



SERVICE AGREEMENT NO. 1133

Workers Compensation Third-Party Administrator Services

THIS **Workers Compensation Third-Party Administrator Services Agreement** ("Agreement") is entered into by and between the City of Corpus Christi, a Texas home-rule municipal corporation ("City") and York Risk Services Group, Inc. ("Contractor"), effective upon execution by the City Manager or the City Manager's designee ("City Manager").

WHEREAS, Contractor has bid to provide Workers Compensation Third-Party Administrator Services in response to Request for Bid/Proposal No. 1133 ("RFB/RFP"), which RFB/RFP includes the required scope of work and all specifications and which RFB/RFP and the Contractor's bid or proposal response, as applicable, are incorporated by reference in this Agreement as Exhibits 1 and 2, respectively, as if each were fully set out here in its entirety.

NOW, THEREFORE, City and Contractor agree as follows:

- 1. Scope.** Contractor will provide Workers Compensation Third-Party Administrator Services ("Services") in accordance with the attached Scope of Work, as shown in Attachment A, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety, and in accordance with Exhibit 2.
- 2. Term.** This Agreement is for 12 months, with performance commencing upon the date of issuance of a notice to proceed from the Contract Administrator or Purchasing Division. This Agreement includes an option to extend the term for up to four additional 12-month periods ("Option Period"), provided, the parties do so prior to expiration of the original term or the then-current Option Period. The decision to exercise the option to extend the term of this Agreement is, at all times, within the sole discretion of the City and is conditioned upon the prior written agreement of the Contractor and the City Manager.
- 3. Compensation and Payment.** The total value of this Agreement is not to exceed \$132,000.00, subject to approved extensions and changes. Payment will be made for Services completed and accepted by the City within 30 days of acceptance, subject to receipt of an acceptable invoice. All pricing must be in accordance with the attached Bid/Pricing Schedule, as shown in

Attachment B, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety.

4. **Contract Administrator.** The Contract Administrator designated by the City is responsible for approval of all phases of performance and operations under this Agreement, including deductions for non-performance and authorizations for payment. The City's Contract Administrator for this Agreement is as follows:

Gilbert Sanchez
Department: Legal
Phone: 361-826-3739
Email: GilbertS2@cctexas.com

5. **Insurance; Bonds.**

(A) Before performance can begin under this Agreement, the Contractor must deliver a certificate of insurance ("COI"), as proof of the required insurance coverages, to the City's Risk Manager and the Contract Administrator. Additionally, the COI must state that the City will be given at least 30 days' advance written notice of cancellation, material change in coverage, or intent not to renew any of the policies. The City must be named as an additional insured. The City Attorney must be given copies of all insurance policies within 10 days of the City Manager's written request. Insurance requirements are as stated in Attachment C, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety.

(B) In the event a payment bond, a performance bond, or both, are required of the Contractor to be provided to the City under this Agreement before performance can commence, the terms, conditions, and amounts required in the bonds and appropriate surety information are as included in the RFB/RFP or as may be added to Attachment C, and such content is incorporated here in this Agreement by reference as if each bond's terms, conditions, and amounts were fully set out here in its entirety.

6. **Purchase Release Order.** For multiple-release purchases of Services to be provided by the Contractor over a period of time, the City will exercise its right to specify time, place and quantity of Services to be delivered in the following manner: any City department or division may send to Contractor a purchase release order signed by an authorized agent of the department or division. The purchase release order must refer to this Agreement, and

Services will not be rendered until the Contractor receives the signed purchase release order.

7. **Inspection and Acceptance.** Any Services that are provided but not accepted by the City must be corrected or re-worked immediately at no charge to the City. If immediate correction or re-working at no charge cannot be made by the Contractor, a replacement service may be procured by the City on the open market and any costs incurred, including additional costs over the item's bid/proposal price, must be paid by the Contractor within 30 days of receipt of City's invoice.
8. **Warranty.** The Contractor warrants that all products supplied under this Agreement are new, quality items that are free from defects, fit for their intended purpose, and of good material and workmanship. The Contractor warrants that it has clear title to the products and that the products are free of liens or encumbrances. In addition, the products purchased under this Agreement shall be warranted by the Contractor or, if indicated in Attachment D by the manufacturer, for the period stated in Attachment D. Attachment D is attached to this Agreement and is incorporated by reference into this Agreement as if fully set out here in its entirety.
9. **Quality/Quantity Adjustments.** Any Service quantities indicated on the Bid/Pricing Schedule are estimates only and do not obligate the City to order or accept more than the City's actual requirements nor do the estimates restrict the City from ordering less than its actual needs during the term of the Agreement and including any Option Period. Substitutions and deviations from the City's product requirements or specifications are prohibited without the prior written approval of the Contract Administrator.
10. **Non-Appropriation.** The continuation of this Agreement after the close of any fiscal year of the City, which fiscal year ends on September 30th annually, is subject to appropriations and budget approval specifically covering this Agreement as an expenditure in said budget, and it is within the sole discretion of the City's City Council to determine whether or not to fund this Agreement. The City does not represent that this budget item will be adopted, as said determination is within the City Council's sole discretion when adopting each budget.
11. **Independent Contractor.** Contractor will perform the work required by this Agreement as an independent contractor and will furnish such Services in its own manner and method, and under no circumstances or conditions will any agent, servant or employee of the Contractor be considered an employee of the City.

- 12. Subcontractors.** Contractor may use subcontractors in connection with the work performed under this Agreement. When using subcontractors, however, the Contractor must obtain prior written approval from the Contract Administrator if the subcontractors were not named at the time of bid or proposal, as applicable. In using subcontractors, the Contractor is responsible for all their acts and omissions to the same extent as if the subcontractor and its employees were employees of the Contractor. All requirements set forth as part of this Agreement, including the necessity of providing a COI in advance to the City, are applicable to all subcontractors and their employees to the same extent as if the Contractor and its employees had performed the work.
- 13. Amendments.** This Agreement may be amended or modified only by written change order signed by both parties. Change orders may be used to modify quantities as deemed necessary by the City.
- 14. Waiver.** No waiver by either party of any breach of any term or condition of this Agreement waives any subsequent breach of the same.
- 15. Taxes.** The Contractor covenants to pay payroll taxes, Medicare taxes, FICA taxes, unemployment taxes and all other related taxes. Upon request, the City Manager shall be provided proof of payment of these taxes within 15 days of such request.
- 16. Notice.** Any notice required under this Agreement must be given by fax, hand delivery, or certified mail, postage prepaid, and is deemed received on the day faxed or hand-delivered or on the third day after postmark if sent by certified mail. Notice must be sent as follows:

IF TO CITY:

City of Corpus Christi
Attn: Gilbert Sanchez
Title: Safety and Risk Manager
Address: 1201 Leopard St., Corpus Christi, TX 78401
Fax: 361-826-3697

IF TO CONTRACTOR:

York Risk Services Group, Inc.
Attn: Jody A. Moses
Title: Senior Vice President
Address: 333 City Blvd. West. Suite 1500, Orange, CA 92868
Fax: 512-346-9321

With a copy to:
Attn: Michael Krawitz
Title: Senior Vice President and General Counsel
Address: 1 Upper Pond Road, Bldg F 4th Floor, Parisappany, NJ 07054

17. CONTRACTOR AGREES TO INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY OF CORPUS CHRISTI AND ITS OFFICERS, EMPLOYEES AND AGENTS ("INDEMNITEES") FROM AND AGAINST ANY AND ALL LIABILITY, LOSS, CLAIMS, DEMANDS, SUITS AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ON ACCOUNT OF PERSONAL INJURIES (INCLUDING DEATH AND WORKERS' COMPENSATION CLAIMS), PROPERTY LOSS OR DAMAGE, OR ANY OTHER KIND OF INJURY, LOSS, OR DAMAGE, INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS, ATTORNEYS' FEES AND EXPERT WITNESS FEES WHICH ARISE OR ARE CLAIMED TO ARISE OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE PERFORMANCE OF THIS AGREEMENT, REGARDLESS OF WHETHER THE INJURIES, DEATH OR DAMAGES ARE CAUSED OR ARE CLAIMED TO BE CAUSED BY THE CONCURRENT OR CONTRIBUTORY NEGLIGENCE OF INDEMNITEES, BUT NOT IF BY THE SOLE NEGLIGENCE OF INDEMNITEES UNMIXED WITH THE FAULT OF ANY OTHER PERSON. CONTRACTOR MUST, AT ITS OWN EXPENSE, INVESTIGATE ALL CLAIMS AND DEMANDS, ATTEND TO THEIR SETTLEMENT OR OTHER DISPOSITION, DEFEND ALL ACTIONS BASED THEREON WITH COUNSEL SATISFACTORY TO THE CITY ATTORNEY, AND PAY ALL CHARGES OF ATTORNEYS AND ALL OTHER COSTS AND EXPENSES OF ANY KIND ARISING FROM ANY SAID LIABILITY, DAMAGE, LOSS, CLAIMS, DEMANDS, SUITS, OR ACTIONS. THE INDEMNIFICATION OBLIGATIONS OF CONTRACTOR UNDER THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.

18. Termination.

(A) The City Manager may terminate this Agreement for Contractor's failure to perform the work specified in this Agreement or to keep any required insurance policies in force during the entire term of this Agreement. The Contract Administrator must give the Contractor written notice of the breach

and set out a reasonable opportunity to cure. If the Contractor has not cured within the cure period, the City Manager may terminate this Agreement immediately thereafter.

(B) Alternatively, the City Manager may terminate this Agreement for convenience upon 30 days advance written notice to the Contractor. The City Manager may also terminate this Agreement upon 24 hours written notice to the Contractor for failure to pay or provide proof of payment of taxes as set out in this Agreement.

- 19. Assignment.** No assignment of this Agreement by the Contractor, or of any right or interest contained herein, is effective unless the City Manager first gives written consent to such assignment. The performance of this Agreement by the Contractor is of the essence of this Agreement, and the City Manager's right to withhold consent to such assignment is within the sole discretion of the City Manager on any ground whatsoever.
- 20. Severability.** Each provision of this Agreement is considered to be severable and, if, for any reason, any provision or part of this Agreement is determined to be invalid and contrary to applicable law, such invalidity shall not impair the operation of nor affect those portions of this Agreement that are valid, but this Agreement shall be construed and enforced in all respects as if the invalid or unenforceable provision or part had been omitted.
- 21. Order of Precedence.** In the event of any conflicts or inconsistencies between this Agreement, its attachments, and exhibits, such conflicts and inconsistencies will be resolved by reference to the documents in the following order of priority:

 - A. this Agreement and its attachments
 - B. the bid solicitation document, including addenda (Exhibit 1)
 - C. the Contractor's bid response (Exhibit 2)
- 22. Certificate of Interested Parties.** Contractor agrees to comply with Texas Government Code Section 2252.908, as it may be amended, and to complete Form 1295 "Certificate of Interested Parties" as part of this Agreement.
- 23. Governing Law.** This Agreement is subject to all federal, State, and local laws, rules, and regulations. The applicable law for any legal disputes arising out of this Agreement is the law of the State of Texas, and such form and venue for such disputes is the appropriate district, county, or justice court in and for Nueces County, Texas.

- 24. Entire Agreement.** This Agreement constitutes the entire agreement between the parties concerning the subject matter of this Agreement and supersedes all prior negotiations, arrangements, agreements and understandings, either oral or written, between the parties.

(SIGNATURE PAGE FOLLOWS)

CONTRACTOR

Signature: 

Printed Name: Jody A. Moses

Title: Sr. Vice President

Date: August 28, 2017

CITY OF CORPUS CHRISTI

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Attached and Incorporated by Reference:

- Attachment A: Scope of Work
- Attachment B: Bid/Pricing Schedule
- Attachment C: Insurance/Bond Requirements
- Attachment D: Warranty Requirements

Incorporated by Reference Only:

- Exhibit 1: RFB/RFP No. 1133
- Exhibit 2: Contractor's Bid/Proposal Response

Attachment A: Scope of Work

1.1. General Requirements/ Background

- A. The City of Corpus Christi is seeking qualified Third Party Administrators to provide services to the Risk Management Division for Workers' Compensation Program.
- B. The Contractor is to provide a broad representation of medical providers included in any PPO network(s) made available to it by the Contractor, including, but not limited to treating physicians, clinics, specialists, physical therapists, rehabilitation services, and pharmacies. The Contractor is to provide a plan allowing a reduction in fees in the event of failure to satisfy an agreed-upon performance standard, consisting of standard industry performance criteria and any special service criteria otherwise agreed upon.
- C. Contractor must provide the services listed below.
 - 1. Early intervention programs (medical case management)
 - 2. Utilization review/pre-authorization services
 - 3. Medical bill audits
 - 4. Availability and use of PPO networks or other medical fee discount arrangements
 - 5. Rehabilitation services
 - 6. Vocational case management services
 - 7. Assistance with development of medical provider networks
 - 8. On-line computer services
 - 9. Attending DWC hearings (the adjuster is expected to attend all hearings)
 - 10. Impairment ratings/review
 - 11. Run-off (per-claim basis)
 - 12. Run-in (per-claim basis)
 - 13. Re-opened prior (per-claim basis)
 - 14. Peer review
 - 15. Attendance at mediation hearings
 - 16. Surveillance
- D. The Loss information provided is obtained from the current Claims Administrator and is accurate to the best of the City's knowledge. See Exhibit A. The number of claims the City of Corpus Christi has processed from 2012-2017 totals at 3,006.

1.2. Scope of Work

- A. Program Administration Requirements
 - 1. The Contractor will appoint a senior account representative, line adjusters and supervisory adjusters to serve solely in a management and administrative capacity. This representative should have at least five years of experience in

workers' compensation, and must have experience in insurance matters for municipal entities. This person is to be available one month prior to the start of the contract to ensure a smooth transition with the current Contractor. The person is expected to be responsive to the City's administrative needs.

2. The Contractor must assign a minimum of one qualified senior workers' compensation adjuster to this account to handle indemnity claim. This adjuster should have at least five years of experience in workers' compensation, and must have experience in insurance matters for municipalities. In addition, one qualified, dedicated adjuster to handle medical only claims is to be provided.
3. In the event an assigned adjuster be unable to perform the assigned duties satisfactorily as determined by the City, immediate replacement of such adjuster is required. The City's Risk Manager will be consulted in decisions regarding adjusters who will be handling City claims.
4. The Contractor's hours of operation will be Monday through Friday 8:00 a.m. to 5:00 p.m.
5. The Contractor will collect and report data as required by Federal, State and Local authorities, for the purpose of income filings for those claim payments made by the Contractor.
6. The Contractor shall provide a full range of workers' compensation claims administration services shall be provided in accordance with all requirements of the Texas Labor Code, Texas Insurance Code, Texas Department of Insurance Administrative Rules, and the Texas Workers' Compensation Act.
7. All administrative fines incurred as a result of the Contractor's or the Contractor's subcontractor failure to comply with the Texas Workers' Compensation Act and related rules shall be paid by the Contractor and not the City.
8. The Contractor shall follow all rules applicable to HIPPA (any other similar law).
9. The Contractor shall follow all rules with respect to reporting claims for the purposes of Medicare and such associated reporting is to be done by the Contractor.
10. The Contractor will provide an on-line, web based computer claims services and tracking system to the City that includes, but is not limited to diary narrative, supervisor and adjuster notes, and electronic access to claims files. The claim system must have a standard statistical reporting package.

11. The claims system must be capable of generating IRS Form 1099 to vendors and service providers as required by the Internal Revenue Code. The Contractor will forward the Forms 1099 as required by applicable law to the IRS electronically or magnetically based on IRS guidelines.
12. The claims system must be able to provide special reports, and the City must be provided access to all claims data in order to generate its own reports. The claim breakdown is to include, but not be limited to department; accident type; claimant age, gender and occupation; claim severity; line of coverage; claimant experience level; time of day, week and year of accident; and type of equipment involved.
13. The claims system must allow the City to enter the first report of injury electronically.
14. All claims are to be electronic/paperless.
15. The Contractor shall scan and attach all claim documents to the electronic claim. Physical storage for historical workers' compensation claim files must be provided.
16. The Contractor must have a comprehensive business continuity/disaster plan for data recovery.
17. The Contractor will utilize the same injury codes, classification codes and departmental codes as the City's current system.
18. The Contractor will meet with the City on a quarterly basis to review open claims.
19. All claims reported under the contract, including records only, medical only, indemnity claims, and subrogation will be administered until fully settled, regardless of the period of time involved or required, in accordance with the fee structures indicated in the contract for services.
20. The Contractor will be responsible for handling subrogation claims until settled by all parties. Approval of the City's Risk Manager is required before discounting any subrogation lien.
21. Settlement of any claim requires the approval of the City's Risk Manager.

22. The Contractor will notify the City's Risk Manager via email within forty-eight (48) hours that a Benefit Review Conference or Contested Case Hearing has been scheduled.
23. Contesting the decision of any hearing officer requires the approval of the City's Risk Manager.
24. Upon expiration or termination of the contract resulting from this RFP, within thirty days of the City's request, at no additional cost to the City, the current Contractor shall provide the new Contractor with all data requested by the City.

B. Fund Requirements

1. The City will make funds available that the Contractor may draw from for claims and/or loss payments. The City will hold all funds for outstanding claims and reserves. A loss fund will be maintained in an amount agreeable to the Contractor and to the City.
2. All payments made shall be made by issuance of checks from the designated City-administer checking account established at the City's depository bank. The Contractor shall electronically transmit a check register to the City's Financial Services Department on a monthly basis. Such check register shall be transmitted by the Contractor no later than the second business day of the month following the month to which the check register refers.
3. The Contractor shall transmit, via email, the check number, check amount and date of the check to the City's depository before a check is mailed. In lieu of issuing stop payment requests, the Contractor shall void the check with the City's depository so that the request to deny payment remains in effect indefinitely. For each voided check the Contractor shall transmit to the City's depository via electronic file transfer the check number, check amount and the date of the check.
4. The City shall be responsible for balancing and reconciling this account monthly, including processing of all unclaimed checks.
5. The City will advise the Contractor, at least quarterly, on the status of outstanding checks so that the Contractor may determine whether payment(s) to any payee should be voided and reissued, or be processed as unclaimed property.
6. Duplicate payments of any type which are unrecovered by the Contractor shall be reimbursed to the City by the Contractor.

7. The Contractor will furnish the City with monthly summaries of the bank account and expenditures, including a list of all checks, vouchers and voided checks, in numerical sequence. The summaries must include the following:
 - Claimant Name and Claim Number
 - Date of Issue
 - Amount
 - Payee
 - Type of Benefit Paid
 - Benefit Period
8. The Contractor will review open reserves with the City's Risk Manager monthly.
9. The Contractor will be subject to the approval of the excess workers' compensation insurance company, if requested by the excess insurer, as may be applicable.

C. Claims Administration

1. The Contractor will provide claims reporting services on a 24 hour basis.
2. The Contractor agrees to use claim forms provided by the City, or otherwise to furnish the forms to the City as may be necessary.
3. The Contractor will investigate, reserve, adjust, settle or decline all reported claims in accordance with state workers' compensation statutes and generally accepted loss adjustment standards.
4. The Contractor shall assign a reported claim to an adjuster within 24 hours of the Contractor's receipt of notice of injury.
5. The assigned adjuster will contact, or attempt to contact, all claimants within 24 hours of receiving notice of claim assignment.
6. The Contractor will contact the injured employee's department and medical provider within two business days of notification of an injury.
7. The Contractor will obtain recorded statements from claimants within two (2) business days of notification of injury. In addition, the Contractor will obtain recorded statements from any witness when there is any lost time involved in the claim.
8. The Contractor will obtain approval from the City prior to denying any claim or prior to final disposition of any claim settlement that is outside the settlement authority granted to the Contractor by the City. Any request for settlement

authority or declinations will be submitted in writing to the City with the following information:

- A description of the facts and nature of the incident
- A description of the damages and/or injuries
- An evaluation of the incident
- The claimant's demand
- The amount for which authority is requested

9. The City will reserve the right to direct the handling of any claim or to take over the handling of any claim at any time during the life of the service agreement and/or the life of the claim.
10. The Contractor will monitor medical treatment of injured employees and obtain appropriate medical reports.
11. The Contractor will keep all open claims on a current diary system, which provides for periodic review by the assigned adjuster. Each file shall be reviewed and updates as necessary, but not less than once every 30 days.
12. The Contractor will audit medical, hospital and miscellaneous invoices prior to approving for payment.
13. The City will retain the right to select its own medical service providers, as well as others utilized for special claims handling procedures, inclusive of internal medical resources; i.e., nurse practitioners.
14. The Contractor will authorize medical treatment and indemnity benefits considered related, customary and necessary, issue checks or authorize payments for treatment and benefits. The payment of indemnity and medical benefits must be in accordance with the express authorization issued by the City to the Contractor.
15. The Contractor will conduct an on-site investigation of any claim at the request of the City within 24 hours of receiving the first notice of loss. At the discretion of the City, claims with severe loss potential will be investigated on the same day the claim is reported.
16. The Contractor will prepare and provide the City with narrative reports for serious or contested injuries, when appropriate and as requested by the City.
17. The Contractor will be alert to the potential for subrogation and make every effort to secure and pursue the City's rights of recovery.

18. The Contractor will negotiate settlement with injured employees, their attorneys or representatives within the discretionary settlement authority.
19. The Contractor will consult with the City and defense attorneys in the settlement of litigated claims, and provide and monitor files for the defense and outcome of these litigated claims.
20. The Contractor may assist in the recommendation and selection of defense attorney(s); however, the City will retain the right to select the attorney(s) it chooses.
21. The Contractor will be available to assist in the development and/or implementation of written procedures and instructions to assure quality and ongoing operation of the City's claims management program.

1.3. Quality Control

- A. Contractors must have policies and procedures in place to ensure and measure internal quality control. The policies and procedures should address all aspects of the claims handling process, including, but not limited to:
 1. Claims adjuster/supervisor caseloads for employers' liability and workers' compensation
 2. Claims file documentation requirements
 3. Provide a web-based claims handling program
 4. Investigation and communication
 5. Initial contact with injured employee
 6. Recorded statements
 7. Reserving guidelines
 8. Frequency of reviews of open claim reserves
 9. Diary system maintained for all claim activities
 10. Frequency of supervisor's review of each adjuster's claim files
 11. Frequency of follow-up contacts with workers' compensation lost-time claimants
 12. Pursuing subrogation
 13. Litigation/attorney management
 14. Expense controls on other vendors
 15. Special investigation or surveillance procedures
 16. Compliance with excess insurance reporting requirements
 17. General client servicing requirements and guidelines
 18. Index bureau query and reporting guidelines
- B. The Contractor will furnish administration manuals, including instructions and all necessary forms within 30 days following the effective date of the awarded contract

1.4. Quality Assurance

- A. The Contractor will be subject to periodic claims audits by an independent firm at the discretion of the City. The purpose of such an audit is to measure compliance with the agreed-upon claims administration servicing standards desired by the City.
- B. The City has the option to audit any or all files maintained by the Contractor and requires adequate internal controls. **The Contractor is required to provide adequate internal control procedures to protect the City from any type of financial loss.**

EXHIBIT A

Claim Type by Year	No. of Claims	Total Paid	Outstanding	Total Incurred
2012	668	\$1,387,802.40	\$51,128.44	\$1,438,930.84
	1	\$19,210.00	\$0.00	\$19,210.00
Indemnity	44	\$971,192.45	\$51,128.44	\$1,022,320.89
Medical Only	612	\$336,736.86	\$0.00	\$336,736.86
Medical Only - Complex	11	\$60,663.09	\$0.00	\$60,663.09
2013	603	\$1,721,992.72	\$16,352.04	\$1,738,344.76
Indemnity	56	\$1,463,035.43	\$16,352.04	\$1,479,387.47
Medical Only	533	\$196,463.55	\$0.00	\$196,463.55
Medical Only - Complex	10	\$61,649.80	\$0.00	\$61,649.80
Medical Only - Minor	3	\$843.94	\$0.00	\$843.94
Reporting Purposes Only	1	\$0.00	\$0.00	\$0.00
2014	549	\$1,512,514.99	\$65,445.04	\$1,577,960.03
Indemnity	57	\$1,284,778.81	\$65,445.04	\$1,350,223.85
Medical Only	478	\$175,751.82	\$0.00	\$175,751.82
Medical Only - Complex	13	\$51,332.70	\$0.00	\$51,332.70
Medical Only - Minor	1	\$651.66	\$0.00	\$651.66
2015	523	\$1,791,860.28	\$341,494.52	\$2,133,354.80
Indemnity	59	\$1,545,829.63	\$331,509.12	\$1,877,338.75
Medical Only	362	\$145,767.58	\$0.00	\$145,767.58
Medical Only - Complex	29	\$100,263.07	\$9,985.40	\$110,248.47
Reporting Purposes Only	73	\$0.00	\$0.00	\$0.00
2016	545	\$743,247.87	\$478,650.98	\$1,221,898.85
Indemnity	41	\$443,847.40	\$437,109.88	\$880,957.28
Medical Only	318	\$233,684.45	\$25,156.65	\$258,841.10
Medical Only - Complex	23	\$65,716.02	\$16,384.45	\$82,100.47
Reporting Purposes Only	163	\$0.00	\$0.00	\$0.00
2017	118	\$37,647.27	\$257,110.32	\$294,757.59
Indemnity	4	\$8,543.23	\$144,810.86	\$153,354.09
Medical Only	78	\$26,041.41	\$97,503.34	\$123,544.75
Medical Only - Complex	1	\$3,062.63	\$14,796.12	\$17,858.75
Reporting Purposes Only	35	\$0.00	\$0.00	\$0.00
Grand Total	3006	\$7,195,065.53	\$1,210,181.34	\$8,405,246.87

Attachment B: Bid/Pricing Schedule

CITY OF CORPUS CHRISTI

Pricing Form
PURCHASING DIVISION

RFP No. 1133

Workers Compensation Third-Party Administration Services

DATE: July 20, 2017

York Risk Services Group

Jody A. Moses, Senior Vice President

PROPOSER

AUTHORIZED SIGNATURE

1. Refer to "Instructions to Proposers" and Contract Terms and Conditions before completing proposal.
2. Provide your best price for each item.
3. In submitting this proposal, Proposer certifies that:
 - a. the prices in this proposal have been arrived at independently, without consultation, communication, or agreement with any other Proposer or competitor, for the purpose of restricting competition with regard to prices;
 - b. Proposer is an Equal Opportunity Employer; and the Disclosure of Interest information on file with City's purchasing office, pursuant to the Code of Ordinances, is current and true.
 - c. Proposer has incorporated any changes issue through Addenda to the RFP in this pricing.

Item	Description	Unit	Fee
Workers' Compensation			
1	Indemnity	Per claim	\$960
2	Medical - Only	Per claim	\$175
3	Report - Only	Per claim	\$35
RunOff Cost			
4	Indemnity	Per claim	\$225 0 JAM 8/11/17
5	Medical - Only	Per claim	\$0
6	Other	Per claim	\$0
Runh Cost			
7	Indemnity	Per claim	\$225 0 JAM 8/11/17
8	Medical - Only	Per claim	\$0
9	Other	Per claim	\$0
10	Medical Case Management	Per claim	\$90.00/FCM \$85.00/TCM
11	Utilization Review Services	Per review	\$95 Nurse, \$165 Physician, Retrospective \$165
12	Medical Bill Audits	Per bill	\$8.00 per bill
13	Use of 504 Physician Panel Network	Per claim	\$11.50 per bill*
14	Rehabilitation Services	Per claim	\$90 per hour

* Item 13 - Based on 504 Board approval

Item	Description	Unit	Fee
15	Vocational Case Management Services	Per claim	\$90 per hour
16	Return to Work/Medical Provider Programs	Per claim	\$90 per hour
17	Online Computer Services	Per user	\$Included
18	Attending DWC Hearings(BRC and CCH)	Per hearing	\$Included
19	Attending Mediation Hearings	Per hearing	\$Included
20	Impairment Rating Review	Per review	\$250 Physician Review
21	Pursuing Subrogation	Per claim	\$Included
22	Re-open prior claims	Per claim	\$200 for FPC reopen
23	Peer Review	Per review	\$ 250 - \$650 per review
24	Attorney Fees	Per hour	\$ Included
25	Precertification	Per Precertification	\$ Included
26	Administrative Fee	Per month	\$1200.00

Please refer to the following page for York's pricing notes and years 2 through 5 pricing for claims and managed care services. We have also provided flat annual fee option for the City's consideration.

~~York is presenting an optional flat annual fee for WC Claims administration of \$130,735 annually. This fee covers the administration of all takeover claims and any new reported claims during the year. This fee structure allows the City a set amount each month/year that can be budgeted regardless of the increase/decrease in claim volume.~~

~~Flat Annual Fee Pricing~~

Year 2	Year 3	Year 4	Year 5
\$134,657	\$138,607	\$142,858	\$147,144

Fee per claim structure is challenging to support the City's request for a "dedicated" claim examiner. The examiner will manage nothing but the City's claims regardless of any change in claim volume. Should the volume decrease, York could be in the position with too few claims to support the cost of the fully dedicated claim examiner. Therefore, the fee per claim pricing stated on the pricing page above requires a fee for takeover claims at each anniversary during the contract term. York will remain open should the City wish at some point to a "designated" examiner that we may reprice accordingly.

York's service is reliant on our employees, therefore we strive to provide competitive salaries, benefits, and training to recruit and retain staff. As such, all proposed fee per claim pricing above shall have 3% annual increases to keep up with increase labor costs.

Managed Care Fees Years 2 through 5

Bill Review Pricing

Year 2	Year 3	Year 4	Year 5
\$8.24	\$8.49	\$8.74	\$9.00

Preauthorization Pricing

Year 2	Year 3	Year 4	Year 5
Nurse \$95.00 Physician \$170.00	Nurse \$98.00 Physician \$175.00	Nurse \$98.00 Physician \$175.00	Nurse \$99.00 Physician \$180.00

Retrospective Utilization Review

Year 2	Year 3	Year 4	Year 5
\$170.00	\$175.00	\$175.00	\$175.00

Case Management

Year 2	Year 3	Year 4	Year 5
FCM \$91.00 TCM \$86.00	FCM \$92.00 TCM \$87.00	FCM \$93.00 TCM \$88.00	FCM \$94.00 TCM \$89.00

Attachment C: Insurance Requirements

A. PROPOSER'S LIABILITY INSURANCE

1. Proposer must not commence work under this agreement until all insurance required has been obtained and such insurance has been approved by the City. Proposer must not allow any subcontractor Agency to commence work until all similar insurance required of any subcontractor Agency has been obtained.

2. Proposer must furnish to the City's Risk Manager and Director Human Resources, 2 copies of Certificates of Insurance (COI) with applicable policy endorsements showing the following minimum coverage by an insurance company(s) acceptable to the City's Risk Manager. The City must be listed as an additional insured on the General liability and Auto Liability policies **by endorsement**, and a waiver of subrogation is required on all applicable policies. **Endorsements** must be provided with COI. Project name and or number must be listed in Description Box of COI.

TYPE OF INSURANCE	MINIMUM INSURANCE COVERAGE
30-written day notice of cancellation, required on all certificates or by applicable policy endorsements	Bodily Injury and Property Damage Per occurrence - aggregate
Commercial General Liability including: 1. Commercial Broad Form 2. Premises – Operations 3. Products/ Completed Operations 4. Contractual Liability 5. Independent Contractors 6. Personal Injury- Advertising Injury	\$1,000,000 Per Occurrence
AUTO LIABILITY (including) 1. Owned 2. Hired and Non-Owned 3. Rented/Leased	\$1,000,000 Combined Single Limit
PROFESSIONAL LIABILITY (Errors and Omissions)	\$1,000,000 Per Claim (Defense costs not included in face value of the policy) If claims made policy, retro date must be prior to inception of agreement, have extended reporting period provisions and identify any limitations regarding who is insured.
CRIME/EMPLOYEE DISHONESTY Contractor shall name the City of Corpus Christi, Texas as Loss Payee	\$1,000,000 Per Occurrence

WORKERS' COMPENSATION	Statutory
EMPLOYER'S LIABILITY	\$500,000 /\$500,000 /\$500,000

3. In the event of accidents of any kind related to this agreement, Proposer must furnish the Risk Manager with copies of all reports of any accidents within 10 days of the accident.

B. ADDITIONAL REQUIREMENTS

1. Applicable for paid employees, Proposer must obtain workers' compensation coverage through a licensed insurance company. The coverage must be written on a policy and endorsements approved by the Texas Department of Insurance. The workers' compensation coverage provided must be in an amount sufficient to assure that all workers' compensation obligations incurred by the Proposer will be promptly met.
2. Proposer shall obtain and maintain in full force and effect for the duration of this Contract, and any extension hereof, at Proposer's sole expense, insurance coverage written on an occurrence basis, by companies authorized and admitted to do business in the State of Texas and with an A.M. Best's rating of no less than A- VII.
3. Proposer shall be required to submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Proposer shall pay any costs incurred resulting from said changes. All notices under this Article shall be given to City at the following address:

City of Corpus Christi
Attn: Risk Manager
P.O. Box 9277
Corpus Christi, TX 78469-9277

4. **Proposer agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following required provisions:**

- List the City and its officers, officials, employees, volunteers, and elected representatives as additional insured by endorsement, as respects operations, completed operation and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation policy;
- Provide for an endorsement that the "other insurance" clause shall not apply to the City of Corpus Christi where the City is an additional insured shown on the policy;
- Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the City; and
- Provide thirty (30) calendar days advance written notice directly to City of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance written notice for nonpayment of premium.

5. Within five (5) calendar days of a suspension, cancellation, or non-renewal of coverage, Proposer shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Proposer's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this contract.
6. In addition to any other remedies the City may have upon Proposer's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Proposer to remove the exhibit hereunder, and/or withhold any payment(s) if any, which become due to Proposer hereunder until Proposer demonstrates compliance with the requirements hereof.
7. Nothing herein contained shall be construed as limiting in any way the extent to which Proposer may be held responsible for payments of damages to persons or property resulting from Proposer's or its subcontractor's performance of the work covered under this agreement.
8. It is agreed that Proposer's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of Corpus Christi for liability arising out of operations under this agreement.
9. It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this agreement.

2017 Insurance Requirements
Legal Dept. – Risk Management
Worker's Compensation TPA Services
05/02/2017 sw Risk Management

Attachment C: Bond Requirements

Section 5. (B) is null for this Service Agreement.

Attachment D: Warranty Requirements

Section 8. Warranty is null for this Service Agreement.