STATE OF LOUISIANA
OFFICE OF RISK MANAGEMENT

REQUEST FOR PROPOSALS

FOR

CLAIMS MANAGEMENT AND LOSS PREVENTION SERVICES

RFP # 2009 CLAIMS-LP

Proposal Due Date/Time: 4:00 PM CST, February 2, 2010

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SECTION I

1.0 GENERAL INFORMATION

1.1 PURPOSE

This Request for Proposals (RFP) is issued by the State of Louisiana, Division of Administration, Office of Risk Management (ORM), hereinafter referred to as the State, for the purpose of selecting a qualified company to provide services for all lines of insurance coverage it administers for the State of Louisiana. These services will include Claims Administration and Loss Prevention. Details of the services required are provided in the Scope of Services.

1.2 DEFINITIONS

Contractor: A proposer awarded the contract.

DOA: Division of Administration. The Division of Administration is comprised of various sections that perform a wide variety of legislatively mandated activities and other required administrative and management functions of State government.

DRL: Division of Risk Litigation in the Attorney General's Office.

Financial Statement: Written reports prepared to disclose a company's financial information as of a specified date. This includes an income statement and a balance sheet.

FP&C: Facility Planning and Control, the section of the Division of Administration responsible for design and construction of buildings.

Louisiana Revised Statutes: A body of law consisting of statutes of a general nature compiled into 56 Titles arranged alphabetically by topic from Aeronautics to Wildlife and Fisheries. These may be accessed at **http://www.legis.state.la.us/.**

May: Indicates information, which the proposer is allowed to include, but is not mandatory.

Must, Will, Shall: Indicates a mandatory requirement. Failure to meet these requirements shall result in the elimination of a proposal from consideration.

ORM: State of Louisiana, Office of Risk Management.

OWCA: Louisiana Workforce Commission, Office of Workers' Compensation Administration.

Proposer: A company submitting a proposal in response to this RFP.

RTW: Return to Work.

Should: Indicates a requirement which is recommended but not mandatory.

State: State of Louisiana, Office of Risk Management.

Telecommuting: Indicates a work arrangement that allows employees to regularly perform officially assigned job duties at home or other work sites geographically convenient to the residence of the employee.

1.3 BACKGROUND

Office of Risk Management

The Office of Risk Management was created within the Division of Administration by R.S. 39:1527, et seq., in order to provide a comprehensive risk management program for the State. R.S. 39:1527, et seq., further designates the ORM to be solely responsible for all Property and Casualty and Workers' Compensation insurance purchased by ORM or self-insured by ORM for all State departments, agencies, boards, and commissions.

ORM administers the self insurance program for the State of Louisiana to include claims administration, payments to claimants/providers, underwriting services, premium assessment/billing/collection, loss prevention services, and providers' contract administration.

ORM provides Workers' Compensation coverage to all of the State's approximately 114,000 employees. Coverage is provided for State buildings and property valued at approximately $16,087,422,465. ORM also provides coverage for employee bonds, crime, automobile liability and physical damage, comprehensive general liability, personal injury liability, boiler and machinery, medical malpractice, road hazards and miscellaneous tort coverage for those tort claims not otherwise covered. Other coverages are provided as needed, including aviation, wet marine, and bridge property damage.

ORM operates satellite offices in the following locations:

Alexandria – leased space
Lafayette – State office space
Shreveport – leased space
Monroe – State office space
New Orleans - telecommuting employee

ORM's internal organization chart can be accessed at http://doa.louisiana.gov/orm/orgchrt.htm.

Claims Unit

ORM's Claims Unit is organized in teams by line of insurance.

Claims reports can be accessed at http://doa.louisiana.gov/orm/rfp2009-claimslp.htm.

The State contracts with CorVel for MMSEA Section 111 reporting. The State also contracts with an individual that functions as ORM's Medical Director.

Additional information on the Claims Unit can be viewed at http://doa.louisiana.gov/orm/claims.htm.

General Liability Unit

The General Liability Claims Unit handles claims covering the legal liability for the State of Louisiana arising out of occurrences resulting in injuries or property damage to others that do not involve licensed vehicles, as well as certain obligations of others assumed under contract. This coverage includes premises and operations, completed operations and products liability, elevator and escalator liability, watercraft liability, contractual liability, wrongful acts, errors and omissions (professional liability), public officials (directors and officers or educational liability), custodial, garage keepers legal liability, foster parents, protective liability, and fire damage legal liability.

Workers' Compensation Unit

ORM's Workers' Compensation Unit is responsible for investigating, adjusting, and managing medical and lost time benefit claims for State employees who have been injured during the course and scope of their employment. Claims are handled in accordance with Title 23 of the Louisiana Revised Statutes for Labor and Workers' Compensation.

The focus of Workers' Compensation is to adjudicate claims in accordance with the workers' compensation statute so that injured workers can return to gainful employment. 10-15% of claims are in litigation and adjusters average 4-5 hearings per month.

In an effort to return workers to gainful employment as soon as medically feasible after an injury, ORM has a Transitional Duty Program whereby State agencies allow early return to work for their injured employees with proper medical documentation.

The State does not follow Occupational Safety & Health Administration (OSHA) guidelines.

The State contracts for Cost Containment services from multiple vendors. Current contracts are as follows:

Medical Fee Schedule, Pre-certifications, Utilization Review
Vocational Rehabilitation
Medical Management
Second Injury Fund Recovery

Multiple non-contract vendors are used for Medicare Set-Aside reporting. The State does not currently have a contract for a Pharmacy Benefit Manager.

Property Unit

The Property Unit is responsible for investigating and adjusting first party losses to State buildings and contents, boiler and machinery claims in which the State has an insurable interest, and employee bond and crime losses. The Crime Policy covers loss of money, securities, and other property damaged and/or stolen as a result of crime committed by a third party. The Employee Bond policy provides similar coverage for losses caused by employees and includes property damage as well as loss of monies.

In addition to the above, ORM's Property Unit is responsible for handling bridge property losses, fixed marine facility losses, flood claims, and various other losses that may be assigned.

Transportation / Road Hazard Unit

This Unit handles physical damage and liability claims resulting from State-owned licensed/rented/leased vehicles used for State business including, but not limited to, State automobiles, personal vehicles used on State business (excess coverage), ferry boats, and aircraft.

This Unit is also responsible for investigating, adjusting and managing claims against the Louisiana Department of Transportation and Development (DOTD) for damages resulting from the establishment, design, construction, existence, ownership, maintenance, use, extension, improvement, repair, or regulation of any State bridge, tunnel, dam, street, road, highway, or expressway.

Litigated road hazard claims are appropriated individually by the Legislature and paid by the State Treasurer. ORM facilitates this process.

Medical Malpractice Unit

The Medical Malpractice Unit handles Medical Malpractice claims for all State health care facilities including the State's charity hospital system, as well as health units and mental health clinics in all parishes. We also provide this coverage for clinics and hospitals in the State's prison system, LSU Clinics, and LSU staff and residents in private hospitals and clinics throughout the State.

Loss Prevention Unit

ORM’s Loss Prevention Unit audits all State departments, agencies, boards, and commissions for compliance with the Loss Prevention Program, R.S. 39:1527-44; facilitates "Workplace Safety" training programs for all State departments, agencies, boards, and commissions; appraises all State-owned and leased buildings for replacement cost; and investigates claims and lawsuits against the State as requested.

Additional information on the Loss Prevention Unit can be viewed at http://doa.louisiana.gov/orm/lp.htm.

Underwriting Unit

ORM's Underwriting Unit maintains the State's self-insurance policies; purchases excess commercial property and casualty insurance above the self-insured limits; issues Certificates of Insurance and certified policies; conducts risk assessments to help State agencies identify exposure areas; provides recommendations to agencies on the proper use of insurance requirements in contractual documents; maintains the inventory, with valuations, of buildings and property statewide; and trains State agencies in risk management policies and practices.

Additional information on the Underwriting Unit can be viewed at http://doa.louisiana.gov/orm/aboutUW.htm.

Statistics Unit

The Statistics Unit has 2 main functions; develop the final claims reserves that are used in the State's CAFR and develop and allocate the annual premiums to state agencies.

The Unit develops monthly reserves for each line of coverage based upon claims data from the STARS system. These reserves are validated by ORM's independent actuary. Loss triangles are developed from these final reserves for the actuary to develop the next year's monthly development factors. At the end of every fiscal year, the final reserves are developed for Losses, Allocated Loss Adjusting Expenses (ALAE), Incurred but Not Reported (IBNR) and Unallocated Loss Adjusting Expenses (ULAE).

Additionally, the Unit develops the annual, actuarially-developed statewide premiums and allocates the premiums to each state agency based upon their respective claims and exposures. Reported quarterly exposures are evaluated for correctness using statistical methods such as linear regression and frequency distribution. The final billed premiums are calculated after appropriated premiums are adjusted for safety credits or penalties from audits/compliance reviews by the Loss Prevention Unit.

The Statistics Unit is also responsible for maintaining the ORM location listing according to the most recent legislative actions. In addition, the Unit provides custom reports as requested for internal and external parties.

Information Technology (IT) Unit

The Information Technology Unit provides computer support services to ORM and to others who utilize ORM's systems. The Unit's responsibilities include administering system security, technology acquisitions, reporting, production control, and help desk support. The Unit also acts as liaison to vendors providing IT systems and services to ORM.

The ORM IT Unit is also responsible for Records Management, including the development of records retention schedules, and archiving and destroying records based on the schedule. They operate our imaging Unit which scans all lawsuits upon receipt, while working toward building an image archive of all closed claims.

ORM'S RMIS System

IT serves as the system administrator for the CS STARS system, which was implemented in February of 2008. All change requests are evaluated for system impact by IT before either implementing the change or requesting it to be done by the vendor.

ORM uses CS STARS software for all claims management functions. This includes all claims payments, other than legal expenses. Claims are either escalated from the incident reported online or the claim is entered directly from a paper form. Workers' Comp claims are usually entered online by the agency in the STARS Web system. This claims system allows for diary and note entries as well as running reports.

IT Records Management uses STARS to record when claims are imaged and to keep track of where the records are stored at LA State Archive. This is done manually when the scanning is done and electronically uploaded into STARS once the information is obtained from State Archive.

STARS Audit

This system is used to administer the Loss Prevention Unit's safety audit. Agencies conduct self-audits on their safety programs and facilities prior to the official audit conducted by LP. This process points out deficiencies in advance of the actual audit. The loss prevention officers conduct audits once every three years, with a compliance review conducted the years in between. This is a reward/penalty based system which uses the audit template and scoring matrix designed by and exclusively for the State's Loss Prevention Unit.

We currently have 379 agency audit user id's issued and the total estimated number of statewide users could exceed 650. There are 12 LP version licenses that run on PC tablets used to conduct the on-site safety audits. IT also provides technical support for the installation of the software on the 12 tablets as well as importing data gathered on the tablets in the field to the main data system.

STARS Web

STARS Web allows agency users to electronically fill out incident notification forms and to run reports on their claims to track their incidents and losses. They also run reports on Workers' Comp claims to see which workers need to buy back leave. There are 432 statewide agency users on STARS Web. IT sets up and deactivates user id's for STARS Web and currently processes between 5 – 19 requests per week.

Other custom-developed and third-party software applications:

Filenet

This system is our claim file electronic filing cabinet.

TrialNet

This is an electronic billing system utilized by all contract counsel. TrialNet allows law firms to upload, pre-audit and edit their bills for legal services on line before submitting them to the adjusters for payment. Adjusters review the invoices online and approve

them for payment and notify the firm of any discrepancies. In addition, this system requires contract counsel to provide status reports at the various intervals as required by our reporting and billing guidelines as well as submit budgets for the continued defense of the State cases.

CorVel Care MC

CorVel is ORM's medical bill fee scheduling provider; Care MC is the online medical bill approval system. Workers' Comp adjusters review medical bills that have been fee scheduled. There are nightly batches of files between the CorVel system and the STARS system. IT monitors the codes on both ends of the process to insure that data is transferred properly. ORM generates about 125 payments a day. Change requests on either system may impact these interfaces. ORM IT tracks the user ids for this system, but the vendor actually activates and deactivates user ids.

Marshall & Swift

Marshall and Swift is the building appraisal system used by ORM. By law, all of the approximately 9,000 insured building properties must be appraised every four years.

State Land and Building System (SLABS)

SLABS tracks all state property including land, buildings, and building content values. SLABS has several user agencies including ORM, State Land Office, Facility Planning and Control, and OSRAP. The Underwriting, Loss Prevention, and Property Units within ORM use the system on a daily basis to add, delete and update building and contents records. SLABS is projected to be replaced with the SAP system through the Enterprise Resource Planning (ERP) project expected to be in place July 2010.

Additional information on the IT Unit can be viewed at http://doa.louisiana.gov/orm/IT.htm.

Accounting Unit

The Accounting Unit provides financial/statistical reporting for fifteen lines of insurance, performs accounts payable/receivable functions, prepares/monitors agency budget, manages cash, and prepares/distributes annual Federal Information Returns for all taxable vendors.

Additional information on the Accounting Unit can be viewed at http://doa.louisiana.gov/orm/aboutACT.htm.

Contract Unit

The Contract Unit processes contract requests, which includes obtaining all documentation required, typing the contracts, and entering contract into the State's contract management system and ORM's risk management system.

Additional information on the Contract Unit can be viewed at http://doa.louisiana.gov/orm/contracts.htm

Louisiana State Attorney General's (AG's) Office

In accordance with R.S. 39:1533 B, the representation of the State and State agencies in all claims covered by the Self-Insurance Fund, and in all tort claims whether or not covered by the Self-Insurance Fund, shall be provided by the Attorney General or by private legal counsel appointed by the attorney general. The Commissioner of Administration must concur with the appointment in accordance with the provisions of R.S. 49:258.

The Louisiana Office of the Attorney General – Risk Litigation Program has 91 staff attorneys dedicated to providing legal representation to the State on claims managed by ORM. Currently, the Office of the Attorney General is handling approximately 60% of the litigated claims for ORM by staff attorneys. ORM contracts with approximately 124 contract attorneys for legal representation on the other 40%.

The Division of Risk Litigation is funded by ORM through an Inter Agency Transfer. The State currently has approximately 3963 open litigated cases.

1.4 GOALS AND OBJECTIVES

The goals of the Project are to:

Reduce total program cost;
Increase customer satisfaction; and
Reduce long term liability.

1.5 PROPOSER MANDATORY QUALIFICATIONS

In order to respond to this RFP, a proposer MUST meet the following conditions:

- Proposer must verify that the proposed Third Party Administrator (TPA) will be licensed in the State of Louisiana per R.S. 22:1641 et seq. prior to contract execution.
- Proposer must have a minimum of three (3) years experience in providing Workers' Compensation claims services to a governmental entity same/similar in size, scope, and function to the State of Louisiana.
- Proposer must have a minimum of three (3) years experience in providing multi-line claims administration services to a governmental entity same/similar in size, scope, and function to the State of Louisiana.
- A designated representative of the proposer must have attended the pre-proposal conference, with attendance verified using sign-in sheets specifying name and company represented. Representatives of subcontractors are not required to attend.
- Proposer must submit a copy of company's last 3 years audited financial statements.

SECTION II

2.0 ADMINISTRATIVE INFORMATION

2.1 EXPECTED TIME PERIOD FOR CONTRACT

A contract resulting from this Request for Proposal will be issued for a five (5) year contract term, which includes a transition period that will be agreed upon by the State and the Contractor (the length of the transition period is estimated to be two (2) months). The five (5) year contract term will be effective approximately July 1, 2010 through June 30, 2015. The contract will be subject to approval by the Office of Contractual Review and the Joint Legislative Committee on the Budget.

2.2 RFP COORDINATOR

Requests for copies of the RFP and written questions must be directed to the RFP Coordinator listed below:

This RFP is available in electronic form at the State of Louisiana, Office of Risk Management website or by typing http://doa.louisiana.gov/orm/rfp2009-claimslp.htm. A hard copy can also be obtained upon request.

In addition, this RFP is available in electronic form at the LaPAC website http://wwwprd.doa.louisiana.gov/osp/lapac/pubmain.asp. It is available in PDF format. It is the Proposer's responsibility to check the LaPAC website frequently for any possible addenda that may be issued. The State is not responsible for a proposer's failure to download any addenda documents required to complete a Request for Proposal.

Proposer is solely responsible for ensuring that its courier service provider (if used) makes inside deliveries to our physical location. The State is not responsible for any delays caused by the proposer's chosen means of proposal delivery.

Proposers should be aware of security requirements for the Claiborne Building and allow time to be photographed and presented with a temporary identification badge.

RFP Coordinator: Bonnie Fuller
Email: Bonnie.Fuller@La.Gov

Phone: (225) 342-8659
FAX: (225) 342-3845

Postal Address:
Office of Risk Management
Post Office Box 91106
Baton Rouge, Louisiana 70821-9106

Street Address:
Office of Risk Management
Claiborne Building, Suite G-192
1201 North Third Street
Baton Rouge, Louisiana 70802

2.3 CALENDAR OF EVENTS

1. Issue RFP and mail public announcements..... 11/13/2009
2. Pre-proposal Conference..... 12/8/2009
3. Deadline for receiving initial proposer inquiries (4:00 P.M. CT)..... 12/15/2009
4. Response date for initial proposer inquiries..... 12/22/2009
5. Deadline for receiving follow-up proposer inquiries (4:00 P.M. CT)..... 1/5/2010
6. Response date for follow-up proposer inquiries..... 1/12/2010
7. Proposal submission deadline (4:00 P.M. Central Time)..... 2/2/2010
8. Invitation to finalists for oral interviews (tentative) 2/15/2010
9. Oral Interviews (tentative)..... 2/22/2010
10. Formal announcement of selected proposer (tentative) 3/15/2010
11. Contract execution (tentative)..... 7/1/2010

NOTE: The State of Louisiana reserves the right to amend and/or change this schedule of RFP activities, as it deems necessary.

2.4 PROPOSER INQUIRIES

The State will consider written proposer inquiries regarding RFP requirements or Scope of Services. The State reserves the right to modify the RFP should a change be identified that is in the best interest of the State.

Two periods for inquiries are provided for in the calendar of events. To be considered, during a given inquiry period, written inquiries and requests for clarification of the content of this RFP must be received at the address shown in Section 2.2 by the date and time specified in the Calendar of Events (See Section 2.3). Official responses to each of the questions presented by the proposers will be posted by the last date to respond to proposer inquiries for each period as indicated in Section 2.3, at http://doa.louisiana.gov/orm/rfp2009-claimslp.htm and to the LaPAC site at http://wwwprd.doa.louisiana.gov/osp/lapac/pubmain.asp. It is the responsibility of the proposer to check the web sites for the official responses to proposer inquiries and other addenda to the RFP, if any.

Only Julian S. “Bud” Thompson, Jr., State Risk Director, has the authority to officially respond to proposers’ questions on behalf of the State. Any communications from any other individuals are not binding to the State.

2.5 PRE-PROPOSAL CONFERENCE

A mandatory pre-proposal conference will be conducted in Room 1-153 Iowa Room of the **Claiborne Building, 1201 N. Third Street, Baton Rouge,** beginning at 9:30 A.M. Central Time on the date specified in the Calendar of Events (see Section 2.3).

A representative of each prospective proposer must attend the pre-proposal conference to obtain clarification of the requirements of the RFP and to receive answers to relevant questions. Attendance will be verified by the use of a sign-in sheet at the beginning of the pre-proposal conference. There is no limit to the number of individuals representing a particular proposer that may attend this pre-proposal conference. In the case of joint proposals and subcontract arrangements, it is not necessary for representatives of subcontractors to attend. The conference will continue until all proposer questions have been answered.

Although impromptu questions will be permitted and spontaneous answers will be provided during the conference, the official written responses to each of the questions presented by the proposers will be posted in accordance with Section 2.4.

2.6 ADDENDA, SUPPLEMENTS AND AMENDMENTS TO RFP

In the event that it becomes necessary to revise any part of this RFP, an addendum, supplement or amendment to this RFP will be posted at http://doa.louisiana.gov/orm/rfp2009-claimslp.htm and at the LaPAC site as noted in section 2.2 of this RFP.

The State reserves the right to change the Schedule of Events or revise any part of the RFP by issuing an addendum to the RFP at any time.

2.7 PROPOSAL SUBMISSION

The fully completed proposal must be delivered at the proposer's expense, and received in hard copy (printed) and electronic version by the RFP Coordinator designated above on or before 4:00 PM Central Time on the date specified in the Calendar of Events, Section 2.3. The electronic version may be on CD or USB Flash drive.

Proposers mailing their proposals should allow sufficient mail delivery time to ensure receipt of their proposal by the date/time specified. Fax or e-mail submissions are not acceptable.

For courier delivery, the street address is 1201 N. Third Street, Claiborne Building Suite G-192, Baton Rouge, LA 70802, and the telephone number is (225) 342-8500.

The proposer should provide **8** copies submitted to the address specified above. At least 1 copy of the proposal must contain the original signature of a company official or agent duly authorized to sign proposals on behalf of the organization, using the **Certification Statement** in Appendix G. This copy should be clearly marked or differentiated from the other required copies of the proposal by a notation in the lower left corner of the cover (of each volume) with the words **"Signed Original."** This copy will be retained for incorporation by reference in any contract resulting from this RFP.

It is solely the responsibility of each proposer to assure that its proposal is delivered at the specified place and prior to the deadline for submission. Proposals which, for any reason, are not so delivered will not be considered and proposers will be notified.

The State reserves the right to request clarification and modification of any proposal prior to the contract award being made.

The proposal must be valid for at least 120 days from the date of submission.

2.8 DETERMINATION OF RESPONSIBILITY

Determination of the selected proposer's responsibility relating to this RFP shall be made according to the standards set forth in LAC 34:136. The State must find that the selected proposer:

Has adequate financial resources for performance, or has the ability to obtain such resources as required during performance;
Has the necessary experience, organization, technical qualifications, skills, and facilities, or has the ability to obtain them;
Is able to comply with the proposed or required time of delivery or performance schedule;
Has a satisfactory record of integrity, judgment, and performance; and
Is otherwise qualified and eligible to receive an award under applicable laws and regulations.

Proposers should ensure their proposals contain sufficient information for the State to make its determination by presenting acceptable evidence of the above to perform the services called for by the contract.

2.9 WAIVER OF ADMINISTRATIVE INFORMALITIES

The State reserves the right, at its sole discretion, to waive administrative informalities contained in any proposal.

2.10 WITHDRAWAL AND RE-SUBMISSION OF PROPOSAL

A proposer may withdraw a proposal that has been submitted at any time up to the date and time the proposal is due. To accomplish this, a written request signed by the authorized representative of the proposer must be submitted to the RFP Coordinator.

2.11 SUBCONTRACTORS

The State shall have a single prime Contractor as the result of any contract negotiation, and that prime Contractor shall be responsible for all deliverables referenced in the RFP or proposal. This general requirement, not withstanding, proposers may enter into subcontractor arrangements. Proposers may submit a proposal in response to this RFP which involves subcontract(s) with others, provided that the prime Contractor acknowledges total responsibility for the entire contract.

Unless provided for in the contract with the State, the prime Contractor shall not contract with any other party for furnishing any of the work and services herein contracted for without the express written approval of the State.

If a proposer intends to subcontract portions of the work, the proposal should identify any subcontractor relationships and include specific designations of the tasks to be performed and staff to be provided by the subcontractor. Information required of the proposer under the terms of this RFP are also required for each subcontractor. Copies of any agreements to be executed between the proposer and subcontractor(s) should be included in the proposal.

The prime contractor shall be the single point of contact for all sub contractor work.

2.12 PROPOSAL MATERIAL OWNERSHIP

All material submitted regarding and in response to this RFP becomes the property of the State of Louisiana. Selection or rejection of a proposal does not affect this right.

2.13 PROPRIETARY INFORMATION

Only information which is in the nature of legitimate trade secrets or non-published financial data may be deemed proprietary or confidential. Any material within a proposal identified as such must be clearly marked in the proposal and will be handled in accordance with the Louisiana Public Records Act, R.S. 44:1-44 and applicable rules and regulations. Any proposal marked as confidential or proprietary in its entirety may be rejected without further consideration or recourse.

2.14 INCURRING COSTS

The State shall not be liable for any costs incurred by prospective proposers prior to issuance of or entering into a contract. Costs associated with developing the proposal, preparing for oral presentations, and any other expenses incurred by the proposer in responding to this RFP are entirely the responsibility of the proposer, and shall not be reimbursed in any manner by the State.

2.15 ERRORS AND OMISSIONS IN PROPOSAL

The State will not be liable for any errors in proposals. The State reserves the right to make corrections or amendments due to errors identified in proposals by State or the proposer. The State, at its option, has the right to request clarification or additional information from the proposers.

2.16 REJECTION OF PROPOSALS

Issuance of this RFP in no way constitutes a commitment by the State to award a contract. The State reserves the right to accept or reject, in whole or part, all proposals submitted and/or cancel this announcement.

2.17 CONTRACT AWARD, NEGOTIATIONS, AND EXECUTION

The State reserves the right to enter into a contract without further discussion of the proposal submitted based on the initial offers received. The state also reserves the right to contract for all or a partial list of services offered in the proposal.

The RFP, RFP addenda (if any), and proposal of the selected Proposer shall become part of any contract initiated by the State.

The selected Proposer shall be expected to enter into a contract that is substantially the same as the sample contract included in Appendix B. In no event shall a Proposer submit its own standard contract terms and conditions as a response to this RFP. The Proposer should submit with its proposal any exceptions or exact contract deviations that its firm wishes to negotiate. Negotiations may begin with the announcement of the selected Proposer.

2.18 CORPORATION REQUIREMENTS

Prior to contract execution, the following requirements must be met:

- If the Contractor is a corporation not incorporated under the laws of the State of Louisiana, then a certificate of authority pursuant to R. S. 12:301-302 must be

secured from the Louisiana Secretary of State and verification of such certificate must be made available to the Office of Contractual Review.

- If the Contractor is a for-profit corporation whose stock is not publicly traded, a disclosure of ownership form must have been properly filed with the Louisiana Secretary of State and verification of such form must be made available to the Office of Contractual Review.

2.19 CODE OF ETHICS

Proposers are responsible for determining that there will be no conflict or violation of the Ethics Code if their company is awarded the contract. Ethics issues are interpreted by the Louisiana Board of Ethics.

2.20 BILLING AND PAYMENT

The Contractor will submit monthly billings for Service Fees based on 1/12 of the annual contract rate. The monthly billings will be supported by current written status reports describing the work completed and current status of work in progress. The Contractor will not be compensated for more than the total cost proposed in the Contractor's response to the RFP.

The State will pay the Contractor for Ancillary Services and Recoveries upon receipt of invoices, and in accordance with the rates specified in the Cost Proposal for these services.

Under normal circumstances, the State should remit payment to the Contractor within thirty (30) days of approval of invoices. The State makes every effort to pay all valid or undisputed invoices in a timely manner. There may be times when invoices are disputed, or clarification of charges is needed before payment can be made.

2.21 CONFIDENTIALITY

All financial, statistical, personal, technical and other data and information relating to the State's operations which are designated confidential by the State and made available to the Contractor in order to carry out this contract, or which becomes available to the Contractor in carrying out this contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. Contractor shall not be required to keep confidential any data or information, which is or becomes publicly available, is already rightfully in the Contractor's possession, is independently developed by the Contractor outside the scope of this contract, or is rightfully obtained from third parties.

Additionally, under no circumstances is the Contractor to discuss and/or release information to the media concerning this project without prior express written approval of the Commissioner of Administration.

2.22 DISQUALIFICATION

The State reserves the right to verify all information provided by a proposer via direct contact with the proposer's prior clients and prior project personnel, and proposers must agree to provide and release necessary authorizations for the State to verify any of the proposer's previous work. As described elsewhere in this RFP, each proposer will be required to submit a detailed resume of all key personnel. Misstatements of experience and scope of prior projects shall be grounds for disqualification of the proposer from further consideration.

SECTION III

3.0 SCOPE OF WORK

The detailed requirements for the SCOPE OF WORK are listed in Appendix A. All work must be done in accordance with applicable federal, state and local laws, codes and regulations.

3.1 KEY REQUIREMENTS

3.1.1 Employment of Existing ORM Staff

As a requirement of this RFP, the Contractor or subcontractor will be required to offer employment to all ORM employees displaced by the implementation of this project. Contractor or subcontractor will guarantee employment, subject to employee passing drug testing, criminal background and/or financial background checks, for a minimum of one (1) year, with exceptions for termination of an employee for cause, i.e. termination when an employee's conduct is in serious violation of company policy or the employee has acted in a manner that significantly jeopardizes the company or fellow employees. Failure to meet performance standards or objectives, by itself, does not constitute "Cause".

Employment must be offered at a salary based on the contractor's or subcontractor pay scales for their existing employees. All displaced ORM employees must also be immediately eligible to enroll in health, dental, and life insurance programs comparable to those offered to existing employees.

The displaced employees will be under no obligation to accept employment by the Contractor or subcontractor.

The following numbers of employees, by job title are expected to be displaced. Final counts will be determined at the time each phase is implemented. Salary range information is available at http://www.civilservice.la.gov/ClassPay/Pay/paygrid.asp.

Phase 1

Unit	#	Job Title
Accounting	1	Accounting Technician
Loss Prevention	1	State Loss Prevention Supervisor
	9	State Loss Prevention Officer 2
	1	State Loss Prevention Officer 1
	1	Administrative Coordinator 4
Claims – Administrative	2	Administrative Coordinator 3
Claims – Workers' Comp	1	State Risk Adjuster 5
	10	State Risk Adjuster 4
	3	State Risk Adjuster 3

	2	State Risk Adjuster 2
	5	State Risk Adjuster 1
	1	RN Program Coordinator
Claims - Subrogation	1	State Risk Adjuster 5
	1	State Risk Adjuster 4
TOTAL	39	

Phase 2

Unit	#	Job Title
Administrative Support	1	Administrative Coordinator 4
IT	1	I. T. Liaison Officer 2
Claims - Administrative	1	Administrative Coordinator 3
Claims - Property	4	State Risk Adjuster 4
TOTAL	7	

Phase 3

Unit	#	Job Title
Claims – Administrative	2	Administrative Coordinator 3
Claims – Medical Malpractice	2	State Risk Adjuster 5
	5	State Risk Adjuster 4
	2	State Risk Adjuster 2
Claims – General Liability	8	State Risk Adjuster 4
	1	State Risk Adjuster 2
TOTAL	20	

Phase 4

Unit	#	Job Title
Accounting	1	Accounting Specialist Supervisor
Administrative Support	1	Procurement Specialist 3
Contracts	1	Contract Reviewer 4
	1	Administrative Coordinator 3
IT	1	IT Liaison Officer Supervisor
Claims – Administrative	2	Administrative Coordinator 3
Claims - Road Hazard/Transportation	11	State Risk Adjuster 4
	1	State Risk Adjuster 1
TOTAL	19	

Information relative to the Civil Service job titles, qualifications, and pay ranges can be accessed at http://www.civilservice.la.gov/asp/OneStopJobInfo/JobInfoHomePage.htm .

Holiday and leave information is available at http://www.civilservice.la.gov/OtherInfo/StateEmployeesInfo/bene%20HOLIDAYS.asp and

http://www.civilservice.la.gov/OtherInfo/StateEmployeesInfo/bene%20TYPES%20OF%20LEAVE.asp .

Information relative to employee health and life benefits is available at https://www.groupbenefits.org/portal/page/portal30/SHARED/O/OGBWEB/PAGE_PROSPECTIVE_HOME .

Information about state employee disability and retirement benefits is available at http://www.lasers.louisiana.gov/Active_Employees

3.1.2 Implementation Plan and Scope

Due to the scope and complexity of the project, the State has elected to use a multi-phase approach to implementing all lines of coverage. The State has specified the following phases, but will consider alternate implementation approaches. Alternate approaches should include cost information which must be submitted in addition to the cost proposal in Appendix F, which is based on the State's proposed approach.

The State's implementation approach and tentative implementation dates are as follows, based on a tentative contract start date of 7/1/2010:

Phase I: Implement Workers' Compensation, Subrogation, Second Injury Fund recoveries, and Loss Prevention by 9/1/2010
Phase II: Implement Property by 1/1/2012
Phase III: Implement Medical Malpractice and General Liability by 1/1/2013
Phase IV: Implement Road Hazard and Auto Liability/Physical Damage by 11/1/2013

Phase I of the project will encompass start-up and transition activities that must be accomplished before the implementation of Workers' Compensation, including the development of project standards (see 3.1.3).

The proposer should include a work plan with the proposal. This work plan should include a transition plan and the high level tasks to be performed, work estimates for each task, and level of effort for State and Contractor personnel, and include, but not limited to, the following activities:

- Communications: initial marketing, promotion and statewide seminars
- Systems: data conversion and training on Contractor's system
- Operations: establishing office, equipment, and dedicated staff
- Banking: check writing capabilities, checking account establishment with wire transfer or other depository arrangements
- Claims: review of all open claims and diaries established

3.1.3 Project Standards

During Phase I, the State and the Contractor will identify, establish, and document the

final standards and procedures for the project. Some of the key issues that must be included:

- Claims Processing Procedures;
- Documentation Requirements;
- Financial Procedures including, but not limited to, financial reporting, bank reconciliations, segregation of duties and check processing;
- Project Management Procedures, including a Communication Plan that includes status reporting, Issue Management Plan, Change Control Procedures (for system changes to Contractor's RMIS system), Risk Management, Monitoring Standards and Quality Assurance Checkpoints.

Proposers should include their published service standards and recommendations for the above with their proposal. These documents, in conjunction with the State's procedures, will be the basis for negotiating the final standards and procedures for the contract.

Project Work Schedules

The Contractor will ensure that the schedules of the proposed project staff have been designed to guarantee timely completion of deliverables. The Contractor will be expected to maintain an up to date workplan of all project tasks, activities and resources including estimated start and completion dates, actual start and completion dates, estimated and actual task hours, and completion percentage for all in-process tasks. It is envisioned that the project workplan will be revised from time to time as provided in this contract and that it will incorporate all tasks, activities and resources, other than work performed by State personnel as part of their on-going, non-project responsibilities needed to complete the project.

Reporting Process and Frequency

Status reports will be provided to the State on a periodic basis as agreed to in the communication plan. The status reports will include tasks completed during the time period by the project team, tasks delayed, reasons for delay, and tasks in-progress. This report will be delivered to the State's project manager in a timely manner.

Issue Resolution

The Contractor will use techniques that will enable the Contractor's staff to quickly spot potential issues and initiate proper corrections before these issues become major problems. The Contractor will routinely monitor progress and provide important information for identifying schedule and resource problems. The status reporting process will provide an effective forum for alerting all key personnel to potential issues and for planning and initiating follow-up actions.

Change Control

Change control procedures should be used to track and manage changes to the

Contractor's RMIS system. The purpose of agreed upon procedures is to insure that changes are communicated to all affected parties well in advance of the actual system change, and that changes are implemented in an orderly fashion.

3.2 TECHNICAL ENVIRONMENT

The Division of Administration has standardized its PC environment with Microsoft Windows XP and Microsoft Office 2007. All hardware and software will be reviewed before it is used on the local area network.

There will be approximately 50 ORM users of the Contractor's RMIS system. The number of other statewide users of the RMIS is not expected to change. There are currently 379 user id's issued for STARS Audit (the total estimated number could exceed 650), and there are 432 statewide agency users on STARS Web.

3.3 PROJECT ORGANIZATION

3.3.1 Contractor Resources

Contract Account Director

For the term of the contract, the Contractor will assign a Contract Account Director who is dedicated to the project 100%, and who will have the primary responsibility for interacting with the State's Contract Administrator on all contract and policy and procedure issues.

The Contractor's Contract Account Director will be responsible for contract management activities which will occur continuously throughout the contract, and will include but are not limited to the following:

- Supervise day-to-day activities of the Contractor and subcontractor personnel;
- Develop and maintain communication and involvement with key State management personnel, and agency officials;
- Resolve contract related issues concerning Contractor performance;
- Make decisions on behalf of the Contractor and effect changes that will be upheld by the Contractor without incurring delays
- Review key deliverables prepared by Contractor staff prior to submission to State Contract Administrator;
- Monitor turnaround times and accuracy rates;
- Assist in transition and implementation tasks;
- All other duties as reasonably required to assure the successful completion of the Contractor's responsibilities.

Key Personnel

In addition to the Contract Account Director, the Contractor agrees to furnish full time,

100% dedicated Key Personnel for purposes of this Contract that possesses the knowledge, skills, and abilities to successfully perform assigned tasks.

Key Personnel Changes

Contractor's key personnel assigned to the contract may not be replaced or reassigned without the written consent of the State. Such consent shall not be unreasonably withheld or delayed provided an equally qualified replacement is offered. In the event that any key Contractor personnel become unavailable due to resignation, illness or other factors, outside of the Contractor's reasonable control, the Contractor shall be responsible for providing an equally qualified replacement in time to avoid delays to the work plan.

3.3.2 State Resources

Contract Administrator

For the term of the contract, the State will appoint a Contract Administrator. The Contract Administrator will be responsible for contract management activities which will occur continuously throughout the contract, and will include but are not limited to the following:

- Serve as liaison between the ORM and Contractor;
- Give direction to the Contractor to ensure satisfactory and complete performance;
- Monitor and inspect the Contractor's performance to ensure acceptable timeliness and quality;
- Accept or reject the Contractor's performance;
- Furnish timely written notice of the Contractor's performance failures to the State Risk Director as appropriate;
- Prepare required reports;
- Approve or reject invoices for payment;
- Recommend contract modifications or terminations.

3.4 OTHER INFORMATION

3.4.1 Quality Assurance

Quality assurance reviews will be conducted periodically throughout the course of the contract. The Contractor will be required to cooperate with the State's Quality Assurance program, the process in general, and to abide by the results of the reviews. In addition, each proposer should include an in-depth description of its own quality assurance program and methods in the proposal.

3.4.2 Existing Claims Procedures

On-line documentation for the procedures currently followed by ORM's Claims Unit can

be accessed at http://doa.louisiana.gov/orm/rfp2009-claimslp.htm.

3.4.3 Settlement Guidelines

Settlement Guidelines followed by ORM can be accessed at http://doa.louisiana.gov/orm/rfp2009-claimslp.htm.

3.4.4 Louisiana Workforce Commission

Information on Workers' Compensation in Louisiana can be accessed on the Louisiana Workforce Commission's website at:
http://www.laworks.net/WorkersComp/OWC_MainMenu.asp.

3.4.5 Louisiana Administrative Code

Title 37 of the Louisiana Administrative Code on Insurance can be accessed at:
http://doa.louisiana.gov/osr/lac/37v01/37v01-13.doc

SECTION IV

4.0 PROPOSAL EVALUATION AND SELECTION PROCESS

4.1 PRELIMINARY SCREENING

Each proposal will be screened for compliance with the proposer qualifications and mandatory requirements as defined in Section 1.4. Failure to meet these qualifications and requirements will eliminate the proposal from further consideration.

4.2 EVALUATION CRITERIA

Each proposal will be evaluated by an Evaluation Committee according to the following criteria with a maximum of two (200) hundred points awarded.

4.2.1 Proposer Qualifications

The maximum possible score for this criterion is **70 POINTS**. The Evaluation Committee will consider, at a minimum:

- Proposer's and subcontractors' number of years in business;
- Proposer's and subcontractors' experience administering Workers' Compensation claims for a self-insured governmental entities of same/similar size, scope, and complexity;
- Proposer's and subcontractors' experience administering all other lines of coverage for self-insured governmental entities of same/similar size, scope, and complexity;
- Proposer's and subcontractors' experience administering Workers' Compensation claims for private sector entities of same/similar size, scope, and complexity;
- Proposer's and subcontractors' experience administering all other lines of coverage for private sector entities of same/similar size, scope, and complexity;
- Proposer's and subcontractors' loss prevention experience;
- Proposer's and subcontractors' financial stability;
- Client references addressing services provided, lines of coverage handled, customer satisfaction, problem areas encountered and resolutions, and flexibility of proposer to meet customer needs;
- Experience of the proposed Contract Account Director in projects in the areas outlined above;
- Experience of the proposer's principal supervisory and management staff in the areas outlined above;
- Experience/level of skill of all other proposed key personnel.

4.2.2 Proposed Project Approach and Methodology

The maximum possible score for this criterion is **70 POINTS**. The Evaluation Committee will consider, at a minimum:

- Proposer's understanding of the nature of the project;
- Proposer's understanding of the laws of the State of Louisiana and Federal laws as they relate to the requirements of this RFP, business practices, policies, and procedures in self-insured government programs, and how this understanding will be used to implement this project;
- Proposer's implementation plan and work plan demonstrating level of effort required for successful completion of the project based on the proposer's past experience and the information provided in this request for proposal;
- Proposer's staffing model, including the number of staff members proposer will assign to the project and how they will be utilized to meet the goals of the program;
- Proposer's rationale of workload assignment to each position identified;
- Proposer's plan for team organization, staffing, and training, including approach to achieving integration of responsibilities of each subcontractor if subcontractors are used;
- Proposer's approach to hiring, training, and counseling displaced ORM employees, including those located in satellite offices or telecommuting;
- Proposer's procedures for administering claims and the adequacy of the claims handling process;
- Proposer's approach to project management, including quality control, status reporting, issue management, and RMIS change control;
- Proposer's understanding of the project risks and the procedures proposed to mitigate these risks;
- Proposer's approach for assuring appropriate system and data security;
- Proposer's approach to disaster recovery that insures business continuity and protection of data;
- Proposer's approach to loss prevention and safety.

4.2.3 Cost

The maximum possible score for this criterion is **60 POINTS**. Cost proposals will be scored proportionally, based on variance from the lowest total cost proposed. The cost evaluation will be based on the total cost submitted by the proposer on the Cost Proposal Worksheet (Appendix F).

The lowest cost proposal will be determined by calculating cost points using the following formula:

Cost points = (lowest total cost proposal/specific proposer's total cost proposal) x 60.

4.2.4 Alternate Approaches

For proposals which include an alternate implementation approach and an alternate cost, each option will be scored separately.

4.3 PROPOSAL CONTENT

The proposal should be in the following format:

4.3.1 Executive Summary

This section should serve to introduce the purpose and scope of the proposal. It should include administrative information including, at a minimum, response date, proposer contact name and phone number. This section should also include a summary of the proposer's qualifications and ability to meet the State's overall requirements. If subcontractors are proposed, include names, phone numbers, specific contract assignments, and summary qualifications of each subcontractor.

This section should also include a positive statement of agreement to comply with the terms and conditions of the draft contract. If the proposer cannot comply with any of the contract terms, an explanation of each exception should be supplied.

4.3.2 Corporate Background and Experience

The proposer should give a description of the company including a brief history, corporate structure and organization, and number of years in business.

This section should also provide detailed information of the proposer's prior experience in working on projects similar in size, scope, and function to the proposed contract. Proposer should detail experience in implementing comparable programs in other states or in corporate/governmental entities of similar size and diversity, and identify the actual or projected costs savings and the specific areas where this client realized or will realize cost savings. Three (3) references that can attest to the proposer's ability to provide the services specified should be provided. The State reserves the right to contact client references to verify information in proposal.

If subcontractors are proposed, provide the above information for each subcontractor.

The proposer should provide this information in the format defined in APPENDIX C.

Proposers must include in their proposal the previous three (3) years audited financial statements. The financial statements shall include both an income statement and a balance sheet. If a cash flow statement is available, it should also be included. The financial statements should be detailed enough to analyze and assess the company's financial position.

NOTE: In the event a proposer desires to claim exemption from public disclosure,

confidential data should be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal. Each page of the proposal claimed to be exempt should be clearly identified as "confidential". See Section 2.13 for information on what can be deemed confidential.

Proposers should also submit sufficient information for the State to evaluate the financial stability of all proposed subcontractors.

4.3.3 Proposed Project Staff

The proposer should provide detailed information about the experience and qualifications of the proposer's personnel considered key to the success of the project inclusive of all subcontractor staff.

The proposer should provide this information in the format defined in APPENDIX D.

4.3.4 Proposed Project Approach and Methodology

This section should, at a minimum, identify the approach to implementation, team organization, staffing, training, finalizing standards and procedures, project management, risk assessment/mitigation, loss prevention, security, software change management, quality assurance, and disaster recovery. The proposer should include a high-level work plan for the project. This work plan should include the high level tasks to be performed, work estimates for each task, and level of effort for State and Contractor personnel.

The proposer should provide this information in the format defined in APPENDIX E.

4.3.5 Cost Proposal

The State will continue to directly pay for the following expenses, which are not a part of the cost proposal:

- Witness Fees
- Expert Fees
- State Police Accident Reconstructions on State highways
- Attorney Fees

All other costs the Contractor wishes to have included in the contractual arrangements with the State, including travel, to perform all of the requirements of the RFP must be included in the Cost Proposal.

The total compensation and expense reimbursement for the resulting contract will not exceed the total cost in the proposal.

The proposer should provide this information in the Excel spreadsheet version of APPENDIX F which can be found at http://doa.louisiana.gov/orm/excel/AppendixF-CostProposal.xls.

4.3.6 Certification Statement

At least 1 copy of the proposal must contain the original signature of a company official or agent duly authorized to sign proposals or contracts on behalf of the organization, using the **Certification Statement** in Appendix G.

The proposer, if a corporation, should secure and attach to the proposal a formal and dated Board Resolution indicating the Signatory as a corporate representative and authorized to sign said documents.

4.4 PRELIMINARY SCORING

The Evaluation Committee will score each written proposal that meets the minimum qualifications stated in 1.4 and 4.1. No preliminary conclusions or results will be given out until the Evaluation Committee has completed the entire evaluation process and the formal announcement of selected proposer has been made.

4.5 PROPOSER INTERVIEWS

The State, at its sole discretion, may invite proposers reasonably susceptible of being selected for award to participate in oral interviews with the Evaluation Committee. Proposers are reminded that any oral commitments or representations made during these presentations that extend beyond the written representations in the proposal may be formally recorded in the contract. The State expects that the proposer's Contract Account Director and other key personnel named in the proposal, whether employees or subcontractors, will take an active and leading role in these interviews.

Interviews, if conducted, will be scheduled for a specific date, time and place. A tentative agenda for the interviews may consist of the following:

- Presentation - Proposer gives a formal presentation about the company and its subcontractors, their services, their value, etc., to further demonstrate their understanding of ORM's needs and requirements as requested through the RFP, and to demonstrate how their approach to managing claims and loss prevention sets them apart.
- Proposer's responses to pre-selected questions — The Evaluation Committee will provide each proposer a list of questions based on its evaluation of their written proposal. These questions will be sent to the proposers prior to the presentation so they can be addressed during their formal presentation.
- Demonstration of the automated system - Live demonstration of proposer's RMIS to at a minimum, focus on ease of access to real-time claims data, how system is used to manage claims, demonstration of standard & ad-hoc reporting capability, and view adjuster log notes. The system used to track loss prevention activities and audits shall also be demonstrated.
- General question and answer period.

4.6 FINAL SCORING

The proposals selected for final evaluation will be re-scored using the same criteria as the preliminary scoring. The Evaluation Committee will take into account information obtained from the proposer interviews/presentations, and references. The highest scored proposal will be selected.

4.7 FINAL SELECTION

Recommend for award of the responsive and responsible highest scored proposal will be submitted to the Deputy Commissioner of the Division of Administration. Upon concurrence by the Deputy Commissioner, a formal announcement of the selected proposer will be made. All proposers will be notified in writing accordingly. Contract negotiations should begin by the date listed in the Calendar of Events. The final selection is subject to the approval of the Division of Administration, Office of Contractual Review.

1.0	**General Requirements**
1.01	It is required that the Contractor maintain an office within the downtown or mid-city business district of Baton Rouge, Louisiana for the term of the contract. Personnel required at this office must include supervisory, adjusting, and administrative staff. The Contractor must provide a dedicated unit to administer the requested services. The cost of the office space must be borne by the Contractor.
1.02	Contractor's office must be open for business, at a minimum, on the days and during the core hours that the State's offices are open. The Contractor shall provide a toll free telephone number for claim reporting.
1.03	Contractor must provide continual telephone coverage, (24-hours-a-day, to include weekends and holidays), for the purpose of receiving incident reports and messages. This may be accomplished by voice mail, an answering service, or other alternative.
1.04	Contractor must provide interoffice mail service to/from the Contractor's facility.
1.05	The Contractor will be responsible for maintaining records in accordance with ORM's record retention schedule and State Archives policy.
2.0	**Transition Period and Transfer of Claims**
2.01	Contractor must assume the responsibility for the handling of all open (assumed), re-opened, and new claims under this contract.
2.02	The Contractor is expected to provide the materials and staffing to conduct initial marketing, promotion and statewide seminars for the start-up of the contract, and for the implementation of each of the lines of coverage.
2.03	Within 30 calendar days of implementation of each of the lines of coverage, all pending claims must be assigned to adjusters and supervisors with claim reviews conducted and documented in the electronic activity notes. The Contractor shall review, assess, and make a plan of action for updating/resolving each transferred claim.
2.04	Upon termination, regardless of the reason for or type of termination, the Contractor shall transfer to the party designated by the State, at no cost, all data, records, computer files, other files, and materials of any sort that were maintained for the State. The Contractor shall cooperate with the State and any new Contractor during the transition of the contract to a new Contractor. Upon request by the State, the Contractor shall provide all State information maintained by the Contractor in a time frame approved by the State Risk Director. Information provided via tape or other electronic transfer shall be in a format approved by the State Risk Director and shall include, but not be limited to file layouts and legends. The Contractor shall provide such explanation of the information provided as to facilitate a smooth transition.
3.0	**Staffing**
3.01	The Contractor shall assure that there is adequate staffing to support all claims processing and support services required by the State. It is expected that the Contractor will assure that caseloads for recurring and litigated claims will be consistent with industry standards as described in various industry publications.
3.02	Each adjuster assigned to the State must meet the licensing requirements of the

	State of Louisiana.
3.03	Adjusters or other representatives of the Contractor who fail to conduct themselves in a manner deemed appropriate by the State shall be removed from the State account. Customer satisfaction surveys shall be conducted by the Contractor and the State and will be used to evaluate the Contractor's representatives. The Contractor Account Director and Contract Administrator will establish specific evaluation criteria.
4.0	**Training and Education**
4.01	The Contractor shall provide training for ORM employees prior to implementation of each line of coverage. At a minimum, training and documentation to be provided shall include policies and procedures, how to use the automated system(s), and how to create reports.
4.02	The Contractor shall develop and provide on-going statewide or agency specific programs and training sessions regarding claims procedures, resolution process, statutory and regulatory requirements, return to work, and other topics as needed.
4.03	At the annual ORM Regional Conferences, the Contractor's staff shall conduct training sessions as assigned by the State.
4.04	The State reserves the right to pre-approve training topics for all training to be provided by the Contractor.
5.0	**Claims Management – All Lines**
5.01	The Contractor shall provide a secure electronic method or methods for agencies and claimants to report incidents and claims. Claims may also be received by mail, fax, e-mail, and telephone. Contractor must have procedures to handle all types of submittals.
5.02	New claims and incidents shall be reviewed by a supervisor, assigned to an adjuster, and a claim file created within 1 business day of receipt. Cases where the facts clearly indicate no liability shall be recorded in the system and remain unassigned.
5.03	The Contractor shall establish initial diaries on a set schedule appropriate for the type of claim.
5.04	The Contractor shall review all claims received and process each to conclusion in accordance with applicable statutes, rules and regulations, Risk Management operating procedures or other instructions.
5.05	According to the coverage afforded the State's Self-Insurance Program, Contractor will record, investigate, adjust, appraise, and, where appropriate, make all necessary claim and ancillary expense payments. All claims must be handled promptly and in a professional manner, with emphasis on customer service.
5.06	The Contractor shall conduct a thorough investigation of each reported claim, which may include but is not necessarily limited to photographs, diagrams, police reports, statements from involved parties, statements from others, including all witnesses to determine the State's liability, etc. Initial statements and/or inspections shall be completed within three (3) business days of receipt of the claim. When deemed necessary, the Contractor shall arrange for ancillary services required. The State will reimburse the Contractor for the costs of the ancillary services in accordance with the cost proposal.

5.07	Contractor must conduct continuous audits of claim files. Open claims must be reviewed by a supervisor at regular intervals as indicated by type and severity of claims. Documentation of the review must include comments in the electronic activity notes on reserve adequacy, verification of financial activity, and recommendations for future handling of the claim. At time of closure, all claims must be reviewed by a supervisor. Documentation of the review must include comments in the electronic activity notes to confirm the validity of closure and claim coding, and to reconcile financial activity to insure appropriateness of payments. Audit results are to be provided when requested.
5.08	Contractor, including subcontractors, must report all applicable bodily injury claims to a single claims clearinghouse, such as ISO (Insurance Service Office).
5.09	Contractor must establish a proactive system of fraud detection and deterrence for all claims, through the use of a fraud checklist or other measures.
5.10	Contractor is required to be available to meet with and cooperate as needed with the State's excess insurers.
5.11	Contractor must implement methods to investigate and make prompt liability/coverage determinations.
5.12	Immediate notification by telephone must be made to the ORM Claims Administrator in all cases involving catastrophic injuries or damages.
5.13	Contractor will participate as required in ORM Claims Settlement Committee and Claims Review meetings.
5.14	Bodily injury claims, with the exception of medical malpractice, that include future medical payments shall be settled according to R.S. 13.5106(B)(3)(c) and R.S. 39:1533.2. Judgments against the State of Louisiana, its agencies and employees that include future medical payment awards are to be paid as incurred per the above referenced statute.
5.15	The Contractor shall provide the services of a Medical Director to evaluate complex cases and to assist in the medical management of claims.
5.16	Contractor must subscribe to TrialNet for the processing of contract attorney invoices.
5.17	The Contractor must implement a procedure to insure the State's compliance with Centers for Medicare & Medicaid Services CMS Section 111 Mandatory Insurer Reporting Law.
5.18	Denial of Claims When it has been determined that the State has no liability for a loss, the Contractor will issue a letter of denial to the claimant. In the event that a denial is appealed, the supervisor on the case will review all applicable documentation and issue a supplemental letter to the claimant advising them of the final decision.
5.19	Incidents Claims that are submitted for "informational purposes" will be recorded in the claims management system as an incident. If and when facts change which warrant further investigation, the loss will be escalated from an incident to a claim.
6.0	**Claims Management – Workers' Compensation**
6.01	The Contractor must perform all duties and abide by all rules required of the State

	under the Louisiana Workers' Compensation Act, OWCA, and any other rules formal or otherwise implemented by the OWCA.
6.02	Claim files shall be reviewed by a supervisor and assigned within 1 business day. At a minimum within 10 calendar days from receiving the claim in the office there shall be case documentation requirements including but not limited to a compensability assessment, action plan, reserve analysis, medical and bill utilization review if applicable, return to work or transitional employment potential, employer information, treating provider information, and any other documentation that will assist in providing a clear and accurate picture of the true claim status.
6.03	The Contractor is required to complete a three point contact within 1 business day of notice of claim. The information obtained from these contacts shall be accurately documented in the claim system. Contact with Injured Workers: The Contractor shall ensure contact with injured worker within one business day from initial receipt of the claim. As a representative of the State of Louisiana, contact with injured workers by the Contractor shall be conducted in a polite and professional manner. Contact with Designated Departmental Representative: The Contractor shall contact the department HR representative or injured worker's supervisor (depending upon agency preference) within one business day of the receipt of claim. The Contractor will verify employment and claim information and obtain a copy of the injured worker's job description. On claims with expected lost time greater than 7 days, Contractor will discuss transitional employment opportunities, and if requested by agency, discuss transitional employment options directly with the injured worker's supervisor. Communication with the designated departmental representative is expected to be ongoing throughout the process of the claim such that the agency is always aware of the status of the case. Contact with the Health Care Provider (HCP): The Contractor shall contact the health care treating provider within 1 business day. The Contractor will collect medical information and estimated return to work date and physical capability information. The Contractor shall share with the Health Care Provider the injured worker's job description and inform the provider that the State strives to accommodate modified/transitional duty whenever possible. The Contractor will request that the provider give a detailed description of transitional duties that the injured worker is capable of performing if the provider believes the injured worker can return to work.
6.04	A medical consultant or medical case manager, defined as an individual with a relevant clinical background in nursing or medicine (RN, MD), shall be considered for utilization at a minimum in the following situations: When an injured worker is not responding to treatment. When, based upon the diagnosis and initial expected recovery period, return to work has not occurred. When modified duty extends longer than 30 days post-injury with no clear expectation of full duty release by day 40, with follow-up at 30 day intervals until injured worker is released to return to work full duty.

	When there is a lack of compliance with the medical regimen. When there is a chemical dependency. When there is a long-term physiotherapy. When there is prescription medication dispensed long-term. When physician visits are more than is typical for the type of injury/illness. When referrals are more than typical for the type of injury/illness. When prescriptions are more than typical for the type of injury/illness. When the case extends substantially beyond the expected resolution date. When the medical situation is a mix of occupational/non-occupational conditions. When the injured worker and/or their support system are not capable of coordinating services, setting appointments or comprehending medical needs. When an original injury causes a secondary health problem to occur.
6.05	The Contractor shall monitor the treatment programs recommended for injured workers by physicians, specialists and other health care providers to ensure that treatment is related to the compensable injury or illness, that injured workers receive proper care, and to avoid over-treatment situations (e.g. requiring second opinion).
6.06	The Contractor shall request a second medical opinion (SMO) when the treating physician is not cooperating or not in communication, there are only subjective complaints, there is a question of how a physician is handling a case, there is a need to substantiate medical findings, and other criteria as agreed to by the State.
6.07	Written acknowledgement must be sent to all injured workers, and must include a claim number, and adjuster's name and phone number, within 5 business days after receipt of the claim. This does not apply to claims with no initial medical treatment indicated on the Employer's First Report of Injury/Illness (notice only claims).
6.08	Recorded statements must be taken on all cases where there is questionable compensability. Failure to obtain a recorded statement must be explained in the electronic activity notes.
6.09	A decision on the compensability of each claim must be made within 14 business days of the receipt of the claim. The Contractor must develop a form or other means to communicate the compensability decision to the appropriate State contacts. Denial decisions must be immediately communicated in writing to the injured worker, human resource agency representative and ORM. On cases wherein compensability determinations are pending more than 14 business days, Contractor must contact the injured worker, the human resource agency representative and ORM advising them of the reasons as to why a decision cannot be made. Aggressive attempts by the Contractor should be continued in order to finalize a decision within 30 business days of the receipt of the claim. Notification to OWCA will be made in accordance with the Louisiana Workers' compensation statutes.
6.10	Indemnity payments on compensable claims must be made within 14 calendar days after notice of injury. Payments must be made bi-weekly to correspond with pay periods established by ORM.
6.11	The Contractor must notify ORM at least 30 calendar days prior to any scheduled mediation or hearing before the Louisiana OWCA , and the Contractor's adjuster must attend any mediations or hearings.
6.12	Pre-certification determinations and utilization reviews must be within 2 business days of receipt of the necessary information on a proposed admission or treatment.

	Within 1 business day from the date of determination, the automated claim and risk management information system is updated and telephone notification is made to the injured worker, treating physician, ordering provider of facility rendering service. Documentation of the review determination must include comments in the electronic activity notes on telephone contact/attempts to notify injured worker, or his/her counsel, if represented. Such reviews shall be done in compliance with the Louisiana Workers' Compensation Act.
6.13	All medical bills, prescription reimbursements, and other related expenses not subject to a prearranged pricing agreement must be re-priced according to the current Louisiana Workers' Compensation medical reimbursement schedule. Bills received on compensable claims must be paid within 30 business days of receipt of proper documentation required to justify payment. Contractor must conduct continuous audits for prompt payment of bills, with results provided to ORM on a quarterly basis.
6.14	Medical Only claims will be defined as claims that have only medical treatment. Should a Medical Only claim reach $2,500 in medical expenses, the claim shall be reviewed for further investigation and management. For purposes of this RFP, an indemnity claim refers only to claims with lost time benefits paid.
6.15	All "medical only" claims will have a compensability analysis and will be reviewed for closing every 60 days; a compensability analysis and closure review will be entered in the claim notes with rationale.
6.16	An initial medical report will be obtained within 7 - 14 business days of the first day of lost time and as often as needed thereafter to justify continuing indemnity payments. Contact with the medical provider will be maintained to obtain medical notes to justify continuing indemnity payments.
6.17	Any medical bills received will be approved by the adjuster prior to payment with regard to causal relationship to the accident/work-related injury.
6.18	Investigations shall be initiated by the Contractor within 1 business day of receipt of the Employer's Accident Report using the three point contact system (i.e., injured worker, doctor, agency location) to determine if compensability is to be acknowledged or questioned. Physician reports shall be requested immediately. All appropriate documentation shall be made a part of the permanent claim file. Information shall be obtained, if applicable, from: Agency Injured worker Witnesses Police Physicians Hospitals
6.19	Recorded statements shall be taken from the injured worker, agency, and/or witnesses, depending upon the individual case and its individual circumstances, or if requested by ORM. Recorded statements may be suggested for the following situations: Fatality Heart attack Severe injury

	Mental disorders Possible subrogation Known pre-existing condition Questionable compensability Serious occupational disease Cumulative trauma Factual disputes Back injuries Carpal Tunnel Syndrome Stroke Mold Claim Indoor Air Quality Horseplay Altercation
6.20	The Contractor shall provide an easy to use discount prescription drug program which shall include dispensing medication for a 5-10 day period prior to claim approval (First Fill) on specific categories of claims to be agreed upon. Contractor should understand that the utilization of the pharmacy network by injured workers is optional and that the Contractor shall diligently and aggressively strive to encourage the use of the network to reduce the cost of prescription drugs and durable medical supplies and equipment whenever possible.
6.21	The Contractor shall provide medical care and medical cost containment services either directly or through a subcontractor. The State considers medical care/medical cost containment services to include, but not be limited to, the following: Second Medical Opinions Louisiana's OWCA medical reimbursement schedule Hospital Bill Review Pre-certifications Utilization Review including Retrospective Review Peer Review Independent medical exam coordinated through OWCA Additional medical cost containment services offered by bidder not identified above
6.22	The Contractor shall assure that all cases are continually reviewed aggressively for return to work in either a full or modified duty capacity as quickly as possible. Field consultants shall be assigned early in the process to assure that return to work occurs as soon as possible.
6.23	Cases will be referred for medical case management as soon as medically feasible, but no later than 30 days after an injury has occurred if an injured worker has not been returned to work full or modified duty. The Contractor will have the discretion to withhold referrals to the field for an additional 10 days (maximum of 40 days from date of injury) should they believe that a return to work is imminent. It is agreed that all files where return to work has not occurred by 40 days from date of injury shall be referred to the field for aggressive case management.
6.24	Contractor's Return to Work program shall follow the guidelines defined below. Medical Case Management shall coordinate with medical providers and injured workers to obtain medical release to return to work. All Medical Case Managers

	must be registered nurses. Once release to return to work is obtained, if injured worker cannot return to full duty at the job of injury, Contractor shall initiate vocational rehabilitation, with transitional duty employment as the first option. All vocational rehabilitation must be performed by a licensed Vocational Rehabilitation Counselor. If transitional duty employment is not available, efforts will be made to return injured worker to work with other employers.
6.25	The State will work with management in all locations to establish a return to work policy whenever possible.
7.0	**Claims Management – Property**
7.01	Initial contact is to be made with the State agency presenting the claim within 1 business day of receipt of a claim. An acknowledgement letter will be sent to the agency within 2 business days.
7.02	Where required, Property inspections are to be scheduled within 3 business days of receipt of claim, or sooner, based on severity of loss.
7.03	Property inspections are to be done on all losses at or greater than $7,500. These inspections should include photos of the risk and damage to document the loss, plus preparation of a detailed scope of damage and repairs to be done. Competitive Contractor's estimates may be used to document the cost of repair on claims less than $7,500. An adjuster-prepared repair estimate is required on all losses to buildings or structures greater than $7,500. Exceptions are to be approved by the ORM supervisor having authority over the claim.
7.04	Reserves are to be set within 30 days of receipt of claim. Claims with reserves at or above $30,000 will be reported to ORM within 30 days. Reports are to contain the scope of damage, photos of damage, suggested reserves and an action plan and time line for resolution of the claim. Subsequent reports are to be done at 60-90 day intervals, dependent on claim severity and activity, until conclusion of the claim. Changes in scope of repair and resultant changes in reserves are to be addressed and recorded in the claim file or reported to ORM as soon as there is a change in exposure.
7.05	No claim payments are to be made and file closure may not occur until repairs to the damaged property are completed. Adjusters are to pay for damages only after repairs are completed unless payment is approved by the State Risk Director. Payments are usually made directly to the repair vendor or to the involved Agency if the payment is a reimbursement. Completion of repairs is documented by receipt of final repair invoices should the claim not have Facility Planning and Control (FP&C) involvement or by receipt of a letter from FP&C that confirms completion of repairs and requests payment to the repair vendor where FP&C is involved.
7.06	Adjusters are to coordinate with FP&C regarding repairs where damages are greater than $150,000. Adjusters will be responsible for establishing the covered loss and communicating this finding to FP&C. FP&C will follow its established bid/repair guidelines to effect repairs to State property. Where FP&C is involved, the adjuster is to maintain an open claim with ongoing communication with FP&C to obtain information that might change the scope of repair and the ultimate claim cost so that prompt reserve adjustments may be made. File closure will occur once a letter is

	received from FP&C advising that repairs are complete and requesting payment of final invoices.
7.07	If repairs have not been completed within 24 months of date of loss, Contractor must notify ORM.
7.08	Contractor must demonstrate the ability to handle periods of high claims volume relating to catastrophic events. Contractor is expected to respond with appropriate numbers of personnel and equipment to resolve claims quickly. Proposal should include a detailed explanation of Contractor's plan to respond to property claims throughout the State following a catastrophic event. Proposer shall provide a listing of clients they have worked for in previous catastrophic events. The proposal should include a description of the type of losses and the number of claims handled.
7.09	It is expected that flood claims will occur. The Contractor must coordinate with the NFIP (National Flood Insurance Program) insurer on adjusting flood losses.
7.10	In the event of a named disaster, the Contractor shall cooperate and coordinate investigations and claims payments with State agencies, Federal Departments and State's commercial insurance carriers.
7.11	Contractor must have a procedure for tracking wind damage separately from flood damage.
8.0	**Claims Management – Medical Malpractice**
8.01	Claims are received from the Medical Review Panel office to the Contractor. The claim is considered valid after all required filing fees are received. Assignment to defense counsel shall be requested by the Contractor.
8.02	Two sets of medical records are requested from each medical provider by the Contractor, one set provided to the defense counsel and one set for the file.
8.03	The Contractor shall provide a medical record review and or timeline of events of alleged malpractice.
8.04	Medical experts, Independent Medical Examinations, are to be obtained by the Contractor when appropriate.
8.05	The Contractor shall follow the Medical Review Panel requirements in R.S. 40:1299.39 et seq.
8.06	Payment made on behalf of a named individual medical provider in settlement of a medical malpractice claim must be reported by the Contractor to the National Practitioner Data Bank.
8.07	The Contractor shall provide a procedure whereby future medical payments awarded in settlement of judgment in Medical Malpractice claims are processed following the guidelines in R.S. 40:1299.39 et seq. All future medical payments are paid as incurred directly to the provider.
9.0	**Claims Management – General Liability (Including Public Officials, Public Protective, and Employment Practices Liability, Personal Injury, and Civil and Constitutional Rights)**
9.01	The Contractor must contact bodily injury claimants within 1 business day of receipt of the claim. Medical releases and copies of all pertinent medical records will be requested and evaluated by the Contractor.

9.02	Personal or telephone contact must be made with the claimant on all cases within 1 business day of receipt of the claim. Contact by mail will suffice only in those instances where personal or telephone contact is not possible. Personal or telephone contact must be made with agency personnel having knowledge of the claim within 2 business days following receipt of the claim.
9.03	Recorded statements must be taken from the claimant and all witnesses in all cases where there is injury or where liability is questionable. Failure to obtain a recorded statement must be explained in the electronic activity notes.
9.04	The Contractor will report all bodily injury claims to ISO, the Index Bureau, as soon as possible.
9.05	For third party property damage claims, in cases of liability, at least two estimates must be obtained from the claimant for damages estimated below $1500.00. Damages estimated to be $1500.00 or greater must be inspected by a material damage appraiser.
9.06	Property damage to privately owned vehicles not involved in a collision with a State owned licensed vehicle still require verification of liability insurance current as of the day of loss at or above the State required minimum coverage, per Act 1476 of 1997 Regular Session found in R.S. 32:866.
9.07	Civil Rights The Contractor must contact the Human Resource (HR) department of the named agency to obtain a copy of any investigation in all employment liability cases. Wages and benefits are to be verified in all employment liability cases. Payment of lost wages and benefits is the responsibility of the named agency according to State Insurance Policy Provisions. The Contractor must provide a method to work with the agency. Direct contact with the named agency by the Contractor is to be made to obtain all pertinent investigative materials for false arrest cases. The Contractor will utilize an economic expert when necessary to evaluate the exposure to economic damages. The State will contract with the expert identified by the Contractor.
9.08	Prisoner Claims Non-litigated prisoner claims are received directly from the Department of Corrections (DOC). Any claims received directly from a prisoner shall be returned to DOC for processing. A copy of the Administrative Remedy Procedure (ARP) file must be obtained from DOC along with any investigative material for claims filed by prisoners. The ARP file should be reviewed by Contractor for completeness of cited medical records, statements of witnesses, guards, etc. The record may be supplemented during the investigation at the ARP level. Once the ARP is submitted to the Court, it cannot be supplemented. Court decisions on prisoner claims are made based on the ARP record as submitted. No outside evidence may be added.
10.0	**Claims Management – Auto Liability**
10.01	Contact is to be made with the claimant within 1 business day of knowledge of claim.
10.02	Except in cases where the facts clearly indicate no liability on the part of the State a thorough investigation must be done on all accidents with bodily injury or where

	liability and/or the causation of the accident are unclear. This would include obtaining recorded statements from the operator of the State's vehicle, the operator of the claimant vehicle, the passengers in the claimant vehicle and any witnesses to the accident. Reasons for not obtaining a recorded statement must be explained in the electronic activity notes. All claims investigations will address provisions of R.S. 32:866 commonly referred at the "no pay, no play" statute.
10.03	Where needed to support a decision on the disposition of the claim the required Investigation will also include obtaining any official reports, such as, police reports and blood alcohol test results.
10.04	Claims involving serious injury with reserve potential in excess of $50,000 will require an accident scene investigation that would include photographs of the scene, a diagram of the scene, as well as, canvassing of the area for potential witnesses.
10.05	Property damage estimated below $1,500 may be substantiated by obtaining two competitive repair estimates from the claimant. Payment must be made per the lower of the two estimates. Should the damages equal or exceed $1500.00, the damages must be inspected by a material damage appraiser to determine the amount of the loss.
10.06	Claims where litigation is filed must be promptly referred to defense counsel (Attorney General's office) so that a timely response may be prepared. This process will be coordinated through ORM.
10.07	Litigated claims must be maintained on a continuous diary to obtain reports from the defense attorney defining the status of the litigation and the plan for resolution of the litigation.
10.08	A final release must be secured on all bodily injury claims. Any claim where a release is not secured (property damage) payment must be sent with a written explanation to the nature and finality of the payment.
11.0	**Claims Management – Auto Physical Damage**
11.01	Contact is to be made with the State agency who has reported an auto physical damage claim within 1 business day.
11.02	Physical damage estimated below $1,500 may be substantiated by obtaining two competitive repair estimates. Payment must be made per the lower of the two estimates. Should the damages equal or exceed $1500.00, the damages must be inspected by a material damage appraiser to determine the amount of the loss.
11.03	Payments are generally made to the repair facility once repairs are complete. In certain instances the involved agency may repair its own vehicle. In those instances payment is to be made when documentation is received showing amounts spent for agreed upon repairs.
11.04	Physical damage claims are to be maintained on a 30-60 day diary to follow for timely payment and conclusion.
12.0	**Claims Management – Road Hazard**
12.01	Claims are received from DOTD. Frequently, receipt of litigation is the first notice of a claim. Suits are to be promptly referred to the Attorney General's Office within 1 business day.

12.02	On-site investigations are dependent upon severity and complexity of claim and may include a detailed site visit with photos, a scene diagram, canvassing for witnesses, and recorded statements. Police reports and other official reports (blood alcohol, etc.) are to be obtained if appropriate. All claims investigations will address provisions of R.S.32:866, commonly referred at the “no pay, no play” statute.
12.03	ORM maintains an Inter-Agency agreement with the Department of Public Safety (DPS) for pre-litigation accident reconstruction services in cases where the accident occurred on a State highway. Use of these services will be coordinated through ORM and will be provided at no charge to the Contractor.
12.04	All litigated Road Hazard claims are funded individually by legislative appropriation and facilitated by ORM. Claims adjusters are to follow prescribed procedures for obtaining Consent Judgments on all settlements. Road Hazard claims are to remain open until final payment is made. ORM will facilitate the payment process.
12.05	Limited legislative appropriation is provided for non-litigated Road Hazard claims. Contractor shall pay claims up to the limit established in the appropriation.
13.0	**Claims Management - Maritime**
13.01	Based on recent court decisions, Maritime cases shall be handled in accordance with the Louisiana Workers’ Compensation statutes. In the event those decisions are overturned, the Contractor will be required to handle such claims in accordance with the Jones Act.
14.0	**Reserves**
14.01	Initial reserves shall be established by the Contractor within three (3) business days of receipt of the claim, entered into the Contractor’s computer system, and shall reflect the expected ultimate cost based upon all information in the file or known at the time the reserve is established. Each claim file shall contain reserve calculation sheets and reserve comments on the computerized narrative log relative to initial and ongoing reserves.
14.02	The Contractor shall maintain a current estimate of expected total cost of each claim and provide reserves and reserve calculation tracking including initial reserve establishment and all subsequent changes.
14.03	After reserves have been set, the Contractor shall review and adjust reserves whenever new information that would change the evaluation is received. The adequacy of reserves must be reviewed at least every 90 days, and the file shall be documented to reflect this review and substantiate any adjustments in the total reserve within 1 business day of the change.
14.04	Total reserves greater than $100,000, and subsequent increases shall require approval by ORM. To obtain approval, Contractor shall provide reports containing a discussion of liability with recommendations, suggested reserves and a resolution plan or strategy to bring the claim(s) to closure. Subsequent reports are to be sent at 60-90 day intervals dependent on severity and complexity of claim. These are to contain a more detailed analysis of reserve settings including a reserve worksheet. Changes in exposure are to be promptly reported to address the need to change reserve settings.

15.0	**Claims Subrogation/Recoveries/Offsets**
15.01	The Contractor shall address subrogation potential early during the investigation process and immediately secure any evidence so that subrogation rights are preserved.
15.02	The Contractor shall pursue recovery from all responsible third parties and second injury funds. All cases involving possible third-party liability and second injury fund recoveries shall be fully investigated within 60 days of notice of accident or information indicating possible recovery. The second injury fund application must be filed in accordance with the second injury fund Statute.
15.03	The Contractor shall assure that the State is notified 90 days prior to the statute of limitations expiration if a suit has not been filed to protect the State's subrogation interest. Claims with subrogation or second injury fund recovery potential shall be entered in the RMIS.
15.04	Contractor will notify a designated employee in the Workers' Compensation Program of all cases where recovery from a third party is possible. A designated employee from the Workers' Compensation Program will oversee the recoveries on subrogation claims and assist with beneficial information.
15.05	All recoveries shall be made payable to ORM for deposit in the State Treasury. Fees associated with those recoveries will be paid to the Contractor on receipt of invoice.
16.0	**Claim Settlement and Litigation**
16.01	The Contractor shall coordinate with the appointed defense counsel with the litigation of State claims including but not limited to, supplying detailed claim documentation in the format required by the Attorney General's office, drafting answers to interrogatories, providing medical organization and analysis, and participating as needed in hearings and settlement actions.
16.02	The Contractor shall transfer complete investigation files to the appointed defense counsel in the requested format whenever legal action is commenced against the State.
16.03	Settlement evaluation will be made promptly, based on information included in the file, as well as other criteria by which a value may be based. Settlement will be pursued in a timely manner, and all negotiations will be coordinated by the adjuster assigned to the case. The Contractor will demonstrate effort to settle claims voluntarily and reduce litigation.
16.04	Claims Settlement: Non-Litigated Contractor shall have authority to settle all claims up to twenty-five thousand dollars ($25,000) per claimant without the approval of the State. For settlements over twenty-five thousand dollars ($25,000) per claimant, Contractor must submit a Request for Settlement Authority (RSA) to the State for approval prior to extending the settlement offer. Litigated Contractor shall exercise the right to settle up to and including twenty-five thousand dollars ($25,000) per claimant after the assigned counsel has submitted and ORM

	has approved a RSA to the State. Settlement negotiations exceeding twenty-five thousand dollars ($25,000) per claimant also require prior approval of the Department of Justice (DOJ). The assigned defense counsel shall submit a RSA to the State in accordance with the guidelines established by the Litigation Program of the Department of Justice (LP/DOJ) and ORM. The ORM will coordinate approvals from LP/DOJ. Settlements exceeding $500,000 are contingent on approval by the Commissioner of Administration and the Joint Legislative Committee on the Budget. ORM will coordinate these approvals.
16.05	Contractor will be advised in writing of the approved settlement authority.
16.06	In addition to the procedures outlined above, all settlement requests of tort claims for any agency within the DPS&C – Public Safety Services system must be submitted to ORM with a Request for Settlement. ORM will solicit input from representatives of Public Safety Services – Office of Legal Affairs regarding settlement. Contractor will be notified in writing of the authorized settlement authority.
16.0.7	All settlements of prisoner claims, whether or not in litigation, must be submitted to ORM with a Request for Settlement. ORM will solicit input from representatives of the Department of Corrections regarding settlement. Contractor will be notified in writing of the authorized settlement authority. If the settlement amount requires approval from the Attorney General or other parties, ORM will coordinate that process.
17.0	**Ancillary Services**
17.01	Contractor must provide the following ancillary services: Private Investigation Activity/ Surveillance Vehicle Damage Appraisals Fees for Official Reports; Police Reports Medical Records and Reports for Third Party Claims Mediation/Arbitration Panel fees on Medical Malpractice Court Reporter fees Court Costs paid separate from Legal Fees IME and Rehab Conference fees Fees for Professional Photography Miscellaneous Legal fees such as Deposition, Non- Expert Witnesses, etc. Salvage, Towing and Storage fees
17.02	The State will monitor the use of ancillary services and reserves the right to limit the use of such services.
18.0	**Loss Prevention (LP)**
18.01	LP - Appraisals
18.01.01	The Contractor shall, for any new or existing state building, conduct all appropriate appraisal functions, including:

ACTION	NEW BLDG.	EXISTING BLDG.	CHANGE TO BLDG.	INACTIVATE A BLDG.
Visit site	X	X	X	X
Gather any pertinent other information/ determine if any major changes have occurred, such as: sq ft, HVAC, occupancy/use of the building, elevator, etc.	X	X		
Determine:		If building is an object or moveable	If the changes warrant updating the record	If the building no longer exists
Take a picture of the building- front and back	X	X	Only if needed	
Take GPS reading if none exists in State's system	X	X	X	
Enter/update information in State's system	X	X	X	
Enter new pictures into State's system	X	X	X	

18.02	LP - AUDITS
18.02.01	In accordance with R.S. 39:1543, the Contractor shall conduct either an annual comprehensive safety audit or compliance review of every state agency with 15 or more employees. The audit shall follow the current manual and question sets for each of the following: general safety; driver safety; bonds, crime, & property; equipment management; water vessels; and flight operations (as found here): http://doa.louisiana.gov/orm/selfaudit_update.htm) and http://doa.louisiana.gov/orm/selfaudit_update.htm
18.02.02	Contractor shall initiate the audit process with an opening conference held with agency management, at which time the expectations of each party are discussed. From that point, the contractor shall contact the appropriate agency safety coordinator to schedule the in-person audit.
18.02.03	Contractor shall review all written safety programs and driver/training records, and shall conduct a visual walkthrough inspection of each facility to make note of any safety and health concerns.
18.02.04	Contractor shall consult with all State agencies regarding safety related training in the areas of hazardous equipment, general safety, drug-free workplace, sexual harassment, driver safety and blood borne pathogens.
18.02.05	Contractor shall consult with state agencies to determine that any employee

	authorized to operate a state-owned/leased/hired water vessel has taken the appropriate training (taught by LDWF) prior to operating such vessel.
18.02.06	Contractor shall conduct a closing conference to discuss the initial findings. A final score will be issued and a determination made as to whether or not the agency has passed the requirements of the audit.
18.02.07	In addition to the time spent with the agencies during the audit or compliance review, the contractor shall remain in close contact with the agency throughout the year to ensure a successful continuation of their efforts to achieve compliance with the loss prevention audit program.
18.03	LP - CONSULTING
18.03.01	The contractor shall consult with state agencies on the following: Safety/health matters that may result in a loss to the State; Trend analysis, including, but not limited to, agency, location, type of claim, type of injury and cause; and Audit deficiency recommendations.
18.04	LP - INSPECTIONS
18.04.01	Heavy Equipment Inspections: The inspections of boilers, generators, large motors, HVAC systems, electrical systems and other heavy mechanical equipment are conducted by Hartford Steam-Boiler (HSB) Company inspectors. HSB inspections are continual, while “follow-up Inspections” by the contractor shall take place after the HSB inspectors identify one or more significant/serious or unsafe problems that must be corrected. The contractor shall assure that the agency has either initiated corrective measures, restored the equipment, or taken the faulty equipment out of service until repairs are made.
18.04.02	Elevator Inspections: ORM shall coordinate and retain oversight of elevator inspections to determine code and maintenance violations and shall notify the State Fire Marshal as needed.
18.04.03	If an agency is not adequately addressing/correcting the significant/serious condition(s) identified, the Contractor shall provide written notification to ORM.
18.05	LP - INVESTIGATIONS
18.05.01	Requests for investigations may be initiated from any number of sources, including ORM, contractor, agencies, and other public or private entities. Contractor shall conduct the investigation to: Identify unsafe acts & conditions Gather and preserve evidence Determine contributing factors Interview witnesses (if applicable) Recommend corrective actions
18.05.02	An investigation report or summary shall be provided by the Contractor and shall include a Background, Findings, and Recommendations.

18.06	LP - TRAINING
18.06.01	The Contractor shall develop and maintain training materials for agencies' use in their training programs. Materials appropriate for instructor led, self-study, and online learning shall be provided as agreed upon by ORM. Existing materials will be provided to Contractor by ORM.
18.06.02	The Contractor shall conduct training for all agencies, as appropriate, on The Loss Prevention Program itself, as well as "train-the-trainer" instruction for Departmental LP Coordinators.
18.06.03	The Contractor shall provide loss prevention training at the ORM Annual Regional Conferences. The Contractor shall conduct such training at individual Department/agency locations, if necessary to accommodate their needs. The Contractor shall further conduct training for new Department coordinators/agency representatives as necessary. "Train-the-trainer" instruction includes: "Hands-On" Forklift training of Dept. trainers and training Driver Trainers for "Next Step Coaching."
18.06.04	The Contractor shall facilitate and coordinate the annual Equipment Management and Building Facilities training with HSB Inspection and Insurance Co.
18.06.05	The Contractor shall facilitate and coordinate with ORM, the insurance broker, and assigned engineering firm which conducts loss prevention seminars required by the property bid award.
18.06.06	For all training to be provided by the contractor, the State reserves the right to pre-approve all training content, topics, and materials.
18.07	LP - OTHER
18.07.01	The Contractor will carry out their loss prevention services under the direction and control of ORM.
18.07.02	The Contractor must respond to urgent requests within 4 hours for calls received during normal business hours.
19.0	**Cash Management**
19.01	The Contractor shall maintain financial policies and procedures including, but not limited to, financial reporting, bank reconciliations, segregation of duties and check processing. The Contractor is responsible for ensuring that their internal operating procedures establish and maintain appropriate internal controls.
19.02	All records (including all paid bills and invoices) shall be maintained in a secured environment and retained for the entire contract period. Cancelled checks, check copies, or document images, are to be securely stored, placed in numeric (check number) order, and are the property of the State. All records, images, and documents shall be made available to the State upon request and access to such records shall be within twenty-four hours.
19.03	The Contractor shall be responsible for complying with 1099 regulation issued by the Internal Revenue Service. The Contractor shall be liable for any penalties assessed on 1099 established by the Internal Revenue Service. The Contractor shall provide the State with an electronic version of the 1099 file it submits to the Internal Revenue Service within 30 days of filing. The Contractor is responsible for researching and

	resolving any errors as identified by the IRS.
19.04	The Contractor shall utilize a Zero Balance Checking Account. The State will fund the Zero Balance Checking Account on a daily basis for the amount of checks presented for payment.
19.05	Bank account reconciliations, including the bank statement, are to be complete and copies made available to the State by the end of the subsequent month (example: April reconciliation by the end of May).
19.06	The Contractor shall, for each payment made, maintain for online access by the State the check number, check date, amount of check, payee, federal employer identification number or social security number, claim number associated with the payment, and the date the check cleared the bank.
19.07	Any check issued to an injured worker shall have an informational stub section that will include check number, check date, check amount, payee, claim number, date of service and name and telephone number of the benefit coordinator.
20.0	**Risk Management Information System (RMIS)**
20.01	The Contractor shall provide a Risk Management Information System capable of supporting all lines of insurance provided by ORM. The system shall also provide on-line functionality for conducting and scoring Loss Prevention audits.
20.02	The claim system shall allow access to all State staff involved directly in the program, including ORM and agency users. At a minimum, this shall include log in rights for at least 40 State staff.
20.03	The Contractor shall provide on-line access to Risk Management that includes all required software at no additional cost. The online access shall include, but is not limited to, access by claim to the claim historical data, financial data, supervisory and adjuster notes, diary information, all payment information, and notes on the system confirming file reviews. The online access shall provide the State the ability to run reports on the State's claims as needed.
20.04	The Contractor will agree to escrow the claim system source code and database design through an independent escrow service and shall deposit materials as updates occur, always notifying ORM of updates. The State shall be responsible for payment for the service. The Contractor shall agree that the State shall be the Beneficiary and that as the beneficiary may request independent testing and verification of the deposit materials at any time. Any upgrades to the system shall also be submitted into the escrow service.
20.05	Contractor must have a Disaster Recovery plan that provides for the continued operation of critical systems in the event of an interruption or degradation of service, must allow all critical computer and communication systems to be available in the event of a major loss. Disaster recovery is to take no longer than 24 hours. The Disaster Recovery Plan must be practiced at least annually.
20.06	The Contractor must encrypt any data extracts provided to the State.
20.07	For the data extracts, the Contractor must satisfy the Federal HIPPA privacy and security requirements.
20.08	The State shall have access to all of the Contractor's hard files and all computer files relating to the State including drafts and working documents at all times and without

	prior notice to the Contractor. The State shall whenever possible give the Contractor a reasonable time to produce the file or locate the computer data.
20.09	Claim numbers must be created by the Contractor in accordance with ORM guidelines. Location code guidelines will be provided to the Contractor.
20.10	The system must have security features that guard against unauthorized access.
20.11	The system must support on-line access controls and detection which limit or restricts access to specific data fields, records, screens, reports and system modules to support ORM-defined access privileges and segregation of duties.
20.12	The system must provide the capability to search / report on a wide variety of fields and download data to standard tools. Such as Excel and Access.
20.13	The system must the capability to re-create a specific point in time reporting.
20.14	The system must uniquely identify taxable vendors by their Federal Employers Identification Number (FEIN).
20.15	Contractor must develop interfaces to and from other systems used by the State. These interfaces include SAGE MIP, Statewide Financial Systems, and TrialNet. Layouts for interfaces are available at http://www.doa.louisiana.gov/orm/rfp2009-claimslp.htm
20.16	The Statewide Financial system currently in use is scheduled to be replaced with SAP in the near future. Interface specifications are not final but the Contractor is expected to provide new interfaces as needed when the new system is implemented.
20.17	The system must provide a on-line audit feature which provides the ability for agencies to complete on-line self audits and ORM to conduct on-line audits, document audit findings and related resolutions, and automatic scoring.
20.18	The system must provide for the storage of basic property appraisal data, including (at a minimum): Property identification number Assigned Loss Prevention Specialist Legal description Building square footage Building name Related property images Appraisal type Appraisal date Conveyance data (vendor, vendee) Purchase price Date of purchase Appraisal value Replacement value Parish Region Site
20.19	During implementation of each line, the Contractor will be responsible loading all claim history for conversion in accordance to its own automated claim and risk management information system database. Data extracts will be provided by the State.
20.20	In the event of loss of any data or records where such loss is due to the intentional

	act or omission or negligence of the Contractor or any of its subcontractors or agents, the Contractor must, at its own expense, promptly replace or regenerate such data
21.0	**Reporting Requirements**
21.01	Contractor shall provide a reporting tool and access to RMIS data which will allow ORM and State agencies to produce reports as needed.
21.02	In cases where ORM is unable to produce a necessary report due to system limitations, Contractor shall provide a pre-defined report for that purpose.
21.03	The Contractor shall furnish standard requested report types. The final list of required regular reports will be provided to the Contractor by the State Risk Director during implementation of the contract.
21.04	Reports - Claims
21.04.01	Claims reports - Summary and detail level reports of claims data will be required. Users must be able to select and sort by data fields such as date of loss, cause code, adjuster assigned, close date, coverage code, location, litigation status, etc.
21.04.02	Financial reports – Summary and detail level reports of financial data will be required. Users must be able to report on the amount of reserves (low reserves or reserves above a designated amount), significant changes in reserves, average claims cost and other data fields. Reports must be able to be sorted by data fields such as reserve amount, change amount, payment type, etc.
21.04.03	Transaction reports – Summary and detail level reports of amounts paid will be required. Users must be able to select and sort by data fields such as payment type, location, period, vendor, etc.
21.04.04	Diary reports – Summary and detail level reports of claim diary data will be required. These reports include delinquent diary reports and reports of claims with no activity in a specified period. Users must be able to select and sort data by adjuster, diary dates (including future diary dates), etc.
21.04.05	Comparison reports – Summary and detail level reports which allow comparison of claims information between agencies must be provided.
21.04.06	Trending Analysis reports – Summary and detail level reports which support analysis of loss data for loss prevention purposes must be provided. Users must be able to select and sort by data fields such as loss date, injury status, cause code, etc.
21.04.07	The ability to produce charts and graphs from report data should be provided.
21.05	Reports - Workers' Compensation
21.05.01	The Contractor shall submit all periodic reports required by OWCA.
21.05.02	Transitional Duty Employment report
21.06	Reports - Statistics
21.06.01	IBNR Monthly Report which includes every fiscal year, going back to 1982 which includes the total claim count, total med paid, total indemnity paid, total vocational paid, total expense paid, total legal paid, deductible paid, recoverable total, total paid. This report is run by line of coverage.

21.06.02	Loss Triangle Report
21.07	Reports - Accounting Reports
21.07.01	Daily Check Register – list of all checks issued
21.07.02	Void Register- list of all checks voided
21.07.03	Check Register Summary report by coverage – balanced to daily check register
21.07.04	Void Register Summary report by coverage – balanced to daily void check report
21.07.05	Workers Compensation check register report by agency –check register sorted by agency for distribution to agencies
22.0	**Audit Requirements**
22.02	Contractor will be required to submit a SAS 70, Type II report to the State on an annual basis.
22.03	Contractor will be required to submit an annual financial audit report conducted by an independent CPA.
22.04	The State requires the Contractor's cooperation with any audits performed by the State, including annual audits by the Legislative Auditor, Division of Administration Internal Auditors, or any other audits performed on behalf of the State or ORM.
23.0	**Other Provisions**
23.01	Penalties
23.01.01	The Contractor is responsible for any penalty or other fee assessed to the State which is the result of the Contractor's failure to perform any obligation under this contract. This includes, but is not limited to assessment of waiting time penalties in workers' compensation cases, interest, and attorney fees, and any erroneous payments that are not an obligation of the State. Upon request by the State, the Contractor shall also defend State against claims for such penalties and fees. The State shall reduce the amount of monthly payment to the Contractor for any penalties or overpayments paid from State funds.
23.01.02	Penalties and erroneous payments are to be reported promptly to the State. The following data is required: Name of the Claimant Claim Number Check Number Date Paid Amount of Penalty/Overpayment Period Penalty Covers, or period of overpayment Penalty assessments or other legal obligations incurred as a result of delay or bad faith handling by the Contractor shall be the sole responsibility of the Contractor and paid by the Contractor and not from State funds.
23.01.03	Expenses attributed to errors made by the Contractor in the payment or handling of claims will be borne by the Contractor.

STATE OF LOUISIANA

PROFESSIONAL SERVICES AGREEMENT
BETWEEN
STATE OF LOUISIANA
AND
CONTRACTOR NAME

On this (*day)* of *(month, year)* , the Division of Administration, State of Louisiana, hereinafter sometimes referred to as the "STATE" and (*CONTRACTOR'S name and legal address including zip code)*, hereinafter sometimes referred to as the "CONTRACTOR", do hereby enter into a contract under the following terms and conditions.

1.0 SCOPE OF SERVICES

1.1 CONCISE DESCRIPTION OF SERVICES

The specific goal and objective of the contract is for the CONTRACTOR to provide a quality program that will investigate, control and direct claims, insure consistently good public relations, effect reductions in litigation, provide containment of claims cost and control allocated expenses.

1.2 STATEMENT OF WORK

1.2.1 INTRODUCTION

This Statement of Work defines the tasks to be performed, the required deliverables, the completion criteria, and establishes the responsibilities for accomplishing these tasks.

A full description of the scope of services is contained in Attachment I – Statement of Work that is made a part of this contract.

1.2.2 GOALS AND OBJECTIVES

The goals of this contract are to:
Reduce total program cost
Increase customer satisfaction
Reduce long term liability

1.2.3 PERFORMANCE MEASURES

The performance of the contract will be measured by ORM. The State Contract Administrator will review all project plans and work products of CONTRACTOR and use the following criteria to measure the performance of the CONTRACTOR:

Availability, accuracy, and timeliness of CONTRACTOR'S staff to perform claims administrative services which meet the STATE'S specified requirements.

Adequate testing by the CONTRACTOR of required interfaces between STATE and CONTRACTOR systems to ensure accurate transfer of data.

Accurate conversion of claims from the STATE'S claims management system to the CONTRACTOR'S claims management system.

Comparison of service provider's performance in the following areas to national benchmarks:

a. average cost per claim;
b. closing ratios and development patterns;
c. disability duration;
d. lost time percentages.

1.2.4 MONITORING PLAN

The ORM Director will monitor the services provided by the CONTRACTOR and the expenditure of funds under this contract. The ORM State Contract Administrator will be primarily responsible for the day-to-day contact with the CONTRACTOR and day-to-day monitoring of the CONTRACTOR'S performance.

The performance of the CONTRATOR will be monitored by:

Reviewing system reports to ensure that all requirements are being met.

Performing periodic quality assurance reviews as well as reviewing CONTRACTOR'S quality assurance reviews.

Performing internal audits, reviewing CONTRACTOR initiated and independent audits.

Performing surveys to determine customer satisfaction.

Reviewing service provider's costs per claim, closing ratios, disability durations, and lost time percentages.

Verifying monthly CONTRACTOR invoices to determine if billing for work completed is accurate.

2.0 ADMINISTRATIVE REQUIREMENTS

2.1 TERMS OF CONTRACT

This contract shall remain in effect for a period of five (5) years, beginning July 1, 2010, and ending June 30, 2015.

2.2 WARRANTIES

The Contractor shall be required under the terms of the contract to make the following warranties and representations:

1. The Contractor assumes responsibility for its personnel providing services hereunder and will make all deductions for social security and withholding taxes, contributions for employment compensation funds, and shall maintain at the Contractor's expense all necessary insurance for its employees including, but not limited to workers' compensation and liability insurance.

2. The Contractor shall warrant that all agents, whether an officer or employee, will act in an independent capacity concerning the terms of the contract and will not act as or be considered employees of the State nor be entitled to any benefits or privileges accorded to public employees, insofar as such benefits and privileges are related to the contract.

2.3 LICENSES AND PERMITS

CONTRACTOR shall secure and maintain all licenses and permits, and pay inspection fees required to do the work required to complete this contract.

2.4 SECURITY

CONTRACTOR'S personnel will always comply with all security regulations in effect at the State's premises, and externally for materials belonging to the STATE or to the project. CONTRACTOR is responsible for promptly reporting any breach of security to the STATE.

2.5 TAXES

CONTRACTOR is responsible for payment of all applicable taxes from the funds to be received under this contract. CONTRACTOR'S federal tax identification number is (*FEIN*).

3.0 TECHNICAL REQUIREMENTS

3.1 STATEMENT OF WORK

CONTRACTOR will perform services according to the terms of this Contract and according to the Statement of Work (SOW) in Attachment I.

3.2 QUALITY ASSURANCE REVIEWS

The STATE reserves the right to conduct Quality Assurance Reviews during this contract period. The CONTRACTOR will facilitate the review process by making staff and information available as requested by the reviewers at no additional cost to the STATE. In addition, CONTRACTOR will conduct its own periodic Quality Assurance Reviews, and report findings as well as actions to be taken to resolve issues.

3.3 CONTRACTOR RESOURCES

CONTRACTOR agrees to provide a Contract Account Director who will have the primary responsibility for interacting with the STATE'S Contract Administrator on all contract and policy and procedure issues, and to also provide the following contract related resources:

A. Key Personnel

In addition to the Contract Account Director, the CONTRACTOR agrees to furnish full time, 100% dedicated Key Personnel for purposes of this Contract that possesses the knowledge, skills, and abilities to successfully perform assigned tasks.

B. Substitution of Key Personnel

CONTRACTOR'S key personnel assigned to this contract may not be replaced or reassigned without the written consent of the STATE. Such consent shall not be unreasonably withheld or delayed provided an equally qualified replacement is offered. In the event that any CONTRACTOR personnel become unavailable due to resignation, illness or other factors outside of the CONTRACTOR'S reasonable control, the CONTRACTOR shall be responsible for providing an equally qualified replacement in time to avoid delays in completing tasks.

3.4 STATE FURNISHED RESOURCES

STATE shall appoint a Contract Administrator for this contract who will provide oversight of the activities conducted hereunder. The assigned Contract Administrator shall be the principal point of contact on behalf of the STATE and will be the principal point of contact for CONTRACTOR concerning CONTRACTOR'S performance under this contract.

3.5 STATE STANDARDS AND GUIDELINES

A. OPERATING SYSTEM SOFTWARE ENVIRONMENT

The Division of Administration has standardized its PC environment with Microsoft Windows 2007. The current standard for the Division of Administration's desktop applications running on the local area network are: Word, Excel, PowerPoint and Outlook.

B. TECHNICAL DOCUMENTATION

The STATE will require the provision of necessary documentation as well as adherence to implementation procedures for all RMIS system changes.

3.6 ELECTRONICALLY FORMATTED INFORMATION

Where applicable, STATE shall be provided all documents in electronic format, as well as hard copy. Electronic media prepared by the CONTRACTOR for use by the STATE will be compatible with the Division of Administration/Office of Risk Management's desktop applications defined in Section 3.5.A. Conversion of files, if necessary, will be CONTRACTOR'S responsibility. Conversely, as required, CONTRACTOR must accept and be able to process electronic documents and files created by the STATE'S current desktop applications as described in Section 3.5.A.

4.0 ACCEPTANCE OF DELIVERABLES

Contract deliverables will be submitted, reviewed, and accepted if they have been performed in accordance with the applicable specifications for CONTRACTOR'S work in the Statement of Work, the Request for Proposals, the CONTRACTOR'S Proposal, and/or as subsequently modified in STATE-approved documents developed within this Project.

5.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT

In consideration of the services required by this contract, STATE hereby agrees to pay to CONTRACTOR a maximum Service fee of (*$Total dollar amount).* In addition, CONTRACTOR'S rates for Ancillary Services and Recoveries are (*to be fixed upon award*).

The total compensation for the contract will not exceed the total of $_____.
The STATE will pay the Contractor for Service Fees, Ancillary Services and Recoveries upon receipt of invoices. CONTRACTOR will submit monthly invoices to the STATE which are supported by written status reports; indicating effort expended by CONTRACTOR personnel on each deliverable. The format of the invoice is subject to STATE approval.

Payments will be made only on approval of ORM State Risk Administrator or designee.

6.0 TERMINATION

6.1 TERMINATION FOR CAUSE

STATE may terminate this Contract for cause based upon the failure of CONTRACTOR to comply with the terms and/or conditions of the Contract; provided that the STATE shall give the CONTRACTOR written notice specifying the CONTRACTOR'S failure. If within

thirty (30) days after receipt of such notice, the CONTRACTOR shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the STATE may, at its option, place the CONTRACTOR in default and the Contract shall terminate on the date specified in such notice. Failure to perform within the time agreed upon in the contract may constitute default and may cause cancellation of the contract.

CONTRACTOR may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the STATE to comply with the terms and conditions of this contract provided that the CONTRACTOR shall give the STATE written notice specifying the STATE agency's failure and a reasonable opportunity for the STATE to cure the defect.

6.2 TERMINATION FOR CONVENIENCE

STATE may terminate the contract at any time without penalty by giving thirty (30) days written notice to the CONTRACTOR of such termination or negotiating with the CONTRACTOR an effective date thereof. CONTRACTOR shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

6.3 TERMINATION FOR NON-APPROPRIATION OF FUNDS

The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act of Title 39 of the Louisiana Revised Statutes of 1950 to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds have not been appropriated.

7.0 INDEMNIFICATION AND LIMITATION OF LIABILITY

Neither party shall be liable for any delay or failure in performance beyond its control resulting from acts of God or force majeure. The parties shall use reasonable efforts to eliminate or minimize the effect of such events upon performance of their respective duties under Contract.

CONTRACTOR shall be fully liable for the actions of its agents, employees, partners or subcontractors and shall fully indemnify and hold harmless the STATE and its Authorized Users from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by CONTRACTOR, its agents, employees, partners or subcontractors, without limitation; provided, however, that the CONTRACTOR shall not indemnify for that portion of any

claim, loss or damage arising hereunder due to the negligent act or failure to act of the STATE.

If applicable, CONTRACTOR will indemnify, defend and hold the STATE and its Authorized Users harmless, without limitation, from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities and costs which may be finally assessed against the STATE in any action for infringement of a United States Letter Patent with respect to the Products furnished, or of any copyright, trademark, trade secret or intellectual property right, provided that the STATE shall give the CONTRACTOR: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at CONTRACTOR'S sole expense, and (iii) assistance in the defense of any such action at the expense of CONTRACTOR. Where a dispute or claim arises relative to a real or anticipated infringement, the STATE or its Authorized Users may require CONTRACTOR, at its sole expense, to submit such information and documentation, including formal patent attorney opinions, as the Commissioner of Administration shall require.

The CONTRACTOR shall not be obligated to indemnify that portion of a claim or dispute based upon: i) Authorized User's unauthorized modification or alteration of a Product; ii) Authorized User's use of the Product in combination with other products not furnished by CONTRACTOR; iii) Authorized User's use in other than the specified operating conditions and environment.

In addition to the foregoing, if the use of any item(s) or part(s) thereof shall be enjoined for any reason or if CONTRACTOR believes that it may be enjoined, CONTRACTOR shall have the right, at its own expense and sole discretion as the Authorized User's exclusive remedy to take action in the following order of precedence: (i) to procure for the STATE the right to continue using such item(s) or part (s) thereof, as applicable; (ii) to modify the component so that it becomes non-infringing equipment of at least equal quality and performance; or (iii) to replace said item(s) or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, or (iv) if none of the foregoing is commercially reasonable, then provide monetary compensation to the STATE up to the dollar amount of the Contract.

For all other claims against the CONTRACTOR where liability is not otherwise set forth in the Contract as being "without limitation", and regardless of the basis on which the claim is made, CONTRACTOR'S liability for direct damages, shall be the greater of $100,000, the dollar amount of the Contract, or two (2) times the charges rendered by the CONTRACTOR under the CONTRACT. UNLESS OTHERWISE SPECIFICALLY ENUMERATED HEREIN OR IN THE WORK ORDER MUTUALLY AGREED between the parties, neither party shall be liable to the other for special, indirect or consequential damages, even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.

The STATE and Authorized User may, in addition to other remedies available to them at law or equity and upon notice to the CONTRACTOR, retain such monies from amounts due CONTRACTOR, or may proceed against the performance and payment bond, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them.

8.0 CONTRACT CONTROVERSIES

Any claim or controversy arising out of the contract shall be resolved by the provisions of LSA - R.S. 39:1524 - 1526.

9.0 FUND USE

CONTRACTOR agrees not to use contract proceeds to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition on any election ballot or a proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority.

10.0 ASSIGNMENT

CONTRACTOR shall not assign any interest in this contract by assignment, transfer, or novation, without prior written consent of the STATE. This provision shall not be construed to prohibit the CONTRACTOR from assigning to a bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the STATE.

11.0 RIGHT TO AUDIT

The State Legislative Auditor, agency auditors, and internal auditors of the Division of Administration shall have the option to audit all accounts directly pertaining to the contract for a period of three (3) years from the date of the last payment made under this contract. Records shall be made available during normal working hours for this purpose.

12.0 CONTRACT MODIFICATION

No amendment or variation of the terms of this contract shall be valid unless made in writing, signed by the parties and approved as required by law. No oral understanding or agreement not incorporated in the contract is binding on any of the parties.

13.0 CONFIDENTIALITY OF DATA

All financial, statistical, personal, technical and other data and information relating to the STATE'S operation which are designated confidential by the STATE and made available to the CONTRACTOR in order to carry out this contract, or which become available to the CONTRACTOR in carrying out this contract, shall be protected by the CONTRACTOR from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the STATE. The identification of all such confidential data and information as well as the STATE'S procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the STATE in writing to the CONTRACTOR. If the methods and procedures employed by the CONTRACTOR for the protection of the CONTRACTOR'S data and information are deemed by the STATE to be adequate for the protection of the STATE'S confidential information, such methods and procedures may be used, with the written consent of the STATE, to carry out the intent of this paragraph. The CONTRACTOR shall not be required under the provisions of the paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the CONTRACTOR'S possession, is independently developed by the CONTRACTOR outside the scope of the contract, or is rightfully obtained from third parties.

14.0 SUBCONTRACTORS

The CONTRACTOR may, with prior written permission from the STATE, enter into subcontracts with third parties for the performance of any part of the CONTRACTOR’S duties and obligations. In no event shall the existence of a subcontract operate to release or reduce the liability of the CONTRACTOR to the STATE and/or STATE Agency for any breach in the performance of the CONTRACTOR'S duties.

15.0 COMPLIANCE WITH CIVIL RIGHTS LAWS

The CONTRACTOR agrees to abide by the requirements of the following as applicable: Title VI and Title VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran’s Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and CONTRACTOR agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

CONTRACTOR agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities. Any act of discrimination committed by CONTRACTOR, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

16.0 INSURANCE

Insurance shall be placed with insurers with an A.M. Best’s rating of no less than A-: VI.

This rating requirement shall be waived for Workers’ Compensation coverage only.

CONTRACTOR'S Insurance: The Contractor shall not commence work under this contract until he has obtained all insurance required herein. Certificates of Insurance, fully executed by officers of the Insurance Company written or countersigned by an authorized Louisiana State agency, shall be filed with the State of Louisiana for approval. The Contractor shall not allow any subcontractor to commence work on his subcontract until all similar insurance required for the subcontractor has been obtained and approved. If so requested, the Contractor shall also submit copies of insurance policies for inspection and approval of the State of Louisiana before work is commenced. Said policies shall not hereafter be canceled, permitted to expire, or be changed without thirty (30) days' notice in advance to the State of Louisiana and consented to by the State of Louisiana in writing and the policies shall so provide.

Compensation Insurance: Before any work is commenced, the Contractor shall maintain during the life of the contract, Workers' Compensation Insurance for all of the Contractor's employees employed at the site of the project. In case any work is sublet, the Contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance for all the latter's employees, unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in work under the contract at the site of the project is not protected under the Workers' Compensation Statute, the Contractor shall provide for any such employees, and shall further provide or cause any and all subcontractors to provide Employer's Liability Insurance for the protection of such employees not protected by the Workers' Compensation Statute.

Commercial General Liability Insurance: The Contractor shall maintain during the life of the contract such Commercial General Liability Insurance which shall protect him, the State, and any subcontractor during the performance of work covered by the contract from claims or damages for personal injury, including accidental death, as well as for claims for property damages, which may arise from operations under the contract, whether such operations be by himself or by a subcontractor, or by anyone directly or indirectly employed by either of them, or in such a manner as to impose liability to the State. Such insurance shall name the State as additional insured for claims arising from or as the result of the operations of the Contractor or his subcontractors. In the absence of specific regulations, the amount of coverage shall be as follows: Commercial General Liability Insurance, including bodily injury, property damage and contractual liability, with combined single limits of $5,000,000.

Insurance Covering Special Hazards: Special hazards as determined by the State shall be covered by rider or riders in the Commercial General Liability Insurance Policy or policies herein elsewhere required to be furnished by the Contractor, or by separate policies of insurance in the amounts as defined in any Special Conditions of the contract included therewith.

Licensed and Non-Licensed Motor Vehicles: The Contractor shall maintain during the life of the contract, Automobile Liability Insurance in an amount not less than combined

single limits of $5,000,000 per occurrence for bodily injury/property damage. Such insurance shall cover the use of any non-licensed motor vehicles engaged in operations within the terms of the contract on the site of the work to be performed there under, unless such coverage is included in insurance elsewhere specified.

The contractor shall maintain Professional Liability Insurance with a minimum limit of $5,000,000. Claims-made coverage is acceptable.

Subcontractor's Insurance: The Contractor shall require that any and all subcontractors, which are not protected under the Contractor's own insurance policies, take and maintain insurance of the same nature and in the same amounts as required of the Contractor.

17.0 APPLICABLE LAW

This contract shall be governed by and interpreted in accordance with the laws of the State of Louisiana. Venue of any action brought with regard to this contract shall be in the Nineteenth Judicial District Court, parish of East Baton Rouge, State of Louisiana.

18.0 CODE OF ETHICS

The CONTRACTOR acknowledges that Chapter 15 of Title 42 of the Louisiana Revised Statutes (R.S. 42:1101 et. seq., Code of Governmental Ethics) applies to the Contracting Party in the performance of services called for in this contract. The CONTRACTOR agrees to immediately notify the STATE if potential violations of the Code of Governmental Ethics arise at any time during the term of this contract.

19.0 NOTICE TO EITHER PARTY

Notice to either party may be given by certified mail properly addressed, postage fully prepaid to the address beneath the name of each respective party below. Such notice shall be effective when received as indicated by post office records. Alternatively, notice may be given by personal delivery, by any means whatsoever, to the party at the address designated during normal business hours.

For the above purposes, STATE and CONTRACTOR'S names and addresses are respectively:

J. S. "Bud" Thompson, Jr.
State Risk Director
Office of Risk Management
Ground Floor – Claiborne Building
1201 North Third Street, Suite G-192
Baton Rouge, Louisiana 70802

CONTRACTOR'S Name and Address

20.0 RECORD RETENTION

CONTRACTOR agrees to retain all books, records, and other documents relevant to this contract and the funds expended hereunder for at least three years after final payment, or as required by applicable Federal law.

21.0 SEVERABILITY

If any term or condition of this Contract or the application thereof is held invalid, such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this
Contract are declared severable.

22.0 COMPLETE CONTRACT

This is the complete Contract between the parties with respect to the subject matter and all prior discussions and negotiations are merged into this contract. This Contract is entered into with neither party relying on any statement or representation made by the other party not embodied in this Contract and there are no other agreements or understanding changing or modifying the terms. This Contract shall become effective upon final statutory approval.

23.0 HEADINGS

Descriptive headings in this contract are for convenience only and shall not affect the construction or meaning of contractual language.

24.0 ENTIRE AGREEMENT AND ORDER OF PRECEDENCE

This contract together with the RFP and CONTRACTOR'S proposal which are incorporated herein; shall, to the extent possible, be construed to give effect to all of its provisions; however, where provisions are in conflict, first priority shall be given to the provisions of the contract, excluding the Request for Proposals, its amendments and the Proposal; second priority shall be given to the provisions of the Request for Proposals and its amendments; and third priority shall be given to the provisions of the CONTRACTOR'S Proposal.

THUS DONE AND SIGNED on the date(s) noted below:

CONTRACTOR	STATE OF LOUISIANA
	DIVISION OF ADMINISTRATION

BY: _____
Name
Title

Date: _____

BY: _____
Name
Title

Date: _____

ATTACHMENT I - STATEMENT OF WORK

1.0 DESCRIPTION OF SERVICE

The scope of this contract will be determined during contract negotiations.

2.0 DELIVERABLES

To be determined during contract negotiations.

CORPORATE BACKGROUND and EXPERIENCE FORMAT

COMPANY DESCRIPTION

Provide a description of the company including name, history, corporate structure and organization, and the number of years in business.

RELEVANT EXPERIENCE

For each project referenced, provide the information in the following format:

Project 1

Client Type: (specify city, county, state, university, federal, corporation, etc.)

Client Name: (specify the name of the client)

Relevance: (briefly define the relevance of this project to the ORM project—Similar in size, scope, complexity, significant design challenges and/or implementation effort, etc.)

Lines of Coverage Serviced: (identify specific lines managed for this client)

RMIS Software Used: (identify specific software and version)

Prime contractor or subcontractor: *(specify)*
If subcontractor, what % of total project and what services were provided?:

Project Dates: (indicate the start and end date of the project. If the project is not completed, indicate the expected end date)

Work Performed: (explain the project and the work performed by your company. If multiple companies participated in the referenced project, each company, prime and subcontractors, and their roles in the project must be provided)

Actual/Projected Cost Savings to this Client: (identify the actual or projected costs savings and the specific areas where this client realized or will realize cost savings)

Reference: (provide the name, title, address and telephone number of the person that can be contacted for verification of information)

Project 2, 3, etc.

PROPOSED PROJECT STAFF
FORMAT

Name and Title:

Current Employer:

Length of Time Employed with Current Employer:

Role Proposed on this Project: (Contract Account Director, Claims Supervisor, Case Manager, Lead Adjuster, etc.)

Availability on this Project: (hours per week or hours per month and specify on-site or off-site hours)

Duration of Involvement: (indicate the component/phases and the estimated dates that the person will be on-site)

Education, Training, Certifications:

EXPERIENCE (list relevant projects first)

For each project referenced, provide the information in the following format:

Project 1:

Client Type: (city, county, state or federal government, or corporation)

Number of employees impacted by the project:

Role/responsibility on project:

Employer: (indicate the dates worked on the project)

Prime contractor or subcontractor: (specify whether employer acted as the prime contractor or was a subcontractor on the project)

Dates:

Average Hours Per Month on Project:

Reference: (provide the name, title, address and telephone number of the person that can be contacted for verification of information)

Project 2, 3 etc.

PROJECT APPROACH
FORMAT

NATURE OF PROJECT

Describe your understanding of this project, and your understanding of the laws of the State of Louisiana and Federal laws as they relate to the requirements of this RFP, business practices, policies, and procedures in self-insured government programs, and how this understanding will be used to implement this project.

IMPLEMENTATION

Describe your approach for implementation of all lines of coverage, with particular emphasis on methods which will be used to improve outcomes and reduce ORM's total cost of risk.

WORK PLAN

Provide a high-level work plan for the project. This work plan should include the major project tasks to be performed, work estimates for each task, deliverables, and level of effort for State and Contractor personnel.

TEAM ORGANIZATION, STAFFING, AND TRAINING

Provide an organizational chart of proposed staff, information on start-up and on-going training, workload assignments, and your rationale for workload assignment. Also include your approach to achieving integration of responsibilities of each subcontractor if subcontractors are used, and your approach to hiring, training, and counseling displaced ORM employees, including those located in satellite offices or telecommuting. Describe the benefits they will be offered and any services you plan to offer to assist them in the transition from state to private employment. Describe the qualifications of the staff you plan to provide to the State by position type. Describe your approach to evaluating staff on an ongoing basis.

PROCEDURES AND SERVICE STANDARDS

Provide your corporate procedures and published service standards. Describe your approach to identifying, establishing, and documenting the final standards and procedures for the project. Include any forms you desire to incorporate.

PROJECT MANAGEMENT

Describe your approach to project management. Include proposed procedures for the following components, and include any forms you desire to incorporate:

1. quality assurance program/process/methods employed by company
2. status reporting process and frequency
3. issue reporting and resolution procedures
4. change control procedures to manage changes to the RMIS system

PROJECT RISKS

Describe the risk management process to be used for the identification, assessment, mitigation, and resolution of risks. List the top risks associated with this project, and indicate the initial assessment of the risk (probability and impact to the project) along with mitigation strategies.

CLAIMS MANAGEMENT
Describe your approach to claims management, including specific procedures as available. Describe any specific standards you use to measure performance.

LOSS PREVENTION AND SAFETY
Describe your approach to loss prevention and safety services, including specific procedures as available. Describe any specific standards you use to measure performance.

RMIS
Specify the RMIS to be used for the project. Describe key features and reports and level of access to be provided to State staff. Discuss your approach to conversion from ORM's CS STARS system.

SECURITY
Define the approach for assuring appropriate system and data security.

DISASTER RECOVERY
Provide the disaster recovery plan(s) that insure business continuity and protection of data.

ADDITIONAL SERVICES
Proposer shall specify any additional services or suggestions the proposer wishes to offer which are not required to be addressed in the RFP, but which would improve operations. Examples are: incorporating imaging into ORM's procedures to achieve paperless processing, electronic payments, utilization of Preferred Provider Organizations (PPO), and improvements to the State's Return to Work program. This section should include information regarding why the service is recommended and a detailed description of the benefits to the State's risk management program. Any such suggestions must include a list of costs to the State which are not a part of the basic proposal and therefore not included in the cost proposal.

COST PROPOSAL

The Cost Proposal is divided into 3 Parts:

Part 1 - Service Fees (includes all costs, except Ancillary Services and Recovery Fees):

Service Fees for each year should be based on the implementation schedule in Section 3.1.2 of the RFP.

The Service Fees must include any and all costs the Contractor wishes to have included in the contractual arrangements with the State, including travel, to perform all of the requirements of the RFP. These costs are exclusive of recovery fees and ancillary services, which are addressed in Parts 2 and 3. The Service Fee column is the cost to run the program from Implementation/Start-up to end of the fiscal year (FY). If the program is already implemented, the Service Fee Cost is the total cost to run the program from the beginning of the FY to the end of the FY.

In addition to new claims, all open claims, and closed claims that re-open after implementation of each line of coverage (hereinafter referred to as "assumed claims") are to be adjusted as required until final closure. Any consideration for the handling of assumed claims each year for the life of the contract are to be included in the annual Service Fees.

All service fees for the five years will be added to compute a Total for Part 1.

Part 2 (A) – Ancillary Services

The following Ancillary Services are <u>not</u> to be included in the service fees, but are to be priced separately in Part 2 (A) of the Cost Proposal. Fees not listed as ancillary must be included in the annual Service Fees.

Private Investigation / Surveillance
Vehicle Damage Appraisals

The unit rates for each service for each year will be multiplied by the estimated usage to determine a total for each year. All totals will be added to compute a Total for Part 2.

Part 2 (B) – Ancillary Services

The following ancillary services must also be provided by the Contractor, but due to the nature of the fees and/or difficulty in estimating these fees, ORM is providing a total amount based on past experience. Payment will be at actual cost.

Fees for Official Reports; Police Reports
Medical Records and Reports for Third party Claims

COST PROPOSAL

Mediation/Arbitration
Panel Fees on Medical Malpractice
Court Reporter fees
IME and Rehab Conference fees
Professional Photography fees
Miscellaneous Legal fees such as Depositions, Non-Expert Witnesses, etc.
Salvage, Towing and Storage fees

Part 3 – Recovery Services

Recovery Services include Subrogation Recovery and Second Injury Fund. The percentage the proposer expects to retain from recovered funds as the fee for service must be entered in Part 3 of the Cost Proposal.

The % Recovery Fee will be multiplied by the Estimated Recovery Amount per year to determine a total Recovery Fee Amount per year. All totals will be added to compute a Total for Part 3.

Total Costs

The Totals for Parts 1, 2, and 3 will be added to determine the Total Cost for the proposal.

The Total Cost will be used for calculating the Cost Points per section 4.2.3.

The State reserves the right to review all aspects of the Cost Proposal for reasonableness and to request clarification of any proposal where the cost component shows significant and unsupported deviation from industry standards or in areas where detailed pricing is required.

The proposer should provide this information in the Excel spreadsheet version of APPENDIX F which can be found at http://doa.louisiana.gov/orm/excel/AppendixF-CostProposal.xls.

Part 1 - Implementation & Service Fee Costs

PART 1 Implementation & Service Fee Costs	Implementation Cost	Year 1 (7/1/10 - 6/30/11)	Year 2 (7/1/11 - 6/30/12)	Year 3 (7/1/12 - 6/30/13)	Year 4 (7/1/13 - 6/30/14)	Year 5 (7/1/14 - 6/30/15)
		Service Fee	Service Fee	Service Fee	Service Fee	Service Fee
Workers Compensation	$ -					
Loss Prevention	$ -					
Property	$ -	N/A				
Medical Malpractice	$ -	N/A	N/A			
General Liability	$ -	N/A	N/A			
Auto Liability /Physical Damage	$ -	N/A	N/A	N/A		
Road Hazard	$ -	N/A	N/A	N/A		
TOTAL COSTS	$ -	$ -	$ -	$ -	$ -	$ -

TOTAL Part 1	$ -

Part 2 (A) – Ancillary Services

PART 2 (A) - Ancillary Service Fees (Put your rate for each service in yellow boxes)	Estimated ORM Unit Usage per Year	Year 1 (7/1/10 - 6/30/11)		Year 2 (7/1/11 - 6/30/12)		Year 3 (7/1/12 - 6/30/13)		Year 4 (7/1/13 - 6/30/14)		Year 5 (7/1/14 - 6/30/15)	
		Unit Rate	Total Yr Cost	Unit Rate	Total Yr Cost	Unit Rate	Total Yr Cost	Unit Rate	Total Yr Cost	Unit Rate	Total Yr Cost
SAMPLE	26	$ 10.00	$ 260.00	$ 12.00	$ 300.00	$ 12.60	$ 312.60	$ 14.00	$ 360.00	$ 14.60	$ 362.60
Private Investigation / Surveillance (Unit = Hour)	6500		$ -		$ -		$ -		$ -		$ -
Vehicle Damage Appraisals (Unit = Appraisal)	400		$ -		$ -		$ -		$ -		$ -
TOTAL PER YEAR			$ -		$ -		$ -		$ -		$ -

TOTAL Part 2 (A) $ -

Part 2 (B) – Ancillary Services

PART 2 (B) - Ancillary Service Fees	Year 1 (7/1/10 - 6/30/11)	Year 2 (7/1/11 - 6/30/12)	Year 3 (7/1/12 - 6/30/13)	Year 4 (7/1/13 - 6/30/14)	Year 5 (7/1/14 - 6/30/15)
	Total Yr Cost	Total Yr Cost	Total Yr Cost	Total Yr Cost	Total Yr Cost
IME and Rehab Conference Fees Court Costs paid separate from Legal Professional Photography Fees Miscellaneous Legal Fees: Depositions Non Expert Witnesses Court Reporter Fees Salvage, Towing and Storage Fees for Official Reports; Police Reports Medical Records/Reports for 3rd Party Claims Mediation / Arbitration Fees Panel Fees on Med Mal Claims					
TOTAL FOR ALL SERVICES	$ 2,273,670.00	$ 2,387,345.00	$ 2,506,712.00	$ 2,632,050.00	$ 2,763,650.00

Part 3 – Recovery Services

PART 3 Recovery Services Fees (Put your recovery rate for each item in the yellow boxes)	Estimated Recovery Amt per Year	Year 1 (7/1/10 - 6/30/11)		Year 2 (7/1/11 - 6/30/12)		Year 3 (7/1/12 - 6/30/13)		Year 4 (7/1/13 - 6/30/14)		Year 5 (7/1/14 - 6/30/15)	
		Recovery Fee %	Recovery Fee Amount	Recovery Fee %	Recovery Fee Amount	Recovery Fee %	Recovery Fee Amount	Recovery Fee %	Recovery Fee Amount	Recovery Fee %	Recovery Fee Amount
SAMPLE	*$ 125,000.00*	*15.00%*	*$ 22,500.00*	*18.50%*	*$ 23,125.00*	*19.50%*	*$ 24,375.00*	*20.00%*	*$ 25,000.00*	*21.50%*	*$ 26,875.00*
Second Injury Fund	$ 3,644,285.00		$ -		$ -		$ -		$ -		$ -
Subrogation Recovery	$ 1,141,093.00		$ -		$ -		$ -		$ -		$ -
TOTAL PER YEAR			$ -		$ -		$ -		$ -		$ -

TOTAL Part 3 $ -

Second Injury Fund Recoveries

FY05 - 175 Claims	$	2,574,163.24
FY06 - 153 Claims	$	2,543,593.25
FY07 - 170 Claims	$	4,550,239.00
FY08 - 149 Claims	$	4,662,003.73
FY09 - 113 Claims	$	3,891,427.83
TOTAL	$	18,221,427.05
5 year Avg	$	3,644,285.41

Subrogation Recoveries

FY05 - 152 Claims	$	875,518.42
FY06 - 164 Claims	$	1,066,736.38
FY07 - 134 Claims	$	904,559.00
FY08 - 161 Claims	$	1,864,147.51
FY09 - 145 Claims	$	994,504.65
TOTAL	$	5,705,465.96
5 year Avg	$	1,141,093.19

COST PROPOSAL

Total Cost for 5 Year Contract

PART 1 - Implementation & Service Fees				
		Service Fee		
Year 1	$	-		
Year 2	$	-		
Year 3	$	-		
Year 4	$	-		
Year 5	$	-		
Sub Total	$	-		
Implementation Co $ -				
TOTAL			$	-
PART 2 (A)- Ancillary Service Fees				
Year 1	$	-		
Year 2	$	-		
Year 3	$	-		
Year 4	$	-		
Year 5	$	-		
TOTAL			$	-
PART 2 (B)- Ancillary Service Fees				
Year 1	$	2,273,670.00		
Year 2	$	2,387,345.00		
Year 3	$	2,506,712.00		
Year 4	$	2,632,050.00		
Year 5	$	2,763,650.00		
TOTAL			$	12,563,427.00
PART 3 - Recovery Service Fees				
Year 1	$	-		
Year 2	$	-		
Year 3	$	-		
Year 4	$	-		
Year 5	$	-		
TOTAL			$	-
TOTAL COST FOR ALL PARTS			$	12,563,427.00

CERTIFICATION STATEMENT

The undersigned hereby acknowledges she/he has read and understands all requirements and specifications of the Request for Proposals (RFP), including attachments.

OFFICIAL CONTACT: The State requests that the proposer designate one person to receive all documents and the method in which the documents are best delivered. Identify the Contact name and fill in the information below:

Date: _____ Official Contact Name:_____

A. Phone Number with area code: (___)_____

B. E-mail Address: _____

C. Facsimile Number with area code: (____)_____

D. US Mail Address: _____

Proposer certifies that the above information is true and grants permission to the State or Agencies to contact the above named person or otherwise verify the information I have provided.

By its submission of this proposal and authorized signature below, proposer certifies that:

(1) The information contained in its response to this RFP is accurate;

(2) Proposer complies with each of the mandatory requirements listed in the RFP and will meet or exceed the functional and technical requirements specified therein;

(3) Proposer accepts the procedures, evaluation criteria, mandatory contract terms and conditions, and all other administrative requirements set forth in this RFP.

(4) Proposer's quote is valid for at least 90 days from the date of submission of proposal;

(5) Proposer understands that if selected as the successful proposer, he/she will have five (5) business days from the date of delivery of final contract in which to execute the final contract document.

Authorized Signature: _____

Typed or Printed Name: _____

Title: _____

Company Name: _____

Address: _____

City: _____ State:_____ Zip:_____