
Crosby Independent School District
Request for Proposals
Workers' Compensation Fixed Cost Program
RFP # 2015-0003

706 Runneburg Road, Crosby, Texas 77532
Phone: 281-328-9200 Fax: 281-328-9226 Website: www.crosbyisd.org

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SECTION 1

General Information

General Conditions

- A. Crosby Independent School District (hereafter referred to as District) is requesting proposals for workers' compensation funding.
- B. Proposers may quote several plan options as long as each option is fully explained. All relationships between the Proposer's company and any company offering funding options must be revealed, as well as any commission payments or fees that will be paid to the Proposer as a result of this bid award.
- C. Proposers are expected to examine the complete RFP document. Failure to do so will be at the Proposer's risk. Written questions about this RFP and requests for additional information shall be provided no later than **July 7, 2016 at 2:00 p.m.** to Meredith Nelson, via email mnelson@crosbyisd.org, fax 281-328-9226, or mail to 706 Runneburg Road, Crosby, TX 77532.
- D. Proposers must submit one original and two copies (three complete sets) of the proposal.
- E. Proposals will be received until 2:00 p.m. on July 14, 2016, at the District's office located at 706 Runneburg Road, Crosby, Texas 77532. Proposals sent via facsimile or email will not be accepted. Proposals must be plainly marked on the outside of the envelope: "SEALED PROPOSAL FOR WORKERS' COMPENSATION FIXED COST PROGRAM."
- F. The District reserves the right to accept or reject any or all proposals, waive any formalities and/or technicalities in the proposal and award the contract to best serve the interests of the District. The District may negotiate with Proposers as deemed advisable or necessary.
- G. It is not the policy of the District to purchase on the basis of low proposals alone. In evaluating proposals submitted, the following considerations will be taken into account to determine the best value for the District.
- a. Purchase Price.
 - b. The reputation of the vendor and of the vendor's goods and services.
 - c. The quality of the vendor's goods or services.
 - d. The extent to which the goods or services meet the District's needs.
 - e. The vendor's past relationship with the District.
 - f. The total long term cost to the District to acquire the goods or services.
 - g. Minimum Qualifications Outlined Below.
- H. **Note: Confidentiality and Texas Public Information Act.** All proposals become the property of the District upon receipt and will not be returned. Any information deemed to be confidential by Proposer should be clearly noted on the page(s) where confidential information is contained; however, the District cannot guarantee that it will not be compelled to disclose all or part of any public record under the Texas Public Information Act, since information deemed to be confidential by Proposer may not be considered confidential under Texas Law, or pursuant to a Court order.

Proposer including information it considers confidential in its proposal is encouraged to consult its attorney regarding protection of this information.

- I. All Proposals must be submitted on the Proposal Forms attached hereto, in accordance with all specified conditions. Funding shall be for one year beginning September 1, 2016 with a quote guarantee for that period. Multiple year proposals may be offered as an additional option and must be fully explained.
- J. Any restrictions, deviations or other modifications which either restrict or broaden funding must be shown separately and explained in writing. Failure to attach any modifications or deviations to the specifications of this proposal will indicate the Proposer's acceptance of the specifications as written.
- K. Proposers are required to submit specimen agreements/contracts the District will be required to sign in order to participate in the Proposer's program.
- L. Due care and diligence have been used in the preparation of these specifications and the information contained herein is believed to be substantially correct. However, the responsibility for determining the full extent of the exposure and the verification of all information presented herein shall rest solely on the Proposer.

The District and its representatives will not be responsible for any errors and omissions in the specifications nor for the failure on the part of the Proposer to determine the full extent of the exposures.

- M. Quotations shall be based on the underwriting information furnished by the District. Loss data is believed to be correct but is not warranted. If inspections are required, please coordinate them through Meredith Nelson, phone 281-328-9200, email mnelson@crosbyisd.org.

Minimum Qualifications

- A. Proposers responding to this RFP must be licensed and/or authorized to do business in Texas and have at least five years of experience in providing Texas workers' compensation funding. Proposer qualifications must be included as an exhibit to the proposal.
- B. Proposers must have an Errors and Omissions policy with a minimum limit of \$1,000,000 per occurrence, and attach proof thereof.

Section 2

Underwriting Information

Payroll Summary

CROSBY INDEPENDENT SCHOOL DISTRICT

PAYROLL INFORMATION BY FUND YEAR AND CLASSIFICATION CODE

FUND YEAR	BUS DRIVERS 7380	CLERICAL 8810	PROFESSIONAL 8868	ALL OTHERS 9101	TOTAL ANNUAL PAYROLL
2015/16 (estimated)	1,570,710	2,804,779	26,826,943	6,477,326	37,679,758
2014/15 (audited)	1,465,695	3,451,040	25,273,530	6,193,327	36,383,592
2013/14 (audited)	1,382,474	2,665,533	23,251,043	5,643,812	32,942,862
2012/13 (audited)	1,273,175	2,455,917	21,009,582	5,252,928	29,991,602
2011/12 (audited)	1,206,706	2,360,283	19,560,116	5,154,023	28,281,128
2010/11 (audited)	1,396,845	2,468,680	20,345,684	5,279,738	29,490,947

Loss History for Past Five Years

Detail Claims Report

A currently valued five year Loss History Report, plus the current year to date, requested in this RFP is attached. See Exhibit I (page 13).

Funding Options

Please respond to questions associated with the appropriate option:

➤ **Fully Insured (Admitted Carriers only)**

1. Please provide the last five years of AM Best Ratings.
2. Does your company send money directly to the Texas Property and Casualty Insurance Guarantee Association?

➤ **Partially Self Insured**

1. Please provide Declaration Pages from your excess insurance carrier for the last five years. (ACORD pages will not suffice). See Exhibit II.
2. For all five years, please provide the named entities covered by the excess insurance policy.
3. Does your company send money directly to the Texas Property and Casualty Insurance Guarantee Association?

➤ **Alternate Option**

1. Please provide detailed information of alternate option proposed.

Employer's Liability

Employer's Liability coverage is not required for public school districts per Section 504.002(a)(b), Texas Labor Code. The exemplary damage section, Section 408.001(b), Texas Labor Code of the Workers' Compensation Statute, is not applicable to "political subdivisions." Since this section does not apply, the District will require the carrier to provide a legal defense in order to have lawsuits of this type dismissed.

Section 3

Proposal Questionnaire

General

1. Please describe the governing structure of your program.
2. Does the Proposer's program transfer the risk of workers' compensation from our District to your program?
3. How many public entities does the Proposer serve? Of those public entities, how many Texas public educational entities does the Proposer serve?
4. Is Proposer's pricing structure dependent on the participation of other school districts? Please explain.
5. Describe in detail any assessment provisions. Can the District be retroactively assessed for any claims incurred by another program participant?
6. Describe termination provisions and criteria associated with your program.
7. Does the Proposer have legal counsel available for general legal questions regarding workers' compensation?

Claims Administration

1. Will the Proposer's staff, Third Party Claims Adjusters, or Independent Adjusters adjust losses?
2. Does the bill review staff apply treatment guidelines to each medical bill? Is every bill audited for relatedness, over coding, and correct coding?
3. What method is the bill processing charged (i.e. per bill, per line, % of savings, or combination)?
4. What savings does the Proposer anticipate on medical bill reimbursements?
5. Does the Proposer have a Return-To-Work Program? If yes, please describe.
6. Describe the method(s) utilized during the initial transition of moving to the new program and in educating District personnel in regard to changes and/or interpretation of the workers' compensation law.
7. Specifically describe how and at what cost Proposer would handle the District's claim "runoff" claims in the event its services are discontinued in the future.
8. What were the Proposer's results of the Performance Based Oversight review by the Texas Department of Insurance (TDI) – Department of Workers' Compensation (DWC) measuring timeliness and accuracy of claim data for the four most recent years available?
9. Does the program provide an Austin DWC representative? Is there a fee for DWC representative services? If yes, what is that fee? Is there a fee for the required filings at DWC, (i.e. PLN 11)? If yes, what is that fee?
10. Has the Proposer been cited or been threatened with a citation within the last five years by State Regulators for violations of the State laws and implementing regulations? If yes, please explain. Please provide copies of any TDI-DWC audits (and the Proposer's answers to such audits) that the company may have been subjected to.

-
11. Should the District decide to term the plan, would the Proposer handle open claims? Also, please explain any financial obligations related to the termination of the plan.

Loss Prevention Services

1. Attach a description of loss prevention services provided. Include a recent example of a loss prevention service completed by the Proposer's firm.
2. Describe any charges for the use of these services.
3. Describe the Proposer's philosophy on loss prevention.
4. List the name of the loss prevention representative(s) who will make scheduled appointments to the District. Indicate the frequency or schedule for these appointments.
5. Describe the specific risk management materials/resources that are available to the District. Indicate the additional charges, if any.
6. Describe the specific education and training provided to District personnel. Indicate additional charges, if any.

Claim Reports

1. Describe the types of standard reports that are available to the District for analyzing claims. Attach samples and list any additional charges for these reports.
2. Please describe the frequency of these reports.
3. Are ad-hoc reports available on request? Is there a charge for ad-hoc reports?
4. What is the turnaround time for special reports when requested?

Financial Management

1. Provide a copy of the Proposer's most recent audited financial statement.
2. Are the program's financial statements prepared in adherence with GAAP, GASB, GASB 10, and FASB? If not, please explain.
3. Should the Proposer's Program become financially insolvent, what measures are in place to determine the proportionate share of liability for Program members?
4. In the event of insolvency or dissolution, what contingency plan does your program have for the members' ongoing liability?
5. Insofar as MMSEA Section 111 reporting is concerned, does your program require each member to become their own Required Reporting District? Please explain your procedure for handling this matter.
6. Does the Proposer's program include an assessment feature? If yes, please explain in detail.
7. Indicate how the District will be billed.

Disclosure

1. List any lawsuits, administrative actions or litigation to which Proposer is currently a party or has been a party (either as a plaintiff or defendant) during the past three years based upon bad faith/breach of duty of good faith and fair dealing, fraud, theft, breach of contract, misrepresentation or similar conduct. For each suit, explain whether a settlement was reached or a judgment was entered, identifying the party against whom a judgment was entered.
2. Describe any citation or notices of violation that Proposer received from any government agency in connection with Proposer's work during the past three years.

Excess Insurance

1. Please indicate the name and address of the excess stop loss carrier for the Proposer's program.
2. List the Carrier's financial ratings. If not rated, please explain why.
A.M. Best: _____
3. Please provide a copy of the Declaration Page from the program's current Excess Carrier.
 - A. Please indicate the Self-Insured Retention level associated with this policy.
 - B. Please indicate the Aggregate Retention level associated with this policy.
 - (1) Is the Aggregate level fully funded to start the Plan Year?

Felony Conviction Notice

State of Texas Legislative Senate Bill No. 1, Section 44.034, Notification of Criminal History, Subsection (a), states "a person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony."

Subsection (b) states "a school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a) or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract."

THIS NOTICE IS NOT REQUIRED OF A PUBLICLY-HELD CORPORATION

I, the undersigned agent for the firm named below, certify that the information concerning notification of felony convictions has been reviewed by me and the following information furnished is true to the best of my knowledge.

VENDOR'S NAME: _____

AUTHORIZED COMPANY OFFICIAL'S NAME (PRINTED): _____

A. My firm is a publicly held corporation; therefore, this reporting requirement is not applicable.

Signature of Company Official: _____

B. My firm is neither owned nor operated by anyone who has been convicted of a felony:

Signature of Company Official: _____

C. My firm is owned or operated by the following individual(s) who has/have been convicted of a felony:

Name of Felon(s): _____

Detail of Conviction(s): _____

Signature of Company Official: _____

Conflict Of Interest Questionnaire

For vendor or other person doing business with local governmental entity

FORM CIQ

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Governmental Code.

OFFICE USE ONLY

Date Received

1. Name of person who has a business relationship with local governmental entity.

2. Check this box if you are filing an update to a previously filed questionnaire.

The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.

3. Name of local government officer with whom filer has employment or business relationship.

Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

Yes No NA

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

Yes No NA

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

Yes No NA

D. Describe each employment or business relationship with the local government officer named in this section.

4.

Signature of person doing business with the governmental entity

Date

CROSBY ISD
706 RUNNEBURG RD.
CROSBY, TX 77532

VIII. AFFIDAVIT OF NON-COLLUSION

The undersigned certifies that the bid documents (including terms and conditions) contained in the proposal have been carefully checked and are submitted as correct and final. If proposal is accepted (within 90 days unless otherwise noted), vendor agrees to furnish any and/or all items upon which prices are offered and upon conditions contained in the general conditions and specifications.

I affirm that the foregoing proposal submitted by _____ hereinafter called "Bidder" is the duly authorized agent of said company and the person signing said bid has been duly authorized to execute the same. Bidder affirms that they are duly authorized to execute a contract with terms outlined in the RFP, that this company, corporation, firm, partnership, or individual has not prepared this proposal in collusion with any other Bidder, and that the contents of this proposal as to prices, terms and conditions of said proposal have been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this proposal.

Name and Address of Bidder:

_____ Telephone Number: _____
_____ Fax Number: _____

Signature: _____

Name (typed/printed): _____

Title: _____

Date: _____

ENVELOPES SHOULD BE PLAINLY MARKED: "RFP# 2015-0003 Workers' Compensation
Fixed Cost Program"

Exhibits

Exhibit I – Detail Claims Report

Detail Claims Report of Workers' Compensation Claims

Claims Information for Past Five (5) Years including current year as of May 31, 2016

Exhibit I: Crosby ISD Detail Injuries Reports 2011-12 through 5/31/2016

FUND YEAR	NUMBER OF CLAIMS	NUMBER OF OPEN CLAIMS	PAID CLAIM AMOUNT	INCURRED CLAIM AMOUNT
2015/16 (CURRENT)	24	9	\$21,668.74	\$52,626.53
2014/15	29	4	\$155,091.98	\$199,181.62
2013/14	17	0	\$47,442.66	\$47,442.66
2012/13	16	0	\$92,944.66	\$92,944.66
2011/12	11	0	\$28,790.84	\$28,790.84

Exhibit II – Excess Insurance Declaration Pages

(Proposer Insert - Declaration Pages from your excess insurance carrier for the last five years – ACORD pages will not suffice)

SIGNATURE PAGE AND DECLARATION OF COMPLIANCE

Check (✓) the box that indicates business structure of Proposer

Individual/Sole Proprietorship Partnership or Joint Venture Corporation Other Entity
(State Type) _____

The undersigned certifies that (s)he is (title) of the Proposer entity named below; that (s)he is authorized to sign this Proposal Form (if a Corporation then by resolution with Certified Copy of resolution attached) for and on behalf of the entity, if any, named below, and that (s)he is authorized to execute same for and on behalf of and bind said entity to the terms and conditions provided for in the Proposal as required by this RFP, and has the requisite authority to execute an Agreement on behalf of Proposer, if awarded, and that the 11-digit Comptroller's Taxpayer Number for the entity, if any, is:

11-digit Comptroller's Taxpayer Number

Employer Identification Number

Proposer Organization Name

By: _____

Printed Name: _____

Title: _____

By: _____

(If Proposer is a Joint Venture, an authorized signature from a representative of each party is required)

Printed Name: _____

Title: _____

By signing this Signature Page and Declaration of Compliance, I do hereby declare that I have read the Request for Proposal on which our Proposal is submitted with full knowledge of the requirements, and do hereby agree to furnish all services in full accordance with the requirements outlined in the Request for Proposal. By signing and executing this proposal, I further certify on behalf of my organization and represent to the Crosby Independent School District that Proposer has not offered, conferred or agreed to confer any pecuniary benefit, as defined by TEXAS PENAL CODE ANN.§ 218, or any other thing of value, as consideration for the receipt of information or any special treatment or advantage relating to this proposal; the Proposer also certifies and represents that Proposer has not offered, conferred or agreed to

confer a pecuniary benefit or other things of value as consideration for the recipient's decision, opinion, recommendation, vote or other exercise of discretion concerning this proposal; the Proposer certifies and represents that Proposer has neither coerced nor attempted to influence the exercise of discretion by any officer, trustee, agent or employee of the Crosby Independent School District concerning this proposal on the basis of any consideration not authorized by law; the Proposer also certifies and represents that Proposer has not received any information not available to other Proposer so as to give the undersigned a preferential advantage with respect to this proposal; the Proposer further certifies and represents that Proposer has not violated any state, federal or local law, regulation or ordinance relating to bribery, improper influence, collusion or the like and that Proposer will not in the future offer, confer, or agree to confer a pecuniary benefit or other thing of value to any officer, trustee, agent or employee of the Crosby Independent School District in return for the person having exercised the person's official discretion, power or duty with respect to this proposal; the Proposer certifies and represents that it has not nor and will not in the future offer, confer, or agree to confer a pecuniary benefit or other thing of value to any officer, trustee, agent or employee of the Crosby Independent School District in connection with information regarding this proposal, the submission of this proposal, the award of this proposal or the performance, delivery or sale pursuant to this proposal

Crosby Independent School District

Sign-in Sheet for Bid Opening of
RFP # 2015-0003
Workers' Compensation Fixed Cost Program
July 14, 2016 at 2:00 P.M.
Date Time

Bid Administrator Name (printed)

Carla Merka

Bid Administrator Signature

Employee Name (printed)

Meredith Nelson

Employee Signature

Meredith Nelson

Vendor Name (printed)

Vendor Signature

Meeting Notes/Comments

Crosby ISD
RFP# 2015-0003

Date/Time Opened: July 14, 2016 at 2:00 pm

Page #

VENDOR NAME	Proposal Questionnaire	Felony Conviction Notice	Form CIQ	Affidavit of Non-Collusion	Signature Page & DOC	Annual Contrib.
TPS Pool	✓	✓	✓	✓	✓	148,571
COMMENTS:						
School Comp	✓	✓	✓	✓	✓	148,852
COMMENTS:						
Arthur Gallagher	✓	✓	No Signature	✓	✓	108,273
COMMENTS:						
TASB	✓	✓	Incomplete	✓	✓	193,436
COMMENTS:						

Meredith Shultz
Person completing form