STATE OF LOUISIANA
OFFICE OF RISK MANAGEMENT

REQUEST FOR PROPOSALS

FOR

CLAIMS MANAGEMENT AND LOSS PREVENTION SERVICES

RFP # 2014 CLAIMS-LP

Proposal Due Date/Time: 4:00 PM CT, January 21, 2015

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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 BACKGROUND

1.2.1 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 94,000 employees. Coverage is provided for State buildings and property valued at approximately $18.7 billion. 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 also provides coverage to buy down the Builder's Risk deductible for some state construction projects.

In 2010, ORM began utilizing a TPA for claims management and loss prevention services. As the result of a competitive selection process, F. A. Richard and Associates (FARA) was selected, with a contract effective date of July 1, 2010. The transition was accomplished through a phased approach, with the last lines of insurance converting to the TPA in July of 2013.

1.2.2 Claims Unit

ORM's Claims Unit is organized by line of insurance and consists of experienced employees whose primary responsibility is monitoring the performance of the TPA. This oversight is accomplished through approval of reserve increases and payments over certain thresholds, random file reviews, reviews of request for settlement authority, and other mechanisms.

Claims reports can be accessed at http://doa.louisiana.gov/orm/RFP_2014.htm.

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 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's TPA contract includes all Cost Containment services including:
Medical Fee Schedule, Pre-certifications, Utilization Review
Vocational Rehabilitation
Medical Management
Pharmacy Benefit Management
Second Injury Fund Recovery

The TPA also provides all services required for Medicare Set-Aside reporting.

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 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. 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.

1.2.3 Loss Prevention Unit

ORM’s Loss Prevention Unit oversees the work performed by the TPA’s Loss Prevention staff. This includes audits of all State departments, agencies, boards, and commissions for compliance with the Loss Prevention Program, R.S. 39:1527-44; facilitation of "Workplace Safety" training programs for all State departments, agencies, boards, and commissions; appraisals of all State-owned and leased buildings for replacement cost; and investigation of accidents, claims and lawsuits against the State as requested.

In partnership with FARA, ORM has implemented a Targeted Risk Improvement Program (TRIP) which uses metrics to identify agencies with higher than typical claims costs. These agencies are contacted, and once enrolled in the program, are given individualized

attention and assistance from FARA Loss Prevention staff, to identify problem areas and implement solutions.

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

1.2.4 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.

1.2.5 Statistics Unit

The Statistics Unit has two main functions: to develop the final claims reserves that are used in the State's CAFR, and to 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.

1.2.6 Technology

The Division of Administration has standardized its PC environment with Microsoft Windows 2007 and Microsoft Office 2013. All hardware and software will be reviewed before it is used on the local area network.

iClaims Expert (iCE)
State agencies utilize iClaims Opening Wizard (iCOW) to report accidents and injuries.

All claims data is maintained in FARA's iCE system, which is also used by FARA staff to manage claims. Ad Hoc reporting is provided through data exports to Excel worksheets.

iClaims Audit
iClaims Audit is the system used to manage the state's loss prevention audits. It is used by the TPA's Loss Prevention (LP) staff to develop the audit factors and scoring mechanism. Agency designees then perform self-audits to identify and address issues prior to the formal review. FARA's LP staff then uses the system to conduct and score audits and report any findings to the agency. The agency then develops and records a plan to address the findings in the system.

Acuity
This is an electronic billing system utilized by all contract counsel. Acuity 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.

LaGov
LaGov is Louisiana's implementation of SAP, which is used to record data on buildings and building content values. 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.

1.2.7 Accounting

ORM receives accounting and budget support from the Office of Finance and Support Services (OFSS). OFSS provides financial/statistical reporting for all 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.

1.2.8 Contracts

ORM receives support for RFPs and contracts from the Office of State Procurement (OSP). OSP 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.

1.2.9 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 provides attorneys dedicated to the legal representation of the State on claims managed by ORM. Currently, the Office of the Attorney General is handling approximately 63% of the litigated claims for ORM by staff attorneys. ORM contracts with approximately 140 contract attorneys for legal representation on the other 27%. The State currently has approximately 3220 open litigated cases.

The Division of Risk Litigation is funded by ORM through an Interagency Transfer (IAT).

1.2.10 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/RFP_2014.htm.

1.2.11 Settlement Guidelines

Settlement Guidelines followed by ORM can be accessed at:
http://doa.louisiana.gov/orm/RFP_2014.htm.

1.2.12 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.

1.2.13 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

1.2.14 Planned Operational Changes

ORM plans to implement 2 major changes in conjunction with the contract resulting from this RFP.

Currently, ORM issues professional services contracts for each appointment of outside counsel and for each expert witness. ORM pays for all services rendered through the state's financial system. Upon execution of this contract, the contractor will assume those responsibilities. The Attorney General will retain the authority to appoint outside counsel,

and upon concurrence by ORM, the contractor will obtain those services and make all payments according to the fee schedule established by ORM. To facilitate oversight of legal expenses, ORM will continue to require the use of Acuity.

ORM has maintained its old RMIS (CS STARS) in order to house the data necessary to support functions of its Underwriting Unit. ORM plans to move that data to the contractor's risk management information system. The system provided should have the ability to maintain insurance policy data, input premium payables and receivables per policy per agency code, generate invoices, and maintain an agency contacts database.

1.3 SCOPE OF WORK

Contractor will provide all services associated with investigating, adjusting and paying claims for all lines of insurance provided by ORM. This includes all associated functions, such as Workers' Compensation cost containment services, mandatory reporting to CMS, FEMA, excess insurers and other entities, and recovery from third parties, including the Second Injury Fund.

Contractor will also provide loss prevention services to including support for loss prevention audits of each state agency, analysis of data to identify trends, one-on-one consulting for high risk agencies, and periodic appraisals of all state buildings.

This includes providing a Risk Management Information System (RMIS) capable of supporting these processes and providing timely accurate information for reporting. The RMIS will also support underwriting and premium development, and invoicing functions.

More detailed specifications are listed in APPENDIX A.

All work must be done in accordance with applicable federal, state and local laws, codes and regulations.

1.4 KEY DELIVERABLES

Key deliverables include:

- Claims management procedures;
- RMIS system, configured to meet the State's requirements;
- Accurate, timely conversion of data to CONTRACTOR'S RMIS;
- Custom reports developed to the State's specifications;
- Initial claim reviews;
- Timely, accurate building appraisals;
- Timely loss prevention audits;
- Annual SOC1, Type 2 report from SSAE 16 review;
- Claims adjusting services.

1.5 MONITORING PLAN

ORM will monitor the performance of the contractor by:

- Reviewing key deliverables;
- Evaluating claims activity and status for each line of coverage;
- Evaluating cost of service against the level of service received;
- Evaluating benchmarks for each line of coverage;
- Conducting a third party audit of claims on a semi-annual basis;
- Evaluating program financial status on an annual basis.

Contractor will be required to provide all reports necessary to facilitate monitoring and to provide access to all data required for claims audits.

A detailed monitoring plan and list of reports will be developed and agreed upon during contract negotiations.

1.6 PERFORMANCE PENALTIES

In the event that the contractor fails to perform critical functions in a timely, effective manner, the following penalties will apply.

Failure to complete a timely, accurate conversion of all data from the state's existing systems	$1000 per day until the conversion is completed
Failure to complete all initial claim reviews within 60 days of contract execution	$1000 per day until reviews are completed
Failure to submit an acceptable SOC1, Type 2 Report from SSAE 16 review by December 1 of each year	$50,000. An additional $50,000 penalty will be assessed if the problem is not resolved and independently verified within 6 months
Failure to complete required building appraisals and loss prevention audits each year	$5000 per month until the work is completed
Failure to achieve Acceptable or better scores on all factors reviewed as part of independent claim audits conducted every 6 months	$1,000 for each factor scored less than Acceptable

Contractor will be notified in writing of penalties assessed. The state shall reduce the amount of monthly payment to the Contractor by the amount of penalties.

1.7 BLACKOUT PERIOD

The Blackout Period is a specified period of time during a competitive sealed procurement process in which any proposer, or its agent or representative, is prohibited from communicating with any State employee or Contractor of the State involved in any step in the procurement process about the affected procurement. The Blackout Period

applies not only to State employees, but also to any Contractor of the State. “Involvement” in the procurement process includes but may not be limited to project management, design, development, implementation, procurement management, development of specifications, and evaluation of proposals for a particular procurement. All solicitations for competitive sealed procurements will identify a designated contact person. All communications to and from potential proposers and/or their representatives during the Blackout Period must be in accordance with this solicitation’s defined method of communication with the designated contact person. The Blackout Period will begin upon posting of the solicitation. The Blackout Period will end when the contract is awarded.

In those instances in which a prospective vendor is also an incumbent vendor, the State and the incumbent vendor may contact each other with respect to the existing contract only. Under no circumstances may the State and the incumbent vendor and/or its representative(s) discuss the blacked-out procurement.

Any proposer or State Contractor who violates the Blackout Period may be liable to the State in damages and/or subject to any other remedy allowed by law including rejection of proposal or cancellation/termination of contract.

Any costs associated with cancellation or termination will be the responsibility of the proposer.

Nothwithstanding the foregoing, the Blackout Period shall not apply to:

1. A protest to a solicitation submitted pursuant to La. R.S. 39:1671 or LAC 34:V.145.A.8;
2. Duly noticed site visits and/or conferences for proposers;
3. Oral presentations during the evaluation process;
4. Communications regarding a particular solicitation between any person and staff of the procuring agency provided the communication is limited strictly to matters of procedure. Procedural matters include deadlines for decisions or submission of proposals and the proper means of communicating regarding the procurement, but shall not include any substantive matter related to the particular procurement or requirements of the RFP.

1.8 CONFLICT OF INTEREST

Statements, acts and omissions made by or on behalf of the Commissioner of Administration regarding this RFP, any proposer and/or any subcontractor of a proposer shall not be deemed a conflict of interest when the Commissioner is discharging her duties and responsibilities under law, including, but not limited, to the Commissioner of Administration’s authority in procurement matters.

SECTION II

2.0 ADMINISTRATIVE INFORMATION

2.1 RFP COORDINATOR

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

This RFP is available in electronic form at the State of Louisiana, Office of Risk Management website, http://doa.louisiana.gov/orm/RFP_2014.htm. A hard copy can also be obtained upon request.

In addition, information about this RFP is available in electronic form at the LaPAC website http://wwwprd1.doa.louisiana.gov/osp/lapac/pubmain.cfm. 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.

RFP Coordinator: Deborah Grand
Email: Deborah.Grand@la.gov

Phone: (225) 342-8439
FAX: (225) 342-8473

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

2.2 TERM OF CONTRACT

A contract resulting from this Request for Proposal will be issued for a three (3) year contract term, with an option to renew for an additional two (2) years. The three (3) year contract term will be effective July 1, 2015 through June 30, 2018. The two (2) year renewal would extend the contract through June 30, 2020. The contract will be subject to approval by the Office of Contractual Review. The two (2) year renewal will also be subject to approval by the Joint Legislative Committee on the Budget (JLCB).

2.3 PRE-PROPOSAL CONFERENCE CALL

All potential proposers are invited to participate in a pre-proposal conference call which will be at the date and time specified in Section 2.6, Calendar of Events.

Call details
Number: 888-557-8511

Access Code: 582395
Security Code: 0010

During the conference call, the RFP will be reviewed and proposers will have an opportunity to ask questions. Although impromptu questions will be permitted and spontaneous answers will be provided during the conference, the only official answer or position of the State will be stated in writing in response to written questions in accordance with Section 2.4.

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.

To be considered, written inquiries and requests for clarification of the content of this RFP must be received at the address shown in Section 2.1 by the date and time specified in the Calendar of Events (See Section 2.6). Official responses to each of the questions presented by the proposers will be posted by the last date to respond to proposer inquiries as indicated in Section 2.6, at http://doa.louisiana.gov/orm/RFP_2014.htm. It is the responsibility of the proposer to check the web site 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 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.

Should, 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.

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

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

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

State: State of Louisiana, Office of Risk Management.

2.6 CALENDAR OF EVENTS

1. Issue RFP and post public announcements 12/3/2014
2. Pre-proposal conference call (3:00 P.M. CT)..... 12/9/2014
3. Response date for questions from conference call..... 12/15/2014
4. Deadline for receiving proposer inquiries (4:00 P.M. CT) 12/22/2014
5. Response date for proposer inquiries..... 1/7/2014
6. Proposal submission deadline (4:00 P.M. Central Time)..... 1/21/2015
7. Invitation to finalists for oral interviews (tentative) 2/4/2015
8. Oral Interviews (tentative)..... 2/20/2015
9. Formal announcement of selected proposer (tentative) 3/6/2015
10. Contract negotiation and approval 4/1/15
11. Contract execution (tentative)..... 7/1/2015

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

SECTION III

3.0 PROPOSAL INFORMATION

3.1 MINIMUM QUALIFICATIONS OF PROPOSER

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 of 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 of experience in providing multi-line claims administration services to a governmental entity same/similar in size, scope, and function to the State of Louisiana.

3.2 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 in this RFP and any resulting contract.

3.3 RFP ADDENDA

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/RFP_2014.htm and at the LaPAC site as noted in Section 2.1 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.

3.4 WAIVER OF ADMINISTRATIVE INFORMALITIES

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

3.5 PROPOSAL REJECTION/RFP CANCELLATION

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.

3.6 WITHDRAWAL 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.

3.7 SUBCONTRACTING INFORMATION

The State shall have a single prime Contractor as a result of any contract negotiation resulting from this RFP, and that prime Contractor shall be responsible for all deliverables referenced in the RFP and/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 is 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 subcontractor work.

3.8 OWNERSHIP OF PROPOSAL

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.

3.9 PROPRIETARY INFORMATION

The designation of certain information as trade secrets and/or privileged or confidential proprietary information shall only apply to the technical portion of the proposal. The cost proposal will not be considered confidential under any circumstance. Any proposal copyrighted or marked as confidential or proprietary in its entirety may be rejected without further consideration or recourse.

For the purposes of this procurement, the provisions of the Louisiana Public Records Act (La. R.S. 44.1 et. seq.) will be in effect. Pursuant to this Act, all proceedings, records, contracts, and other public documents relating to this procurement shall be open to public inspection. Proposers are reminded that while trade secrets and other proprietary information they submit in conjunction with this procurement may not be subject to public disclosure, protections must be claimed by the Proposer at the time of submission of its Technical Proposal. Proposers should refer to the Louisiana Public Records Act for further clarification.

The Proposer must clearly designate the part of the proposal that contains a trade secret and/or privileged or confidential proprietary information as “confidential” in order to claim protection, if any, from disclosure. The Proposer shall mark the cover sheet of the proposal with the following legend, specifying the specific section(s) of his proposal sought to be restricted in accordance with the conditions of the legend:

“The data contained in pages _____of the proposal have been submitted in confidence and contain trade secrets and/or privileged or confidential information and such data shall only be disclosed for evaluation purposes, provided that if a contract is awarded to this Proposer as a result of or in connection with the submission of this proposal, the State of Louisiana shall have the right to use or disclose the data therein to the extent provided in the contract. This restriction does not limit the State of Louisiana’s right to use or disclose data obtained from any source, including the Proposer, without restrictions.”

Further, to protect such data, each page containing such data shall be specifically identified and marked “CONFIDENTIAL”.

Proposers must be prepared to defend the reasons why the material should be held confidential. If a competing Proposer or other person seeks review or copies of another Proposer's confidential data, the state will notify the owner of the asserted data of the request. If the owner of the asserted data does not want the information disclosed, it must agree to indemnify the state and hold the state harmless against all actions or court proceedings that may ensue (including attorney's fees), which seek to order the state to disclose the information. If the owner of the asserted data refuses to indemnify and hold the state harmless, the state may disclose the information.

The State reserves the right to make any proposal, including proprietary information

contained therein, available to OSP personnel, the Office of the Governor, or other state agencies or organizations for the sole purpose of assisting the State in its evaluation of the proposal. The State shall require said individuals to protect the confidentiality of any specifically identified proprietary information or privileged business information obtained as a result of their participation in these evaluations.

Additionally, any proposal that fails to follow this section and/or La. R.S. 44:3.2.(D) (1) shall have failed to properly assert the designation of trade secrets and/or privileged or confidential proprietary information and the information may be considered public records.

3.10 COST OF PREPARING PROPOSALS

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.

3.11 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.

3.12 CONTRACT AWARD 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.

3.13 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.

3.14 PROPOSER'S COOPERATION

Any Proposer has the duty to fully cooperate with the State and provide any and all requested information, documentation, etc. to the state when requested. This applies even if an eventual contract is terminated and/or a lawsuit is filed. Specifically, the proposer shall not limit or impede the State's right to audit or to withhold State owed documents.

SECTION IV

4.0 RESPONSE INSTRUCTIONS

4.1 PROPOSAL SUBMISSION

The fully completed proposal must be delivered at the proposer's expense, and received by the RFP Coordinator designated above on or before the date and time specified in the Calendar of Events, Section 2.6.

Proposers mailing 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.

Important - - Clearly mark outside of envelope, box, or package with the following information and format:

Name of Proposal: CLAIMS MANAGEMENT AND LOSS PREVENTION SERVICES

RFP Number: 2014 CLAIMS-LP

Proposal Opening Date and Time: January 21, 2015 @ 4:00 P.M. (CT)

Proposers are hereby advised that the U.S. Postal Service does not make deliveries to our physical location.

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.

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.

The proposer must provide one (1) complete hard (printed) copy submitted to the address specified above. This copy 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.

An additional seven (**7**) copies must also be submitted. These copies should exclude Appendix F – Cost Proposal. These copies may be submitted as hard copies or in PDF format on digital media, such as a USB flash drive. Each copy should be on separate media. PDF copies may contain internal hyperlinks to aid navigation. Links to external

data sources are discouraged. The information provided by such links is not considered part of the proposal and will not be considered in evaluation.

One (**1**) additional redacted copy, excluding all confidential or proprietary information should also be submitted. This copy may be either hard copy or digital. Please see Section 3.9 for information on what may be deemed confidential or proprietary.

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.

4.2 PROPOSAL FORMAT AND CONTENT

The proposal should be organized as follows:

4.2.1 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.

4.2.2 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.

Examples of experience should demonstrate the proposer's ability to manage programs

with sufficient complexity to compare to the State of Louisiana, and to the extent possible, programs with challenges similar to those faced by ORM and the state.

A minimum of 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.

Proposers must include the SOC1, Type 2 report resulting from their most recent SSAE16 review.

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

4.2.3 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.

4.2.4 Proposed Project Approach and Methodology

This section should, at a minimum, identify the approach to implementation, team organization, staffing, training, finalizing standards and procedures, implementation 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 implementation 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.

Proposal should clearly articulate plans for ongoing operations of the claims and loss prevention units, contractor's evaluation of existing programs and potential areas for improvement.

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

4.2.5 Veteran/Hudson Small Entrepreneurship Program Participation

The State of Louisiana Veteran and Hudson Initiatives are designed to provide additional opportunities for Louisiana-based small entrepreneurships (sometimes referred to as LaVet's and SE's respectively) to participate in contracting and procurement with the State. A certified Veteran-Owned and Service-Connected Disabled Veteran-Owned small entrepreneurship (LaVet) and a Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) small entrepreneurship are businesses that have been certified by the Louisiana Department of Economic Development. All eligible vendors are encouraged to become certified. Qualification requirements and online certification are available at http://www.opportunitylouisiana.com/page/hudson-initiative.

Ten percent (10%) of the total evaluation points on this RFP are reserved for proposers who are themselves a certified Veteran or Hudson Initiative small entrepreneurship or who will engage the participation of one or more certified Veteran or Hudson Initiatives small entrepreneurships as subcontractors.

Reserved points shall be added to the applicable proposers' evaluation score as follows:

Proposer Status and Reserved Points

- Proposer is a certified small entrepreneurship: Full amount of the reserved points
- Proposer is not a certified small entrepreneurship but has engaged one or more certified small entrepreneurships to participate as subcontractors or distributors. Points will be allocated based on the following criteria:
    - the number of certified small entrepreneurships to be utilized
    - the experience and qualifications of the certified small entrepreneurship(s)
    - the anticipated earnings to accrue to the certified small entrepreneurship(s)

If a proposer is not a certified small entrepreneurship as described herein, but plans to use certified small entrepreneurship(s), proposer should include in their proposal the names of their certified Veteran Initiative or Hudson Initiative small entrepreneurship subcontractor(s), a description of the work each will perform, and the dollar value of each subcontract.

During the term of the contract and at expiration, the Contractor will also be required to report Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship subcontractor or distributor participation and the dollar amount of each.

The statutes (R.S 39:2171 et. seq.) concerning the Veteran Initiative may be viewed at http://legis.la.gov/lss/lss.asp?doc=671504; and the statutes (R.S 39:2001 et. seq.) concerning the Hudson Initiative may be viewed http:/legis.la.gov/lss/lss.asp?doc=96265. The rules for the Veteran Initiative (LAC 19:VII. Chapters 11 and 15) and for the Hudson Initiative (LAC 19:VIII Chapters 11 and 13) may be viewed at http://www.doa.louisiana.gov/osp/se/se.htm.

A current list of certified Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurships may be obtained from the Louisiana Economic Development Certification System at

https://smallbiz.louisianaeconomicdevelopment.com/certifiedbusiness/default. Additionally, a list of Hudson and Veteran Initiative small entrepreneurships, which have been certified by the Louisiana Department of Economic Development and who have opted to register in the State of Louisiana LaGov Supplier Portal https://lagoverpvendor.doa.louisiana.gov/irj/portal/anonymous?guest_user=self_reg may be accessed from the State of Louisiana Procurement and Contract (LaPAC) Network http://wwwprd1.doa.louisiana.gov/OSP/LaPAC/pubMain.cfm. When using this site, determine the search criteria (i.e. alphabetized list of all certified vendors, by commodities, etc.) and select SmallE, VSE, or DVSE.

4.2.6 Cost Information

The State will continue to pay for legal services provided by the Attorney General and for State Police Accident Reconstructions on State highways.

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 APPENDIX F – Cost Proposal.

The total compensation and expense reimbursement for the resulting contract will not exceed the total cost in the proposal, including the costs proposed for any optional services or innovative concepts selected for implementation by the state.

The Excel spreadsheet version of APPENDIX F can be found at http://doa.louisiana.gov/orm/RFP_2014.htm.

4.2.7 Certification Statement

One hard copy of the proposal must be submitted and 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.

4.3 KEY REQUIREMENTS

4.3.1 Implementation Plan

The proposer should include a work plan for the implementation project 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 informational campaign for agencies, providers and other program participants;
- Systems: system configuration, 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.

4.3.2 Procedures

Proposers should include their published service standards and proposed procedures with their proposal. Some of the key areas that should be addressed:

- Project management procedures for the initial implementation project;
- Initial and ongoing plans for communication, issue management, and change control procedures;
- Claims processing procedures;
- Documentation requirements;
- Financial procedures including, but not limited to, financial reporting, bank reconciliations, segregation of duties and check processing.

These documents, in conjunction with the State's procedures, will provide a basis for developing the final standards and procedures.

4.3.3 Project Organization

<u>Contract Account Director</u>

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 that 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;

- Manage transition and implementation tasks;
- All other duties as reasonably required to assure the successful completion of the Contractor's responsibilities.

State 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.

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 possess 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.

SECTION V

5.0 PROPOSAL EVALUATION AND SELECTION PROCESS

5.1 EVALUATION TEAM

The evaluation of proposals will be accomplished by an evaluation team to be designated by the state, which will determine the proposal most advantageous to the state, taking into consideration price and the other evaluation factors set forth in the RFP.

5.2 ADMINISTRATIVE AND MANDATORY SCREENING

Each proposal will be screened for compliance with the proposer defined in Section 3.1. Failure to meet these qualifications and requirements will eliminate the proposal from further consideration.

5.3 CLARIFICATION OF PROPOSALS

The state reserves the right to seek clarification of any proposal for the purpose of identifying and eliminating minor irregularities or informalities.

5.4 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.

5.5 EVALUATION CRITERIA

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

5.5.1 Proposer Qualifications

The maximum possible score for this criterion is **60 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 property claims for governmental entities following catastrophic events;
- 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;
- Proposer's system of controls over financial data and transactions;
- 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.

5.5.2 Proposed Project Approach and Methodology

The maximum possible score for this criterion is **60 POINTS**. The Evaluation Committee will consider, at a minimum:

- 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 implementation project based on the proposer's past experience and the information provided in this request for proposal;
- Proposer's approach to implementation project management, including quality control, status reporting, issue management, and RMIS change control;
- 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 procedures for administering claims and the adequacy of the claims

handling process;
- Proposer's plan to respond to property claims throughout the state following a catastrophic event.
- Proposer's technology solution, including support for claims adjusting, loss prevention, underwriting and premium development functions, all necessary interfaces, reports and inquiry capabilities;
- Proposer's solution for ad hoc reporting;
- Proposer's approach to disaster recovery that insures business continuity and protection of data;
- Proposer's approach to loss prevention and safety;
- Proposers suggestions for optional services and innovative concepts which could improve the state's program by reducing costs, providing better service, or improving efficiency.

5.5.3 Hudson/Veteran Small Entrepreneurship Program

Ten percent (10%) of the total evaluation points or **20 POINTS**, are reserved for proposers who are themselves a certified Veteran or Hudson Initiative small entrepreneurship or who will engage the participation of one or more certified Veteran or Hudson Initiative entrepreneurships as subcontractors.

Reserved points shall be added to the applicable proposers' evaluation score as follows:

Proposer Status and Reserved Points
- Proposer is a certified small entrepreneurship: Full amount of the reserved points
- Proposer is not a certified small entrepreneurship but has engaged one or more certified small entrepreneurships to participate as subcontractors or distributors, points will be allocated based on the following criteria:
  - the number of certified small entrepreneurships to be utilized
  - the experience and qualifications of the certified small entrepreneurship(s)
  - the anticipated earnings to accrue to the certified small entrepreneurship(s)

5.5.4 Cost Evaluation

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 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.

For proposals which include optional services and innovative concepts, a total cost should be provided in the description of each suggestion proposed These costs will not be included in the evaluation of proposal cost, since the state may choose not to implement them.

5.6 PRELIMINARY SCORING

The Evaluation Committee will score each written proposal that meets the minimum qualifications stated in Section 3.1. No preliminary conclusions or results will be given out until the Evaluation Committee has completed the entire evaluation process and the formal announcement of the selected proposer has been made.

5.7 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.

5.8 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.

5.9 BEST AND FINAL OFFERS (BAFO)

The State reserves the right to conduct a BAFO with one or more proposers determined by the committee to be reasonably susceptible of being selected for award. If conducted, the proposers selected to participate will receive written notification of their selection, with a list of specific items to be addressed in the BAFO along with instructions for submittal. The BAFO negotiation may be used to assist the state in clarifying the scope of work or obtain the most cost effective pricing available from the proposers.

The written invitation will not obligate the state to a commitment to enter into a contract.

5.10 FINAL SELECTION AND ANNOUNCEMENT OF CONTRACTOR

The Evaluation Team will compile the scores and make a recommendation to the head of the agency on the basis of the responsive and responsible proposer with the highest score.

The State will notify the successful Proposer by issuing a Notice of Intent to Award letter and proceed to negotiate terms for final contract. The “Notice of Intent to Award” letter is the notification of the award, contingent upon statutorily required approval of the apparent successful Proposer and successful negotiation and execution of a written contract.

The proposals received (except for that information appropriately designated as confidential in accordance with R.S. 44.1 *et seq.*), selection memorandum along with list of criteria used along with the weight assigned each criteria; scores of each proposal considered along with overall scores of each proposal considered, and a narrative justifying selection shall be made available, upon request, to all interested parties after the “Notice of Intent to Award” letter has been issued.

Any Proposer aggrieved by the proposed award has the right to submit a protest in writing to the head of the agency issuing the proposal within 14 days after the award has been announced by the agency.

The award of a contract is subject to the approval of the Division of Administration, Office of Contractual Review.

5.11 CONTRACT WITH FELON PROHIBITED

In accordance with the provisions of La. R.S. 39:2192, in awarding contracts after August 15, 2010, any public entity is authorized to reject a proposal or bid from, or not award the contract to, a business in which any individual with an ownership interest of five percent or more, has been convicted of, or has entered a plea of guilty or nolo contendere to any state felony or equivalent federal felony crime committed in the solicitation or execution of a contract or bid awarded under the following provisions of the Louisiana Revised

Statutes of 1950 governing public contracts: Title 38, Chapter 10.

SECTION VI

6.0 SUCCESSFUL CONTRACTOR REQUIREMENTS

6.1 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.

6.2 BILLING AND PAYMENT

The Contractor may submit bills for Implementation Fees immediately upon contract execution.

The Contractor will submit monthly billings for Service Fees based on 1/12 of the annual contract rate. Payment for monthly billings will be Contingent on satisfactory progress for all work performed. 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 recoveries and emergency service upon receipt of invoices, and in accordance with the rates specified in the Cost Proposal for these services.

The methodology for payment for optional services and innovative concepts will be determined during contract negotiations.

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.

6.3 COST ADJUSTMENTS

In the event that a change occurs in state government structure or ORM's program that results in a significant change in the services required under the contract, ORM and the contractor will negotiate a cost adjustment and amend the contract accordingly.

6.4 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.

6.5 LEGISLATIVE MEETINGS

The successful contractor may be called upon to meet with members of the Louisiana Legislature or to appear before Legislative committees to explain the proposal, the contract, and subsequent contract performance. Company representatives will attend such meetings as requested at the contractor's expense.

	General Specifications
A-1.1	The Contractor shall provide a dedicated unit to administer the requested services.
A-1.2	Contractor's offices shall be located within the downtown or mid-city business district of Baton Rouge, Louisiana. Contractor may request, and ORM may approve, other locations. Personnel required at this office shall include supervisory, adjusting, case management, and administrative staff. The cost of the office space should be borne by the Contractor.
A-1.3	Contractor's office shall be open for business, at a minimum, on the days and during the core hours that the State's offices are open.
A-1.4	The contractor shall provide a toll free telephone number for claim reporting. Contractor shall 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. Contractor should have 24 hour response capabilities.
A-1.5	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 shall have procedures to handle all types of submittals.
A-1.6	Contractor shall provide interoffice mail service between the Contractor's facility and ORM.
A-1.7	The contractor will be responsible for maintaining records in accordance with ORM's record retention schedule and State Archives policy.
	Transition Period and Transfer of Claims
A-2.1	Contractor shall assume the responsibility for the handling of all open (assumed), re-opened, and new claims under this contract.
A-2.2	The contractor is responsible for conversion of all data necessary to support ongoing operations and preserve existing historical data.
A-2.3	The contractor is expected to provide the materials and staffing to conduct initial communication and training for the start-up of the contract.
A-2.4	Within 60 calendar days of implementation, all pending claims shall 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.
A-2.5	ORM and the contractor will establish a standard schedule for reviews of claims by adjusters and supervisors. Changes to this schedule must be approved by ORM.
A-2.6	Upon termination, regardless of the reason for or type of termination, the Contractor agrees to 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.

	Staffing
A-3.1	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.
A-3.2	Each adjuster assigned to the State should meet licensing requirements of the State of Louisiana.
A-3.3	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.
	Training and Education
A-4.1	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 identified by ORM..
A-4.2	At the annual ORM Conference, the Contractor's staff shall conduct training modules for the full duration of the event as assigned by the State.
A-4.3	The Contractor shall provide Risk Management Information System training for ORM staff at the state's designated location prior to implementation. Training shall cover ad hoc reporting as well as use of basic system features. User manuals shall be provided.
A-4.4	The Contractor shall provide training for agency personnel.
A-4.5	The Contractor shall offer regional educational training on a periodic basis. The Contractor shall provide recommendations of what types of educational programs will best support the State's program.
	Claims Management – All Lines
A-5.1	The contractor shall create a claim file, diaries, and set reserves within 24 hours of receipt of a claim.
A-5.2	The contractor shall review all claims received from agencies, and process each to conclusion in accordance with applicable statutes, rules and regulations, Risk Management operating procedures or other instructions including but not limited to client service instructions.
A-5.3	Contractor will record, investigate, adjust, appraise, and, where appropriate, make all necessary claim and expense payments. All claims shall be handled promptly and in a professional manner, with emphasis on customer service.
A-5.4	Contractor will proactively review incidents reported and determine if investigation and action is needed prior to submission of a claim or initiation of litigation.
A-5.5	ORM will monitor all expenses paid and if it is determined that certain expenses are excessive, will restrict or require prior approval for those categories.
A-5.6	Contractor shall conduct continuous audits of claim files. Open claims shall be reviewed by a supervisor at regular intervals as indicated by type and severity of claims. Documentation of the review shall 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 shall be reviewed by a

	supervisor. Documentation of the review shall 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.
A-5.7	Contractor, including sub-contractors, will report all applicable bodily injury claims to a single claims clearinghouse, such as ISO (Insurance Service Office).
A-5.8	Contractor will establish a proactive system of fraud detection and deterrence for all claims, through the use of a fraud checklist or other measures.
A-5.9	Contractor will provide reports and information as needed to ORM's excess carriers.
A-5.10	Contractor will investigate and make prompt liability/coverage determinations.
A-5.11	Immediate notification by telephone shall be made to the ORM Claims Administrator in all cases involving catastrophic injuries or damages.
A-5.12	Contractor will participate as required in ORM Claims Settlement Committee and Claims Review meetings.
A-5.13	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, it's agencies and employees that include future medical payment awards are to be paid as incurred per the above referenced statute.
A-5.14	The contractor shall provide the services of a Medical consultant to evaluate complex cases and to assist in the medical management of claims.
A-5.15	Contractor shall subscribe to Acuity for the processing of contract attorney services.
A-5.16	The contractor will insure the State's compliance with Centers for Medicare & Medicaid Services CMS Section 111 Mandatory Insurer Reporting Law.
A-5.17	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 rom 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 independent investigators, appraisers, medical or other experts.
A-5.18	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.
A-5.19	Expenses attributed to errors made by the contractor in the payment or handling of claims will be borne by the contractor.
	Claims Management – Workers' Compensation
A-6.1	Claim files shall be reviewed by a supervisor and assigned the day received. 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.
A-6.1	The Contractor is required to complete a three point contact with the injured worker,

	the designated departmental representative and the health care provider within 24 hours of notice of claim. The information obtained from these contacts shall be accurately documented in the claim system.
A-6.2	A medical consultant or medical case manager, defined as an employee 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 employee 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 employee 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 (over 1 year). • 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 employee 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.
A-6.3	The contractor shall monitor the treatment programs recommended for injured employees by physicians, specialists and other health care providers in accordance with the OWC Medical Treatment Guidelines.
A-6.4	The contractor shall request a second medical opinion (SMO) as needed.
A-6.5	The contractor shall perform all duties and abide by all rules required of the State under the Louisiana Workers' Compensation Act, OWC, and any other rules formal or otherwise implemented by the Louisiana Office of Workers' Compensation Administration in the handling of the State's claims. This includes timely filing of required OWC forms and notices.
A-6.6	Written acknowledgement (benefit letter) shall be sent to all injured workers, and shall include a claim number, and adjuster's name and phone number, within five (5) business days after receipt of the claim.
A-6.7	Recorded statements shall be taken on all lost time claims or cases where there is questionable compensability.
A-6.8	A decision on the compensability of each claim shall be made within 14 business days of the receipt of the claim. The contractor shall develop a form or other means to communicate the compensability decision to the appropriate State contacts. Denial decisions shall 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 shall 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 OWC will be made in accordance with the Louisiana Workers' compensation statutes.
A-6.9	Indemnity payments on compensable claims shall be made within fourteen (14) calendar days after notice of injury.
A-6.10	The contractor shall provide a monthly report of injured workers on total disability and working transitional duty to the Claims Manager, Office of Risk Management.
A-6.11	The contractor shall notify ORM at least 30 calendar days prior to any scheduled mediation or hearing before the Louisiana OWC Administration, and the contractor's adjuster shall attend any mediations or hearings.
A-6.12	Pre-certification determinations and utilization reviews shall be done in compliance with the Louisiana Workers' Compensation Act.
A-6.13	All medical bills, prescription reimbursements, and other related expenses shall be re-priced according to the current Louisiana Workers' Compensation Medical Fee Schedule. Bills received on compensable claims shall be paid in accordance with the Louisiana Workers' Compensation Act.
A-6.14	Should a Medical Only claim reach $2,500 in medical expenses, the claim shall be reviewed for further investigation and management.
A-6.15	All "medical only" claims, will have a compensability analysis, will be reviewed for closing every 60 days; a compensability analysis and closure review will be entered in the claim notes with rationale for closure.
A-6.16	An initial medical report will be obtained within 7 - 14 working 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.
A-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.
A-6.18	Investigations shall be initiated by the Contractor within one (1) work day of receipt of the Employer's Accident Report using the three pronged 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.
A-6.19	The Contractor shall provide an easy to use discount prescription drug program which shall include dispensing medication for a 30-day period pre-claim approval (First Fill).
A-6.20	The contractor shall provide medical care and medical cost containment services in accordance with the Louisiana Workers' Compensation Act.
A-6.21	The Contractor shall assure that all cases are reviewed aggressively for return to work in either a full or modified duty capacity as quickly as possible. A return to work coordinator shall be assigned early in the process to assure that return to work occurs as soon as possible.
A-6.22	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 employee has not been returned to work full or modified duty. The benefit coordinator 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. All files where

	return to work has not occurred by 40 days from date of injury shall be referred for aggressive case management.
A-6.23	Contractor's Return to Work program shall follow the guidelines defined below. 1. Medical Case Management shall coordinate with medical providers and injured workers to obtain medical release to return to work. All Medical case managers shall be registered nurses. 2. 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 next option. All vocational rehabilitation shall be performed by a licensed Vocational Rehabilitation Counselor. 3. If transitional duty employment is not available, efforts will be made to return employee to work with other employers.
A-6.24	The State will work with management in all locations to establish return to work policy whenever possible.
A-6.25	The Contractor is responsible for any penalty or other fee assessed to the state. 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.
A-6.26	Penalties and erroneous payments are to be reported promptly to the State. The following data is required: (a) Name of the Claimant (b) Claim Number (c) Check Number (d) Date Paid (e) Amount of Penalty/Overpayment (f) Period Penalty Covers, or period of overpayment
	Claims Management - Maritime
A-7.1	The contractor will identify and provide the administration of claims that should be handled as Jones Act based on whether or not the injured worker was a crew member of a vessel that operates in navigable waters utilizing industry standard claims handling techniques.
A-7.2	The contractor shall obtain recorded statements on all claims with a potential for maritime exposure.
A-7.3	The contractor shall maintain accurate information about efforts to conclude the claim, settlement offers made, and responses received. All attempts to settle shall be fully documented in the file.
A-7.4	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.
A-7.5	Maritime reserves shall be established by the contractor within three (3) business days of receipt of the Employer's Accident Report, 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. Reserves greater than $100,000, and subsequent increases of $100,000 shall require a large loss report and pre-approval by ORM within 30 days of identification that the case is expected to cross another $100,000 threshold.
A-7.6	After reserves have been set, the contractor shall review and adjust reserves whenever new information that would change the evaluation is received. Reserves shall be adjusted when medical information or investigation indicates the existing reserve is inadequate or set too high. The adequacy of reserves should be reviewed at least every 90 days, and document the file of any substantial adjustments in the total reserve within 24 hours of the change.
	Claims Management – Property
A-8.1	Initial contact is to be made with the state agency presenting the claim within 24 hours of receipt of a claim. An acknowledgement letter will be sent to the agency within 2 work days.
A-8.2	Where required, property inspections are to be scheduled within 72 hours of receipt of claim.
A-8.3	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.
A-8.4	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.
A-8.5	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. 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 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.
A-8.6	Adjusters are to coordinate with Facility Planning and Control (FP&C) regarding repairs where damages are greater than $100,000. 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.
A-8.7	Contractor should have the ability to handle periods of high claims volume relating to storms. Contractor is expected to respond with appropriate numbers of personnel and equipment to resolve claims quickly.
A-8.8	Contractor is required to be available to meet with and cooperate as needed with the State's excess insurers.
A-8.9	The contractor shall have NFIP (National Flood Insurance Program) certified adjusters available.
	Claims Management – Named Windstorm Deductible Buy Down
A-9.1	ORM will provide coverage for the deductible applied by Builder's Risk policies purchased by Builders for repairs due to damage caused by a named windstorm. The amount of the deductible will be a percentage of the policy limit on each certain project. The builder will purchase the Builder's Risk coverage, thus various insurers will be involved.
A-9.2	Upon receiving notice of loss the contractor will arrange to inspect the risk to determine coverage and develop an appraisal of damage on the covered loss.
A-9.3	Should the appraisal indicate the loss is likely to exceed 50% of the deductible, the Builder's Risk insurer is to be placed on written notice of a potential claim that will exceed the named windstorm deductible.
A-9.4	Payment is to be made based on the adjuster's written estimate of the covered loss. As policies issued by ORM to provide coverage for the named windstorm deductible will have the builder as an additional insured, payment will be made to the State agency or FP&C and the builder.
A-9.5	Once the project is completed a reconciliation will be done to bring actual costs in line with initial payments made by ORM that were based on adjuster estimates. Additional payment may be necessary at that time.
A-9.6	In the instance of a loss that clearly exceeds the named windstorm deductible, the contractor will not be required to write a complete damage repair estimate, but rather only write an estimate to document that the cost of repair will exceed the deductible by 10%. In these instances the Builder's Risk insurer should be placed on notice immediately so they may take the lead in adjusting the claim.
A-9.7	Once the contractor has paid the entire deductible it is expected additional payments and adjuster activity will be assumed by the adjuster for the Builder's Risk policy. The contractor will provide loss documentation to the Builder's Risk insurer from the point in time where the anticipated loss is greater than 50% of the deductible.
	Claims Management – Auto Liability
A-10.1	Contact is to be made with the claimant within 24 hours of knowledge of claim.
A-10.2	Except in cases where the facts clearly indicate no liability on the part of the state, a thorough investigation shall 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 shall be explained in the electronic activity notes. All claims investigations will address provisions of RS32:866 commonly referred at the “no pay, no play” statute.
A-10.3	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.
A-10.4	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.
A-10.5	Property damage claims below $1,500 may be substantiated by obtaining two competitive repair estimates from the claimant. Payment shall be made per the lower of the two estimates. Should the damages equal or exceed $1500.00, the damages shall be inspected by a material damage appraiser to determine the amount of the loss.
A-10.6	Reserves are to be set within 30 days of receipt of claim. Claims reserved at or above $30,000 are to be reported to ORM within 30 days of receipt of claim. Reports are to contain 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.
A-10.7	Litigated claims shall 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.
A-10.8	Settlements above $30,000 shall be approved ORM.
A-10.9	A final release shall be secured on all bodily injury claims. Any claim where a release is not secured (property damage) payment should be sent with a written explanation to the nature and finality of the payment.
	Claims Management – Auto Physical Damage
A-11.1	Contact is to be made with the State agency that has reported an auto physical damage claim within 24 hours.
A-11.2	Physical damage claims below $1,500 may be substantiated by obtaining two competitive repair estimates. Payment should be made per the lower of the two estimates. Should the damages equal or exceed $1500.00, the damages should be inspected by a material damage appraiser to determine the amount of the loss.
A-11.3	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.
A-11.4	Physical damage claims are to be kept on a 30-60 day diary to follow for timely payment and conclusion of claims.
	Claims Management – Medical Malpractice
A-12.1	Claims are received by the contractor from the Medical Review Panel. The claim is

	considered valid after all required filing fees are received. Assignment to defense counsel shall be requested by the contractor.
A-12.2	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.
A-12.3	The contractor shall obtain a medical record review and or timeline of events of alleged malpractice.
A-12.4	Medical experts and Independent Medical Examinations are to be obtained by the contractor when appropriate.
A-12.5	The contractor shall follow the Medical Review Panel requirements in R.S. 40:1299.39 et seq.
A-12.6	Payment made on behalf of a named medical provider in settlement of a medical malpractice claims should be reported by the contractor to the National Practitioner Data Bank.
A-12.7	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.
	Claims Management – General Liability (Including Public Officials, Public Protective, and Employment Practices Liability, Personal Injury, and Civil and Constitutional Rights)
A-13.1	Incidents and claims are initially screened by the contractor with respect to coverage and liability issues prior to assigning to an adjuster.
A-13.2	The contractor should contact bodily injury claimants within 24 hours of receipt of the claim, except in cases where the facts indicate no liability. Medical releases and copies of all pertinent medical records will be requested and evaluated by the contractor.
A-13.3	Personal or telephonic contact should be made with the claimant on all cases within 24 hours of receipt of the claim, except in cases where the facts indicate no liability on the part of the State. Contact by mail will suffice only in those instances where personal or telephonic contact is not possible. Personal or telephonic contact should be made with agency personnel having knowledge of the claim within 48 hours following receipt of the claim.
A-13.4	Recorded statements should be taken from the claimant and all witnesses in all cases where there is personal injury or where liability is questionable. Failure to obtain a recorded statement should be explained in the electronic activity notes.
A-13.5	The contractor shall require recorded statements should be taken from the claimant and witnesses in cases where there is bodily injury or the liability is questionable.
A-13.6	The contractor will report all bodily injury claims to ISO, the Index Bureau, as soon as possible.
A-13.7	For licensed vehicle property claims by third parties, in cases of liability, the contractor will require two estimates be obtained from the claimant. Payment will be made on the lower of the two estimates after private liability insurance is verified with the carrier as per Act 1476 of 1997, the Omnibus Premium Reduction Act , R.S.32:866 reduces liability exposure for uninsured automobiles.
A-13.8	For property damage claims, in cases of liability, at least two estimates should be obtained from the claimant for damages below $1500.00. Damages of $1500.00 or

	greater should be inspected by a material damage appraiser. The cost of the appraisal should be recorded as an expense to the claim file.
A-13.9	The contractor should implement a procedure in the claim review process to determine whether injured party is a Medicare beneficiary and gather information necessary for CMS Section 111 reporting.
A-13.10	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.
	Civil Rights
A-13.11	The contractor should contact the 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.
A-13.12	Payment of lost wages and benefits is the responsibility of the named agency according to State Insurance Policy Provisions. The contractor should provide a method to work with the agency in these situations.
A-13.13	Direct contact with the named agency by the contractor is to be made to obtain all pertinent investigative materials for false arrest cases.
A-13.14	The contractor will consider an economic expert may be necessary to evaluate the exposure to economic damages.
A-13.15	Prisoner Claims • Non-litigated prisoner claims are received directly from the Department of Corrections. Any claims received directly from a prisoner are returned to DOC for processing by the contractor. • A copy of the ARP file (Administrative Remedy Procedure) should be obtained from DOC along with any investigative material for claims filed by prisoners by the contractor. • A quantum analysis and liability determination shall be provided along with the authority to settle prisoner cases to DOC by the contractor. • The Administrative Remedy Procedure (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.
	Claims Management – Road Hazards
A-14.1	Claims may be received from the DOTD or directly from the claimant. Frequently, receipt of litigation is the first notice of a claim. Suits are to be promptly referred to defense counsel (Attorney General's Office).
A-14.2	On-site investigations are done dependent on severity and complexity of claim. Investigations will include a detailed site visit with photos, a scene diagram and canvassing for witnesses where appropriate. Recorded statements from all drivers (insured and adverse), as well as all witnesses are to be taken. Police reports and other official reports (blood alcohol, etc.) are to be obtained if appropriate. All claims

	investigations will address provisions of RS 32:866 commonly referred at the “no pay, no play” statute.
A-14.3	Use of the Interagency agreement between ORM and the Department of Public Safety to obtain accident reconstruction data is expected.
A-14.4	Claims reserved at or above $25,000 are to be reported to ORM within 30 days. Reports are to contain a discussion of liability, reserve suggestions and resolution plan or strategy. Subsequent report to be done with 60-90 days intervals dependent on severity and activity.
A-14.5	Once liability is established, claim/suits are settled or defended after consultation of defense counsel (Attorney General’s Office)
A-14.6	All litigated Road Hazard claims are funded by legislative appropriation and paid by the Treasurer. 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.
A-14.7	Non-litigated Road Hazard claims do not require specific appropriations and are paid in a manner similar to other types of claims. However, payments for non-litigated Road Hazard claims are subject to an annual limit.
	Claims Management - Wet Marine
A-15.1	Contractor will provide resources to assess damage to marine vessels in excess of nineteen (19) feet. This will include the use of qualified marine surveyors to establish causation and appropriate method and cost of repair.
A-15.2	Contractor will investigate and adjust property damage and bodily injury liability claims arising out of the use of State owned marine vessels.
	Claims Management - Aviation
A-16.1	Contractor will provide resources to investigate aviation accidents. This will include providing qualified damage assessment, investigation into causation and identification of any Third Party or Products liability subrogation potential.
	Claims Management - Reserves
A-17.1	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. Reserves greater than $100,000, and subsequent increases shall require pre-approval by ORM.
A-17.2	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.
A-17.3	The contractor shall set reserves for claims assigned for handling as soon as there is sufficient information about the claim available to make a reasonable estimate of the value of the claim. In all cases, a reserve shall be set when the claim file is opened unless there is a documented reason for delaying setting the reserve. In all cases, the reserve shall be set no later than 30 days after receipt of the claim.

A-17.4	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 should 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 24 hours of the change.
	Claims Management - Subrogation/Recoveries/Offsets
A-18.1	The Contractor shall address subrogation potential early during the investigation and immediately secure any evidence so that subrogation rights are preserved.
A-18.2	The Contractor shall pursue recovery from all responsible third parties. 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.
A-18.3	The Contractor is required to review and monitor all claims which might involve third-party liability and to pursue subrogation against any and all outside parties for which this subrogation may be appropriate. The vendor should document all subrogation standard operating procedures and aggressively communicate verbally and in writing with the appropriate parties. 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 interest.
A-18.4	Contractor will identify potential Second Injury Fund claims and submit claims to the Second Injury Board for approval. Contractor will pursue Second Injury Fund recovery on all approved SIF claims through claim closure. Contractor will take all action necessary to maximize SIF recoveries.
A-18.5	Contractor will pursue recovery through claim closure on all claims with potential excess recovery.
	Claims Management - Settlement and Litigation
A-19.1	The contractor shall coordinate with the Attorney General's office or 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 participation as needed in hearings and settlement actions.
A-19.2	The contractor shall transfer complete investigation files to the Attorney General's office or contract counsel in the requested format whenever legal action is commenced against the State.
A-19.3	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.
A-19.4	For non-litigated cases, the contractor's settlement authority shall be $25,000. For cases requiring more than that, the Contractor will be required to submit a Request for Settlement Authority (RSA) to ORM.
A-19.5	For litigated cases no authority is granted automatically. The attorney shall coordinate approval of all settlements, which will be handled in accordance with ORM settlement

	guidelines.
A-19.6	Upon appointment of an outside attorney by the Attorney General and concurrence by ORM, the contractor shall procure the services of that attorney, at the rates specified by ORM. All fees will be paid as an expense.
A-19.7	The services of experts and consultants required to defend a claim will be procured by the contractor and paid as an expense.
A-19.8	ORM and the TPA will develop fee guidelines for experts and consultants. Fees in excess of those guidelines will require approval by ORM.
	Loss Prevention
	Appraisals
A-20.1	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	

A-20.2	Contractor shall verify the historic status of state-owned buildings either by using official documentation the owner-agency supplies or by checking one/both of the following web sites: www.nationalregisterofhistoricplaces.com (Federal) and http://www.crt.state.la.us/dataprojects/hp/nhl/index.asp (State).
A-20-.3	The contractor shall provide services necessary for the specialized appraisal and valuation of historic structures and submit reports, along with the historic replacement

	cost to ORM. Historic structures shall be subject to the same 4-year cycle as regular appraisals.
	AUDITS
A-20.4	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, and property; equipment management; water vessels; and flight operations (as found here): http://doa.louisiana.gov/orm/lp.htm
A-20.5	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.
A-20.6	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.
A-20.7	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.
A-20.8	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.
A-20.9	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.
A-20.10	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.
	CONSULTING
A-20.11	The contractor shall consult with state agencies on safety/health matters that may result in a loss to the State, trend analysis results, including, but not limited to, agency, location, type of claim, type of injury and cause; and Audit deficiency recommendations.
A-20.12	The Contractor will establish and utilize metrics to identify agencies that would benefit from individualized attention. Contractor will work with each of these agencies to identify problem areas, propose and monitor implementation of solutions.
	INSPECTIONS
A-20.13	Heavy Equipment Inspections: The inspections of boilers, generators, large motors, HVAC systems, electrical systems and other heavy mechanical equipment are conducted by Travelers Insurance inspectors. Travelers inspections are continual, while “follow-up Inspections” by the contractor shall take place after the Travelers inspectors identify one or more

	significant/serious or unsafe problems that should 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.
A-20.14	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.
A-20.15	If an agency is not adequately addressing/correcting the significant/serious condition(s) identified, the Contractor shall provide written notification to ORM.
	INVESTIGATIONS
A-20.16	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
A-20.17	An investigation report or summary shall be provided by the Contractor and shall include a Background, Findings, and Recommendations.
	TRAINING
A-20.18	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.
A-20.19	The Contractor shall conduct training for all agencies, as appropriate, on the Loss Prevention program itself, as well as "train-the-trainer" instruction for agency LP coordinators.
A-20.20	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."
A-20.21	The Contractor shall facilitate and coordinate the annual Equipment Management and Building Facilities training with Travelers Insurance.
A-20.22	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.
A-20.23	For all training to be provided by the contractor, the State reserves the right to pre-approve all training content, topics, and materials.
	OTHER
A-20.24	The Contractor will carry out their loss prevention services under the direction and control of ORM.
A-20.25	The Contractor should respond to urgent requests within 4 hours for calls received

	during normal business hours.
	Cash Management
A-21.1	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.
A-21.2	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.
A-21.3	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.
A-21.4	The Contractor shall utilize a Zero Balance Checking Account provided by the State. The State will fund the Contractor's Zero Balance Checking Account on a daily basis for the amount of checks presented for payment.
A-21.5	Bank account reconciliations, including the bank statement, are to be complete and copies delivered to the State by the end of the subsequent month (example: April reconciliation by the end of May).
A-21.6	The Contractor shall, for each payment made, maintain for on-line 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.
A-21.7	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.
	Audit Requirements
A-22.1	The State shall have full access to and the right to examine the accounts and records of the program and work papers of the Contractor's accountants and auditors.
A-22.2	Contractor will be required to submit annually a copy of an SOC1, Type 2 report resulting from an SSAE 16 review. The review is to be completed at the contractor's expense, and submitted to the State immediately upon completion.
A-22.3	Contractor will be required to submit an annual financial audit report conducted by an independent CPA.
A-22.4	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.

	Risk Management Information System (RMIS)
A-23.1	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, maintaining insurance policy data, maintaining premium payables and receivables data, and generating invoices.
A-23.2	The claim system shall allow access to all State staff involved directly in the program, including ORM and agency users
A-23.3	The Contractor shall provide on-line access to ORM 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 management reports on the State's claims as needed.
A-23.4	The system shall accurately track the number of lost days and days of restricted work for each claim.
A-23.5	Contractor should capture all data currently available to the State through iCE and iClaims Audit.
A-23.6	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. The fee will be paid by the State upon receipt of the invoice and documentation of the escrow. Any upgrades to the system shall also be submitted into the escrow service and paid for the State upon receipt of the invoice and documentation of the escrow.
A-23.7	Contractor should have a Disaster Recovery plan that provides for the continued operation of critical systems in the event of an interruption or degradation of service, should allow all critical computer and communication systems to be available in the event of a major loss, and should prioritize the sequence of critical systems being recovered. Disaster recovery is to take no longer than eight (8) hours. The Disaster Recovery Plan should be practiced at least annually, to include restoring data from backup media to insure that restoration procedures are known and to verify the integrity of the backup media. Contractor should provide ORM with a report following each practice test to detail the results and any remedial actions taken.
A-23.8	The Contractor shall provide secure access to any data extracts sent to the state or other parties.
A-23.9	For the data extracts, the Contractor must satisfy the Federal HIPPA privacy and security requirements.
A-23.10	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.
A-23.11	Claim number and location code guidelines will be provided to the Contractor.

A-23.12	The system must support a multi-line risk management operation providing: Comprehensive general liability (coverage for third-party losses where the state is legally liable and also provides personal injury, wrongful acts as well as other contractual and tort liabilities) Road hazards (coverage for establishment, design, construction, existence, ownership, maintenance, use, extension, improvement, repair, or regulation of any state bridge, tunnel, dam, street, road, highway or expressway) Property (coverage for state buildings and contents, boiler and machinery claims in which the state has an insurable interest, and Employee Bond and Crime losses; covers loss of money, securities, and other property damaged and/or stolen as a result of crime committed by a third party; losses caused by employees and will cover property damage as well as loss of monies; bridge property losses, fixed marine facility losses and flood claims) Medical malpractice (coverage for all State of Louisiana health care facilities including the state's charity hospital system, as well as health units and mental health clinics in all parishes; clinics and hospitals in the state's prison system, Louisiana State University Clinics, and Louisiana State University staff and residents in private hospitals throughout the state) Transportation (coverage for state-owned licensed / rented / leased vehicles used for state business including, but not limited to, state automobiles, ferry boats and aircraft) Workers' compensation (coverage for state employees who have been injured during the course and scope of their employment.
A-23.13	The system should be fully integrated, i.e. data entered in one module should be accessible in related modules and navigation between modules is seamless.
A-23.14	The system must have security features that guard against unauthorized access.
A-23.15	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.
A-23.16	The system should support multi-user access to images.
A-23.17	The system should have a feature to fax or e-mail images on request.
A-23.18	The system should provide the capability to search / report on a wide variety of fields.
A-23.19	The system should support on-line incident / accident / claim reporting and ability to differentiate what is being reported.
A-23.20	The system should have an "as of" reporting capability to re-create a specific point in time.
A-23.21	The system should support some degree of risk analysis / predictive modeling.
A-23.22	The system should provide the capability to represent data using charts and graphs.
A-23.23	The system should support the maintenance of vendor data and have that data

	available throughout the system as needed.
A-23.24	The system should uniquely identify taxable vendors by their Federal Employers Identification Number (FEIN).
A-23.25	The system should provide a feature to track data related to coverage including (at a minimum): - Policy number - Insured / Client name - Insured / Client address with parish code – physical, mailing, email, etc. - Insured / Client telephone number – primary, contact, fax, etc - Primary point-of-contact name - Primary point-of-contact address – physical, mailing, email, etc. - Line of insurance - Coverage limits - Coverage start date Coverage expiration date
A-23.26	The system should enable ORM to scan and store policy images (e.g., excess carriers) within the system.
A-23.27	The system shall provide the ability to maintain insurance policy data, input premium payables and receivables per policy per agency code, generate invoices, and maintain an agency contacts database.
A-23.28	Insurance policy data fields shall include, at a minimum, the following: policy number, coverage type, layer type (commercial/excess/self-insured), carrier name, broker name, effective date, expiration date, and SIR/deductible. The system shall provide Basic policy reports.
A23.29	For invoice generation, the system shall provide an invoice report which provides the premium data per agency, per line of coverage, with a total premium computed. The invoice report will also include the agency name and address from the contact database and generate a dedicated invoice number. Premium fields shall include, at a minimum, premium amount, premium invoice date, agency code, premium type (initial premium/premium adjustment/premium penalty/premium credit), premium ccategory (invoiced/paid/budgeted), invoice number, coverage type, and a comments field to enter text comments when needed. The system shall provide Invoice summary reports (by coverage line, by agency code, by date).
A-23.30	The agency contacts database fields shall include, at a minimum, the following: name, title, agency, address, telephone, e-mail, agency code, contact type (budget/management/ exposure/claims). The system shall provide basic contact information reports.
A-23.31	The system should provide a feature to track data related to scheduling and conducting audits as well as documenting audit findings and related resolutions including (at a minimum): - Assigned Loss Prevention Specialist - Type of audit - Property identification number - Location code - Date audit began - Date audit ended

	- Pass/Fail flag
A-23.32	The system should support the scheduling of property appraisals including (at a minimum): - Property identification number - Assigned Loss Prevention Specialist - Legal description - Building square footage - Building name - Related property photographs / digital images - Type of appraisal - Date appraisal began - Date appraisal ended - Conveyance data (vendor, vendee) - Purchase price - Date of purchase - Appraisal value - Replacement value - Parish - Region - Site
A-23.33	The Contractor is responsible for downloading the data history for closed and open claims for conversion and importing to its own automated claim and risk management information system database. Contractor should complete a successful and accurate conversion and importation of all elements of the data history. Payment of funds provided under the contract and designated as Implementation Fees are subject to a successful and accurate data conversion and importation.
A-23.34	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 should, at its own expense, promptly replace or regenerate such data.
	Reporting Requirements
A-24.1	Contractor shall provide a flexible reporting tool and access to RMIS data, including drill down capabilities, which will allow ORM and State agencies to produce reports as needed. Tool should allow ORM to select various report parameters (e.g. ability to choose multiple locations) or exclude various report parameters (e.g. ability to exclude a particular location) based on user need as well as include or exclude data fields based on user needs.
A-24.2	Reporting tool shall include a data dictionary which will provide detail / definitions associated with Contractor reporting parameters and shall provide the ability to view and summarize data by both accident year and fiscal year.
A-24.3	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 (examples of general types of reports are defined in the sections below; these examples are not intended to represent a complete list of all reports types that may be needed).
A-24.4	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.
A-24.5	The Contractor will identify and dedicate an employee with responsibility for Contractor project management oversight who will work with the ORM project management office to ensure required reports are built, inclusive of correct data fields, based on priorities as agreed between ORM and the Contractor.
A-24.6	The Contractor shall participate, along with ORM, in a formal reporting requirements gathering process that will be initiated once the contact is executed. During this process, required reports will be identified and defined. The deliverable of the requirements process will be a detailed reporting requirements document that defines the intrinsic reporting attributes, including detailed report addendums as the specific reports are developed and accepted by ORM.
A-24.7	Following contract execution, the timeline for development and implementation of the prioritized reports is as follows: - Immediately Upon Contract Execution: Data for claims payments and new claims/claims activity to be available. - Within 7 Days of Contract Execution: ORM and Contractor to kick off the reporting requirements gathering process to begin defining the required reports. The reporting requirements document deliverable will continue to be updated throughout the process until all reports (through those mentioned in 1.08) have been developed by the Contractor and accepted by ORM. - Within 30 Days of Contract Execution: ORM and Contractor to agree as to reports for initial prioritization, inclusive of specific data to be included in such reports. - Within 60 Days of Contract Execution: Contractor shall furnish initial prioritized reports, inclusive of initial quality checks of data to be included; ORM will test these reports to ensure such information meets the needs of ORM; feedback will be provided to Contractor regarding any changes that are needed. Within 90 Days of Contract Execution: Contractor shall furnish final reports based on feedback received from ORM. ORM will formally accept final reports and they will be added to the reporting requirements document as addendums.
A-24.8	Following delivery of initial prioritized reports, Contractor will work with ORM to deliver additional reports as needed for ORM management purposes.
A-24.9	Contractor shall meet with ORM on a periodic basis to discuss known and potential issues, key deliverables, and timelines.
	Reports - Claims
A-24.10	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.
A-24.11	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. Reports must be able to summarize data by both accident year and fiscal year.

A-24.12	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.
A-24.13	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.
A-24.14	Comparison reports – Summary and detail level reports which allow comparison of claims information between agencies must be provided.
A-24.15	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.
A-24.16	The ability to produce charts and graphs from report data should be provided.
	Reports - Workers' Compensation
A-24.17	The Contractor shall submit all periodic reports required by OWCA.
A-24.18	Transitional Duty Employment report
A-24.19	Penalties Paid report
A-24.20	Adjustor Case Load report
A-24.21	Vocational Rehab report
	Reports - Statistics
A-24.22	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.
A-24.23	Loss Triangle Report
A-24.24	
A-24.25	Reports - Accounting Reports
A-24.26	Daily Check Register – list of all checks issued
A-24.27	Void Register- list of all checks voided
A-24.28	Check Register Summary report by coverage – balanced to daily check register
A-24.29	Void Register Summary report by coverage – balanced to daily void check report
A-24.30	Workers Compensation check register report by agency –check register sorted by agency for distribution to agencies

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

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.

Contractor will provide all services associated with investigating, adjusting and paying claims for all lines of insurance provided by ORM. This includes all associated functions, such as Workers' Compensation cost containment services, mandatory reporting to CMS, FEMA, excess insurers and other entities, and recovery from third parties, including the Second Injury Fund.

Contractor will also provide loss prevention services to including support for loss prevention audits of each state agency, analysis of data to identify trends, one-on-one consulting for high risk agencies, and periodic appraisals of all state buildings.

This includes providing a Risk Management Information System (RMIS) capable of supporting these processes and providing timely accurate information for reporting. The RMIS will also support underwriting and premium development, and invoicing functions.

CONTRACTOR will perform services according to the terms of this Contract and according to the detailed specifications in Attachment I.

1.1 DELIVERABLES

Key deliverables include:

- Claims management procedures;
- RMIS system, configured to meet the State's requirements;
- Accurate, timely conversion of data to CONTRACTOR'S RMIS;
- Custom reports developed to the State's specifications;
- Initial claim reviews;
- Timely, accurate building appraisals;
- Timely loss prevention audits;
- Annual SOC1, Type 2 report from SSAE 16 review;
- Claims adjusting services.

2.0 CONTRACT MONITORING

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.

3.0 ADMINISTRATIVE REQUIREMENTS

3.1 TERMS OF CONTRACT

This contract shall remain in effect for a period of three (3) years, beginning July 1, 2015, and ending June 30, 2018. The state shall have the option to renew for an additional two (2) year period from July 1, 2018 to June 30, 2020, subject to approval by the Joint Legislative Committee on the Budget (JLCB).

3.2 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.

3.3 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.

3.4 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.

3.5 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*).

4.0 TECHNICAL REQUIREMENTS

4.1 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.

4.2 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.

4.3 STATE STANDARDS AND GUIDELINES

A. OPERATING SYSTEM SOFTWARE ENVIRONMENT

The Division of Administration has standardized its PC environment with Microsoft Windows 2007 and Microsoft Office 2013. All hardware and software will be reviewed before it is used on the local area network.

B. TECHNICAL DOCUMENTATION

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

4.4 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 environment as defined in Section 4.3.A. Conversion of files, if necessary, will be CONTRACTOR'S responsibility. Conversely, as required, CONTRACTOR should accept and be able to process electronic documents and files created by the STATE'S current desktop applications as described in Section 4.3.A.

5.0 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.

5.1 PERFORMANCE PENALTIES

In the event that the contractor fails to perform critical functions in a timely, effective manner, the following penalties will apply.

Failure to complete a timely, accurate conversion of all data from the state's existing systems	$1000 per day until the conversion is completed
Failure to complete all initial claim reviews within 60 days of contract execution	$1000 per day until reviews are completed
Failure to submit an acceptable SOC1, Type 2 Report from SSAE 16 review by December 1 of each year	$50,000. An additional $50,000 penalty will be assessed if the problem is not resolved and independently verified within 6 months
Failure to complete required building appraisals and loss prevention audits each year	$5000 per month until the work is completed
Failure to achieve Acceptable or better scores on all factors reviewed as part of independent claim audits conducted every 6 months	$1,000 for each factor scored less than Acceptable

6.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT

In consideration of the services required by this contract, STATE hereby agrees to pay to CONTRACTOR a maximum of (*$Total dollar amount)*.

The STATE will pay the Contractor for Implementation and Service Fees, Emergency Adjusting Fees, and Recovery Fees upon receipt of invoices. CONTRACTOR will submit monthly invoices to the STATE. 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 FISCAL FUNDING

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 DISCRIMINATION

CONTRACTOR agrees to abide by the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, Federal Executive Order 11246 as amended, the 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 Discrimination Act of 1975, the Fair Housing Act of 1968 as amended, 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-, FSC 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	BY: _____ Name Title
Date: _____	Date: _____

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.

REQUIRED DOCUMENTATION
Provide 3 years of audited financial statements and an SOC1, Type 2 report in accordance with Section 4.2.2.

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 should 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 apply to ORM.

IMPLEMENTATION APPROACH
Describe your approach to implementation/conversion, including staffing, risk management, issue management, communication and change control procedures.

IMPLEMENTATION WORK PLAN
Provide a high-level work plan for the implementation 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.

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. 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. Particular emphasis should be placed on methods which will be used to reduce ORM's total cost of risk.

CLAIMS MANAGEMENT
Describe your approach to claims management, including methods used to improve outcomes, reduce expenses and maximize recoveries. 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 current system. Explain how the system can be used to support Underwriting functions.

AD HOC REPORTING
Describe the proposed solution for ad hoc reporting. Describe key features. Explain what data will be accessible, how data will be selected, filtered, sorted and displayed. Describe the training and documentation that will be provided.

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.

OPTIONAL SERVICES AND INNOVATIVE CONCEPTS
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. 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.

Costs associated with these services should be specified and explained sufficiently for the state to assess the cost/benefit and estimate the increased contract costs associated with each.

COST PROPOSAL

An Excel spreadsheet version of the APPENDIX F forms can be found at http://doa.louisiana.gov/orm/RFP_2014.htm

The Cost Proposal is divided into 3 Parts:

Part 1 – Implementation Fees and Service Fees (includes all amounts to be paid to the contractor except Emergency Adjusting Fees and Recovery Fees):

Implementation fees may be specified by the proposer and may be invoiced immediately after the contract effective date.

The Service Fees should include any 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. These costs are exclusive of recovery fees and emergency adjusting services, which are addressed in Parts 2 and 3.

The Service Fee column is the cost to run the program from the beginning of each fiscal year to the end of the fiscal year.

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 – Emergency Adjusting Fees

Emergency Adjusting fees are intended to cover the additional costs associated with managing property claims after a catastrophic event.

Emergency adjusting fees will only be paid for declared disasters and other events specifically approved by ORM. They will not be paid for any claims which are adjusted by in-house Contractor staff.

Fees are to be proposed according to the schedule provided, based on the amount of damages. A flat rate should be specified for the two lowest ranges of damages. Fees for higher ranges should be specified as a percentage of damages.

The number of claims specified for each range should not be changed.

All fees are all-inclusive. No additional charges are allowed for photos, mileage, driving time, steep pitch or tall building access fees, etc. Fees will be based on the gross cost of repair or replacement of the covered, damaged property. No additional

fees will be allowed for supplements or re-inspection, unless these yield additional covered damage. For flat rate fees, additional fees will be allowed if the revised gross cost of repairs or replacement move the claim into a higher damage scale.

Part 3 – Recovery Services

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

If a subrogation claim is turned over to the Attorney General for recovery, the contractor will not be compensated for the recovery.

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.

Proposal Totals

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

The Proposal Total will be used for calculating the Cost Points per section 5.5.4.

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.

Proposal Total

	Initial 3-Year Period			2-Year Renewal Period		Contract Period Totals	
	Year 1 7/1/15-6/30/16	Year 2 7/1/16-6/30/17	Year 3 7/1/17- 6/30/18	Year 4 7/1/18-6/30/19	Year 5 7/1/19- 6/30/20	3-Year	5-Year
Part 1 - Implementation Fees and Service Fees	$0	$0	$0	$0	$0	$0	$0
Part 2 - Emergency Adjusting Fees	$0	$0	$0	$0	$0	$0	$0
Part 3 - Recovery Fees	$0	$0	$0	$0	$0	$0	$0
Total	$0	$0	$0	$0	$0	$0	$0

Proposal Total	$0

Part 1 - Implementation Fees and Service Fees

Line of Coverage	Implementation Fees	Service Fees				
		Initial 3-Year Period			2-Year Renewal Period	
		Year 1 7/1/15-6/30/16	Year 2 7/1/16-6/30/17	Year 3 7/1/17- 6/30/18	Year 4 7/1/18-6/30/19	Year 5 7/1/19- 6/30/20
Workers' Compensation	$0	$0	$0	$0	$0	$0
Property	$0	$0	$0	$0	$0	$0
Medical Malpractice	$0	$0	$0	$0	$0	$0
General Liability	$0	$0	$0	$0	$0	$0
Transportation	$0	$0	$0	$0	$0	$0
Road Hazards	$0	$0	$0	$0	$0	$0
Builder's Risk Deductible Buy-down	$0	$0	$0	$0	$0	$0
Loss Prevention	$0	$0	$0	$0	$0	$0
Underwriting/Premium Development	$0	$0	$0	$0	$0	$0
Total	$0	$0	$0	$0	$0	$0
Total Part 1	**$0**					

Part 2 - Emergency Adjusting Fees

Damages		Number of Claims	Service Fees									
			Initial 3-Year Period						2-Year Renewal Period			
			Year 1 7/1/15-6/30/16		**Year 2** 7/1/16-6/30/17		**Year 3** 7/1/17- 6/30/18		**Year 4** 7/1/18-6/30/19		**Year 5** 7/1/19- 6/30/20	
			Rate	Billable Amount	Rate	Billable Amount	Rate	Billable Amount	Rate	Billable Amount	Rate	Billable Amount
$0-$9,999.99	Flat Rate	278	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$10,000-$49,999.99	Flat Rate	81	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$50,000-$99,999.99	% of Loss	19	0%	$0	0%	$0	0%	$0	0%	$0	0%	$0
$100,000-$249,999.99	% of Loss	17	0%	$0	0%	$0	0%	$0	0%	$0	0%	$0
$250,000-$499,999.99	% of Loss	7	0%	$0	0%	$0	0%	$0	0%	$0	0%	$0
$500,000-$999,999.99	% of Loss	5	0%	$0	0%	$0	0%	$0	0%	$0	0%	$0
$1,000,000-$1,999.999.99	% of Loss	3	0%	$0	0%	$0	0%	$0	0%	$0	0%	$0
$2,000,000-$4,999,999.99	% of Loss	2	0%	$0	0%	$0	0%	$0	0%	$0	0%	$0
$5,000,000-$9,999,999.99	% of Loss	2	0%	$0	0%	$0	0%	$0	0%	$0	0%	$0
$10,000,000+	% of Loss	1	0%	$0	0%	$0	0%	$0	0%	$0	0%	$0
				$0		$0		$0		$0		$0

Total Part 2		**$0**

Note - Emergency adjusting fees will only be paid for declared disasters and other events specifically approved by ORM. They will not be paid for any claims which are adjusted by in-house Contractor staff.

Part 3 - Recovery Fees

	Estimated Annual Recoveries	Recovery Fees									
		Initial 3-Year Period						2-Year Renewal Period			
		Year 1 7/1/15-6/30/16		**Year 2** 7/1/16-6/30/17		**Year 3** 7/1/17- 6/30/18		**Year 4** 7/1/18-6/30/19		**Year 5** 7/1/19- 6/30/20	
		Rate	Billable Amount	Rate	Billable Amount	Rate	Billable Amount	Rate	Billable Amount	Rate	Billable Amount
Second Injury Fund	$4,500,000	0%	$0	0%	$0	0%	$0	0%	$0	0%	$0
Subrogation*	$400,000	0%	$0	0%	$0	0%	$0	0%	$0	0%	$0
Total			$0		$0		$0		$0		$0

Total Part 3	**$0**

* Contractor will only be compensated for subrogation claims that are NOT turned over to the Attorney General to pursue recovery

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: (Print Clearly)

Date _____ Official Contact Name: _____

A. E-mail Address: _____

B. Facsimile Number with area code: _____

C. 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 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 calendar days from the date of proposal's signature below;
5. Proposer understands that if selected as the successful proposer, he/she will have 10 business days from the date of delivery of final contract in which to complete contract negotiations, if any, and execute the final contract document.
6. Proposer certifies, by signing and submitting a proposal for $25,000 or more, that their company, any subcontractors, or principals are not suspended or debarred by the General Services Administration (GSA) in accordance with the requirements in OMB Circular A-133. (A list of parties who have been suspended or debarred can be viewed via the internet at https://www.sam.gov .)

Authorized Signature: _____

Typed or Printed Name: _____

Title: _____

Company Name: _____

Address: _____

City: _____ State: _____ Zip: _____

SIGNATURE of Proposer's Authorized Representative: Date:

_____ _____