. Proposers will be subjected to a two-phase screening/evaluation process, as set forth below.

3.3 MINIMUM REQUIREMENTS

Proposals from vendors, which meet the following minimum qualifications, will be acceptable for evaluation only.



3.3.1 Current and Similar Volume of Claims

Provide a minimum of five (5) current California-based clients with similar Workers' Compensation claim volume.

3.3.2 Insurance Coverage

Provide evidence of minimum scope and limits of insurance coverage to meet the requirements set forth in paragraph 23, Insurance Requirements, of Exhibit B, Special Provisions, Attachment 1, Contract Terms.

3.3.3 Financial Stability

Provide evidence of financial stability. Provide an audited or reviewed profit and loss statement and balance sheet, in accordance with reporting requirement of the American Institute of Certified Public Accountants (AICPA) or Office of Benefits Administration and Enforcement (OBAE), for the last 3 years. Additionally, provide a statement of any bankruptcies filed by the proposer and any law suits filed against the proposer for malfeasance and a detailed listing of the adverse action, cause, number, jurisdiction in which filed and current status. The AOC requires a description of the outcome of any such legal action where there was a finding against the respondent or a settlement. The statement shall address all present and prior business relationships of those concerned. Identify any significant mergers, acquisitions, and initial public offerings. History must cover at minimum the last 3 years.

3.4 EVALUATION CRITERIA

3.4.1 Initial Phase: Evaluation of Proposals

A total of 100 possible points has been assigned to the criteria described below; maximum possible points follow each criterion listed. The points indicate relative weight or importance given to each criterion. The TPA selection team will score each proposal, based upon the criteria and total possible number of points, then each team member will put the scores in ranking order, with the highest scored proposal 1st, the second-highest scored proposal 2nd, etc. This ranking will then be totaled to create a final ranking of proposals for this stage of the evaluation, and the highest ranked proposals will be requested to participate in an interview and presentation, as set forth in item 3.4.2.



3.4.1.1 Specialized Experience and Technical Competence

(total possible points: 25)

- Considering the type of work required and the complexity of a de-centralized program with some unique requirements, specialized experience and technical competence of the proposer, including a joint venture, associate or professional subcontract, and the proposer's organization, program team, key personnel and other program staff, will be evaluated. Recent experience and expertise with similar programs and issues pertaining to these programs will be a key consideration. Consideration will be given to the proposed team's ability to demonstrate relevant knowledge and experience. Consideration will also be given to the financial institution proposed for establishing and maintaining this program's pooled trust account of public funds.

3.4.1.2 Compliance with Solicitation and Program Requirements including Contract Terms

(total possible points: 20)

- The quality of the proposal will be considered in how it complies with the RFP and program requirements and anticipated contract terms and conditions, including the AOC's standard provisions, special provisions, payment provisions, and work to be performed. Consideration will be given to the extent of any proposed changes, omissions, deviations, alternatives, or exceptions to solicitation and program requirements as well as terms and conditions.

3.4.1.3 Capacity of Claims Management Information System And Ad Hoc Reporting

(total possible points: 15)

- The capacity of the proposer's claims management information system will be considered, especially for use by a decentralized organization, for data integrity, data conversion process, on-line access to claims files, on-line notes capabilities, on-line access to reports, and data security.
- Consideration will be given for the ability to produce quality, legible, accurate, and relevant reports.



3.4.1.4 Capacity to Perform the Work
(total possible points: 15)

- Demonstration of the proposer's and its team's capacity to absorb the anticipated and unanticipated workload for the program, including approach for redistribution of workload should an examiner exceed 150 files during a given period.
- Consideration will be given to ability of MPN's to cover remote locations and supportive on-line services and location of proposed claims office(s) to support the program's decentralized locations.
- Proposer's plan for replacement of personnel, if required, will be considered and plan for continuing education for clients.

3.4.1.5 Pricing and DVBE Participation
(total possible points: 10)

- Reasonableness of proposed cost/fee proposal will be a consideration.
- Consideration will be given to proposer's good faith effort demonstrated in proposing DVBE participation to assist the AOC in providing at least 3% participation.

3.4.1.6 Program Management, Coordination, and Quality Assurance
(total possible points: 10)

- Demonstration of the overall proposed approach to program management issues anticipated on this program and the ability to manage the various work components.
- The proposer and its team's ability to work collaboratively and communicate effectively within the program team, with management and staff of the AOC and participating judicial entities, and with injured employees will be considered.
- The proposer and its team's ability to control costs will be an evaluation factor.
- The proposer's approach to attracting and retaining skilled workers will be considered.



3.4.1.7 Past Record of Performance
(total possible points: 5)

- Past record of performance on contracts with (1) the State, other government agencies or public bodies, and (2) with private industry, including such factors as control of costs, quality of work, ability to meet schedules, cooperation, responsiveness, compliance with Workers' Compensation laws, and other managerial and attitudinal considerations, including demonstrated ability to manage program teams and work at multiple locations. Additionally, consideration will be given to past record(s) with pooled trust accounts in nationally chartered financial institution(s).

3.4.2 Second Phase: Evaluation of Interviews / Presentations

Oral interviews and presentations will provide an opportunity for additional analysis of the proposer's proposed workers' compensation claims administration program. If, the AOC determines interviews or presentations are required, proposers will be notified in writing of the date, place, and time the interview and presentation shall take. Failure to participate in such interviews and presentations shall result in a proposer's disqualification from further consideration.

The vendor's presentation shall be limited two hours, inclusive of three parts: (1) a sixty minute prepared presentation, based upon topic(s) to be provided to those proposers invited to interviews; (2) a thirty minute demonstration of management information system; and (3) a thirty minute question and answer session. Time limits will be strictly enforced.

The proposers to be invited to interviews / presentations will be determined by the TPA selection team, based upon the ranking of the proposals per item 3.4.1. ***A total of 100 possible points*** has been assigned to the criteria described below; maximum possible points follow each criterion listed. The points indicate relative weight or importance given to each criterion. The TPA selection team will use each proposer interviewed, based upon the criteria and total possible number of points, then each team member will put the scores in rank order, with the highest scored proposer 1st, the second-highest scored proposer 2nd, etc. This ranking will then be totaled to create a final ranking for this solicitation.



3.4.2.1 Qualifications of Presentation Team and Composition of Prepared Portion of Presentation
(total possible points: 40)

- Proposers will be evaluated on the relevancy of the team’s qualifications and experience to program requirements. Proposed key personnel should be represented.
- Consideration will be given to content of prepared portion of presentation, in relation to anticipated program requirements.

3.4.2.2 Content of Risk Management Information System Presentation
(total possible points: 40)

- Demonstration of management information system’s ability to capture, store and produce information pertaining to applicable data will be evaluated. In light of the program’s requirements, capability with remapping cause codes and injury codes in accordance with codes set forth in this RFP will be considered. Capacity to provide legible, accurate, and relevant ad hoc reports as requested, will be considered.

3.4.2.3 Responses to Interview Questions
(total possible points: 20)

- Consideration will be given to the quality, relevancy, and programmatic and institutional knowledge of the interview team’s responses.

END OF SECTION



**SECTION IV
PROPOSAL SUBMITTAL AND FORMAT INSTRUCTIONS**

4.1 INTRODUCTION

To be considered responsive to this RFP, the vendor must submit a proposal in the format described herein. All requirements and questions in the RFP must be addressed, and all requested data must be supplied. The AOC reserves the right to request additional information which, in the AOC's opinion, is necessary to assure that the vendor's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the agreement, if awarded.

4.2 PROPOSAL FORMAT AND SUBMITTALS

Proposals should be prepared in a straightforward, concise manner that satisfies the requirements of this RFP. Emphasis should be concentrated on completeness, clarity, and legibility of content. Submittals shall adhere to the format for organization and content, as set forth below and under item 4.3. Proposals must be divided/indexed/tabbed as set forth in this section.

4.2.1 Cover Letter

A letter of transmittal shall be included, with an original signature of an officer, partner, or agent who is authorized to bind the proposal on behalf of the vendor, and a complete list of proposed subconsultants, if any, with their address, contact person and telephone and fax numbers. The letter must include a point of contact for the proposer, including that individual's phone number, fax number, and email address. Additionally, provide the proposed team's federal tax identification number; the state in which the proposer was incorporated, if applicable; number of years in business and number of years in providing similar services similar.

4.2.2 Table of Contents

A table of contents shall be included in the proposal. It must identify the contents of the proposal in a format consistent with the proposal requirements as outlined, below.

4.2.3 Proposal Contents

The proposal shall be segmented as outlined below, reflecting the evaluation criteria in item 3.4.1.



4.2.3.1 Specialized Experience and Technical Competence

- Describe the proposed program team, including the organization of the team, and the responsibilities of the proposer and each subcontractor, as applicable. Include an organization chart that reflects the corporate structure of the proposer; additionally, if the proposer would not assume responsibilities or liabilities for any aspect of the program, clearly identify the entity for which such responsibility or liability would reside, including but not limited to any parent, subsidiary, associate, subcontractor or joint venture.
- Identify the proposer's key personnel and other program staff that will be assigned to the work of this program, including name, title, and project responsibilities and expertise.
- Provide resumes of key personnel and other proposed program staff. Resumes must reflect specific prior experiences of each proposed team member in the contractual role assigned for this program.
- Identify relevant and recent projects, using Attachment 5, Project Example Form, that will demonstrate experience in the areas listed below. Project examples should include at least five past projects performed by the proposer and two past projects for each of the proposer's key personnel.
 - Claims administration;
 - Program implementation;
 - Trust account activities;
 - Reporting of new claims;
 - Processing of new and runoff claims;
 - On-going claim processing;
 - Investigation;
 - Reserves;
 - Diary;
 - File documentation;
 - Litigation management;
 - Legal referral;
 - Settlement;
 - Subrogation;
 - Special Investigation Unit;
 - Vendor selection;
 - Quality assurance;



- Assistance in the development of modified job/return to work, training, and injury management programs;
 - Transitions work;
 - Loss control and safety;
 - Training;
 - Medical management services;
 - Data conversion services;
 - Minimum performance standards; and
 - Termination assistance services.
- Describe a previous program, similar to the scope and complexity of the program set forth herein, and provide a description of relevant issues, problems, resolutions, and accomplishments.
 - Describe the size of the proposer's clients by payroll and claim count, over last 3 years.
 - Propose the nationally chartered financial institution, in good standing with regulatory agencies and with a minimum rating of Morningstar 3, with which the proposer would establish and maintain a pooled trust account of public funds.
 - Describe the proposer's medical management services, specifically identifying if such services are outsourced and to which entities.
 - Describe the proposer's ratios for the following: claims supervisor to claims Examiner; claims supervisor to claims representative; and adjuster to claims assistant.

4.2.3.2 Compliance with Solicitation and Program Requirements including Contract Terms

- Quality of proposal submitted in terms of compliance with RFP and program requirements.
- Discuss compliance with the anticipated program requirements and terms and conditions, as set forth in Attachment 1, Contract Terms, including the AOC's standard provisions, special provisions, payment provisions, and work to be performed.



- Any proposed changes to anticipated program and terms and conditions must be submitting on a red-lined version of Attachment 1, Contract Terms, and supported by a document that identifies the rationale for such changes.

4.2.3.3 Capacity of Claims Management Information System And Ad Hoc Reporting

- Proposer and its team should demonstrate experience in the following areas; emphasis should be on providing examples within last 3 years:
 - Management Information Systems;
 - Data integrity;
 - Data conversion process;
 - On-line access;
 - Standard, custom, optional, and OSHA reports; and
 - On-line notes capabilities; and data security.
- Demonstrate reporting capabilities by providing a sample, no longer than two pages for each, of the following standard reports:
 - Historical Valuation;
 - Reserve Change Report;
 - Loss Triangle;
 - Loss Frequency;
 - Loss Stratification;
 - Loss by Cause Code; and
 - Loss by Location.
- Describe how the proposer would provide an on line claims access capability for a decentralized organization.

4.2.3.4 Capacity to Perform the Work

- Considering the nature of the program, describe how the proposer and its team will meet the work requirements, given the proposer's current and planned workload. For all key personnel, indicate the approximate percentage of their time committed to this program.
- Describe how the proposed team organization will cover requirements for remote services including on-line resources.



- Describe the proposer's ability to expeditiously replace personnel with equivalent, qualified replacements or philosophy for redistribution of files, should any examiner exceed 150 files during a given period.
- Describe the location of proposed claims offices that would service the program's decentralized locations.
- Describe the proposer's plan for servicing all the members in the JBWCP in the event you do not have claims offices throughout the state of California.
- Describe plan for continuing client-based education.

4.2.3.5 Pricing and DVBE Participation

- As instructed below, the proposer shall package the Cost Proposal Form and the DVBE Participation Form, in accordance with item 4.3, below.
- Using Attachment 2, Cost Proposal Form, propose the rates and fees requested for the work of this program.
- Using Attachment 3, DVBE Participation Form, demonstration of either (i) DVBE compliance with minimum participation goals, or (ii) written evidence of a "good faith effort" explaining why compliance with DVBE goals cannot be achieved.

4.2.3.6 Program Management, Coordination, and Quality Assurance

- Describe the program management approach, based upon its organization, and how it will efficiently and effectively accomplish program goals.
- Describe the approach to working and communicating effectively with all levels of personnel, including persons within the program team, participating locations, managers, staff, and injured employees, and support with past examples.
- Describe the management approach to coordinate the work of those involved with the program.
- Describe methods that will be used to control program costs.
- Describe the quality assurance procedures that would be used, including approach to retaining and hiring a skilled work-force.



4.2.3.7 Past Record of Performance

- Past record of performance on contracts with the State, other government agencies or public bodies, and with private industry, including such factors as control of costs, quality of work, ability to meet schedules, cooperation, responsiveness, compliance with Workers' Compensation laws, and other managerial and attitudinal considerations, including demonstrated ability to manage program teams and work at multiple locations.
- Using Attachment 4, Reference Form, provide a list of at least five references, covering at least the last three years, private industry, as well as public entities, to document the quality of the project examples submitted. Include information as requested on Attachment 4 from knowledgeable persons who may be contacted regarding project examples that establish the proposer and its team's experience and qualifications. Also, include at least one reference from a nationally chartered financial institution from which a pooled trust account, preferably for public funds, was established and maintained.

4.3 **DELIVERY OF PROPOSALS**

- 4.3.1 Proposals must be delivered to the individual and address as listed in the Submission of Proposals section of the cover memo of this RFP. Only written responses will be accepted.
- 4.3.2 Proposals must be received no later than the date and time indicated on the cover memo of this RFP under Proposal Due Date and Time. **LATE PROPOSALS WILL NOT BE ACCEPTED.**
- 4.3.3 Provide an original and seven copies of the proposal, signed by an authorized representative of the vendor, including name, title, address, email, and telephone number of one individual who is the responder's designated representative. Accompanying these must be an original and seven copies of the Cost Proposal, along with the completed DVBE Participation Form, provided in a separate and sealed envelope, marked "Cost Proposal." The Cost Proposal and DVBE Participation Form, must both be signed by an authorized representative of the vendor.
- 4.3.4 Provide one copy of the data requested to demonstrate minimum qualifications, as required by item 3.3, in a separate and sealed envelop, marked "Minimum Qualifications." If the five (5) project examples, required by item 3.3.1, are not enclosed in this package, but are provided elsewhere in the proposal as demonstration



of item 4.2.3.1, clearly identify such these examples as demonstration of item 3.3.1. If information included in this envelope is disclosable pursuant to a public disclosure request made to the AOC, the AOC will immediately advise the proposer of such and will not release the information for a period of not less than ten days in order to give the proposer an opportunity to obtain a court order prohibiting the release of the information in this envelope in response to the public disclosure request.

- 4.3.5 With the exception of the data requested for demonstration of item 3.3, Minimum Requirements, provide one electronic copy of the proposal in MS Word and/or MS Excel 2003 compatible format by submitting it in CD format, with the proposal. Neither facsimile or electronic copies will substitute for submittal of the written proposal.
- 4.3.6 Proposals are to be sent by registered or certified mail or by hand delivery, although the vendor is responsible for the means of delivering the proposal to the appropriate office on time. Delays due to the instrumentalities used to transmit the proposal, including delay occasioned by the internal mailing system in the AOC, will be the responsibility of the vendor. Delays due to inaccurate directions given, even if by employees of the AOC, judiciary, or the trial courts, shall be the responsibility of the vendor. The proposal submittal must be completed and delivered in sufficient time to avoid disqualification for lateness due to difficulties in delivery.

END OF SECTION