



Request for Proposal 23-106

THIRD PARTY ADMINISTRATOR (TPA) FOR RISK MANAGEMENT AND WORKERS' COMPENSATION

PROPOSALS DUE

**Friday, November 17, 2023
at 5:00 p.m.**

**City of Aurora
Purchasing Division
44 E Downer Place
Aurora, Illinois**

CITY OF AURORA, ILLINOIS
REQUEST FOR PROPOSAL 23-106

**THIRD PARTY ADMINISTRATOR (TPA) FOR RISK MANAGEMENT AND WORKERS'
COMPENSATION**

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CITY OF AURORA, ILLINOIS
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CITY OF AURORA
REQUEST FOR PROPOSAL
23-106

THIRD PARTY ADMINISTRATOR (TPA) FOR RISK MANAGEMENT AND WORKERS'
COMPENSATION

The City of Aurora is accepting proposals from qualified vendors to provide claims adjusting services for general liability, property, casualty, and auto claims. The contractual agreement for Third Party Administration (TPA) will also include Worker's Compensation claims administration which will provide comprehensive services that will support the analysis, funding and management of worker's compensation claims and costs being incurred under this program.

The TPA must have a system in place with the ability to interface both with the current system maintained by the City of Aurora and with the Illinois Workers' Compensation Commission while providing web-based systems access to the City.

The resulting contract with the awarded vendor will have an initial term beginning January 1, 2024, with two 1 -year optional extensions based on mutual agreement of the City and the awarded Proposer(s).

The City of Aurora self-insures automobile, property, and general liability exposures (35 million umbrella with a 2 million deductible, 1 million Workers' Compensation), and has done so for over 25 years and has purchased commercial policies for exposures including excess insurance policies (please see Appendix E which may change to adjust to current market bidding). The City currently has a workforce of over 1,000 employees, which includes temporary, seasonal and contractual employees to perform services. The City currently owns and operates a fleet of approximately 650 vehicles and equipment, and owns and operates over 137 buildings, structures, parks and vacant lots.

Sealed Proposals will be accepted at the City Clerk's office, 44 East Downer Place, Aurora, Illinois 60507, until **5:00 pm, CST, Friday, November 17, 2023**, to determine proposals for the anticipated above-named services.

Attached please find specifications and other pertinent documents necessary for you to respond to this Request for Proposal. Any current TPA providers to the City of Aurora, IL must submit a proposal through this RFP process to be considered. Any existing contracts/agreements will be terminated up award of this RFP.

Each bid proposal must be placed in an envelope, sealed, and clearly marked on the outside: "23- 106 RFP for Third Party Administrator (TPA) for Risk Management." **The outside of the envelope must also be clearly labeled with proposer company name and address.**

Any Proposer who owes the City money may be disqualified at the City's discretion.

Inquiries and/or questions pertaining to the provisions and specifications of this request for proposal package shall be directed to the Director of Purchasing, in writing at **PurchasingDL@aurora.il.us**. Questions will be accepted until 12:00 pm CST, Tuesday, November 7, 2023. Questions will be answered via

addendum and posted to the City's website at <https://www.aurora.il.org/bids.aspx> by 5:00 pm, Thursday, November 9, 2023. NO questions will be accepted or answered verbally. No questions will be accepted or answered after November 7, 2023, 12:00 pm cut-off date/time. It is the proposer's responsibility to check the website before submitting their proposal.

Sufficient proof of liability and workmen's compensation must be furnished to satisfy requirements of the City of Aurora.

The City of Aurora encourages minority business firms to submit proposals and encourages the successful firm to utilize minority businesses as applicable.

The City of Aurora reserves the right at any time and for any reason to cancel this Request for Proposal, to accept or reject any or all Proposals or portion thereof or accept an alternate proposal. The City reserves the right to waive any immaterial defect in any proposal, or technicality, informality or irregularity in the proposals received, and to disregard all nonconforming or conditional proposals or counterproposals. Unless otherwise specified by the Proposer or the City, the City reserves the right to hold the best proposals for ninety (90) days from the opening date set forth above. The City may seek clarification from any proposer at any time and failure to respond promptly is cause for rejection. The City further reserves the right to award the proposal to the lowest responsible Proposer whose offer best responds in quality, fitness and capacity to the requirements of the proposed work or usage and therefore is in the best interest of the City.

CITY OF AURORA

Jolene Coulter
Director of Purchasing

PROPOSER'S CERTIFICATION

I/We hereby certify that:

- A. A complete set of proposal papers, as intended, has been received, and that I/We will abide by the contents and/or information received and/or contained herein.
- B. I/We have not entered into any collusion or other unethical practices with any person, firm, or employee of the City which would in any way be construed as unethical business practice.
- C. I/We have adopted a written sexual harassment policy which is in accordance with the requirements of Federal, State and local laws, regulations and policies and further certify that I/We are also in compliance with all equal employment practice requirements contained in Public Act 87-1257 (effective July 1, 1993) and 775 ILCS 5/2-105 (A).
- D. I/We operate a drug free environment and drugs are not allowed in the workplace or satellite locations as well as City of Aurora sites in accordance with the Drug Free Workplace Act of January, 1992.
- E. The Proposer is not barred from bidding on the Project, or entering into this contract as a result of a violation of either Section 33E-3 or 33E-4 of the Illinois Criminal Code, or any similar offense of "bid rigging" or "bid rotating" of any state or the United States.
- F. I/We will abide by all other Federal, State and local codes, rules, regulations, ordinances and statutes.

COMPANY NAME _____

ADDRESS _____

CITY/STATE/ZIP CODE _____

NAME OF CORPORATE/COMPANY OFFICIAL _____

PLEASE TYPE OR PRINT CLEARLY

TITLE _____

AUTHORIZED OFFICIAL SIGNATURE _____

DATE _____

TELEPHONE (____) _____

FAX No. (____) _____

Subscribed and Sworn to

Before me this ____ day

of _____, 2023

Notary Public

STATE OF ILLINOIS)
) ss.
 County of Kane)

PROPOSER'S TAX CERTIFICATION

(PROPOSER'S EXECUTING OFFICER), being first duly sworn on oath, deposes and states that all statements made herein are made on behalf of the PROPOSER, that this despondent is authorized to make them and that the statements contained herein are true and correct.

Proposer deposes, states and certifies that Proposer is not barred from bidding with any unit of local government in the State of Illinois as result of a delinquency in payment of any tax administered by the Illinois Department of Revenue unless Proposer is contesting, in accordance with the procedures established by the appropriate statute, its liability for the tax or the amount of the tax, all as provided for in accordance with 65 ILCS 5/11-42.1-1.

DATED this day of , 2023.

By _____
 (Signature of Proposer's Executing Officer)

 (Print name of Proposer's Executing Officer)

 (Title)

ATTEST/WITNESS:

By _____
 Title _____

Subscribed and sworn to before me this
 _____ day of _____, 2023.

 Notary Public

(SEAL)

CITY OF AURORA, ILLINOIS
INSTRUCTIONS TO PROPOSERS 23-106
THIRD PARTY ADMINISTRATION FOR RISK MANAGEMENT AND WORKERS'
COMPENSATION

01. REQUIREMENTS OF PROPOSER

The successful Proposer may be required to (a) enter into a fully signed contract in writing with the City of Aurora covering matters and things as are set forth in the Proposal Package; and (b) carry insurance acceptable to the City covering and workers' compensation.

02. ACCEPTANCE OF PROPOSALS

- a. Proposer must submit an original proposal response, marked as "original" and one (1) USB, and shall have provided all requested information, and submitted all appropriate forms, certificates, affidavits and addendum acknowledgements in each copy in order to be considered responsive.

Proposals must be submitted on the forms provided and all information and certifications called for must be furnished. Proposals submitted in any other manner, or which fail to furnish all information or certificates required, may be summarily rejected. Proposals may be modified or withdrawn prior to the time specified for the opening. Proposals shall be filled out legibly in ink or type-written with all erasures, strike overs and corrections initialed in ink by the person signing the proposal. The proposal shall include the legal name of the proposer, the complete mailing address, and be signed in ink by a person or persons legally authorized to bind the proposer to a Proposal. Name of person signing should be typed or printed below the signature.

Envelopes containing proposals must be sealed and addressed to the City of Aurora City Clerk. The name and address of the proposer and the RFP Number must be shown in the upper left corner of the envelope.

- b. The City reserves the right to reject any and all proposals or parts thereof and to waive any technicalities and irregularities in the proposals and to disregard all nonconforming or conditional proposals or counter-proposals and to hold the proposals for ninety (90) days from the opening date set forth above. Proposer agrees to accept a notice of award, if selected, based on the terms of this Proposal in the event that a notification of award is received on or before expiration of the 90-day time period. The City reserves the right to cancel the Proposal at any time, without liability for any loss, damage, cost or expense incurred or suffered by any Proposer as a result of that cancellation. Each Proposer is solely responsible for the risk and cost of preparing and submitting a Proposal.
- c. Although price is a major consideration, product quality, references, service, delivery time and past experience, if applicable, will also be considered. No Proposal will be considered unless the Proposer shall furnish evidence satisfactory to the City that he has the necessary facilities, abilities, experience, equipment, and financial and physical resources available to fulfill the conditions of the contract and execute the Work should the contract be awarded to him. Proposal documents which are not responsive to the requirements herein may not be considered by the City for an award of the contract.

The contract will be awarded to the lowest responsible Proposer. In determining the

responsibility of any Proposer, the City may take into account other factors in addition to financial responsibility, such as past records of its or other entities transactions with the Proposer, experience, ability to work cooperatively with the City and its staff, adequacy of equipment, ability to complete performance within necessary time limits, and other pertinent considerations such as, but not limited to, reliability, reputation, competency, skill, efficiency, facilities and resources.

The Proposal will be awarded in the City's best interests based on these and other legally-allowable considerations. The City and its representatives and agents may make any investigations deemed necessary to determine the ability of the Proposer to perform the Work. The Proposer shall furnish any information and data requested by the City for this purpose.

03. RECEIPT OF PROPOSALS

- a. It is suggested that Proposers allow a minimum of four days for delivery through U.S. mail. Overnight courier is acceptable provided timely receipt of Proposals. The City shall not be responsible for late delivery of your Proposer by a third party courier. The Proposer assumes responsibility for late delivery of the mail. It is the sole responsibility of the Proposer to see that their Proposal is received in the proper time.
- b. Proposals must be mailed to the City Clerk office located at 44 E. Downer Place, Aurora, IL 60507.
- c. Any Proposal received by the Purchasing Division **after 5:00 p.m. on Friday, November 17, 2023**, shall be rejected and returned unopened. **There will be no exceptions!**

04. WITHDRAWAL OF PROPOSALS

Proposers are cautioned to verify their proposals before submission. Negligence on the part of the proposer in preparing the proposal confers no right for withdrawal or modification of the proposal after it has been opened. Proposers may not withdraw their proposal after the opening without the approval of the Director of Purchasing. Requests to withdraw a proposal must be in writing and properly signed. Proposers may, however, without prejudice, modify or withdraw its proposal by written request, provided that the request is received by the City Clerk prior to the scheduled opening and at the address to which proposals were to be submitted. Following withdrawal or modification of its Proposal, Proposer may submit a new Proposal, provided it is received by the City Clerk prior to the proposal due date. No proposal will be opened which is received after the time and date scheduled for the Proposals to be received.

05. PROPOSAL DEPOSIT

No Proposal Deposit Required.

06. CITY'S AGENT

The Director of Purchasing, or her delegate, shall represent and act for the City in all matters pertaining to the Proposal and contract in conjunction thereto.

07. INVESTIGATION

It shall be the responsibility of the Proposers to make any and all investigations necessary to become thoroughly informed of what is required and specified in the Proposal. No plea of ignorance by the Proposers of conditions that exist or may hereafter exist as a result of failure or omission on the part of the Proposer to make the necessary examinations and investigations will be accepted as a basis for varying the requirements of the City of the compensation to the Proposer.

Each Proposer submitting a Proposal is responsible for examining the complete Proposal Package and all Addenda, and is also responsible for informing itself of all conditions that might in any way affect the cost or the performance of any Work. Failure to do so will be at the sole risk of the Proposer, and no relief will be given for errors or omissions by the Proposer. If awarded the contract, the Proposer will not be allowed any extra compensation by reason of any matter or thing concerning which such Proposer should have fully informed himself, because of his failure to have so informed himself prior to the Proposal. The submission of a Proposal shall be construed as conclusive evidence that the Proposer has made such examination as is required in this section and that the Proposer is conversant with local facilities and difficulties, the requirements of the Proposal Package documents, and of pertinent, local, state and federal laws and codes, prevailing local labor and material markets, and has made due allowance in its Proposal for all contingencies. Before any award is made of the contract to the Proposer, the Proposer may be required to, upon request of the City, furnish information concerning his performance record in his capacity to complete the Work in an efficient and timely manner.

08. PROPOSER CAPABILITY

The City reserves the right to require of the Proposer proof of his/her capability to perform as required by the specifications. However, prequalification of the Proposer shall not be required. The City may, at its option, disqualify a Proposer and reject his Proposal for cause. Reasons deemed to be sufficient for this action shall include, but not be limited to, the following:

- Evidence of collusion among Proposers.
- Receipt of more than one Proposal on any project from an individual, or from a corporation. This restriction does not apply to subcontractors.
- Default on any previous contract.
- For unreasonable failure to complete a previous contract within the specified time or for being in arrears on an existing contract without reasonable cause for being in arrears.
- Inability to perform as revealed by an investigation of the Proposer's financial statement, experience and/or plant and equipment.
- **Any Proposer who owes the City money may be disqualified at the City's discretion.**

09. ALTERNATE PROPOSALS

The specifications are prepared to describe the goods and/or service which the City deemed to be in the best interest to meet its performance requirements. Proposers desiring to submit a Proposal on items which deviate from the stated specifications, but which they believe to be equal, may do so, but all specification deviations must be clearly stated on the form provided in the Proposal package. The Purchasing Director reserves the right to rule upon specification deviation in a manner as best befits the needs of the City. If a Proposer wishes to submit more than one Proposal, each Proposal, after the first, is to be considered an **alternate**. **THESE PROPOSALS MUST BE**

PLACED IN SEPARATE ENVELOPES. THE ENVELOPE AND THE PROPOSAL PAGE MUST BE PLAINLY MARKED “**ALTERNATE PROPOSAL**”. The Purchasing Director will reject all deviations that amount to a material nonconformity with the specifications of the Proposal.

10. PROPOSAL AWARD

It is the intent of the City to award the proposal to the highest rated, responsive, responsible proposer(s) meeting specifications. Award will be based on the following factors, but not limited to (where applicable): (a) adherence to all conditions and requirements of the specifications; (b) price; (c) qualifications of the proposer, including past performance, financial responsibility, general reputation, experience, service capabilities, and facilities; and (d) delivery or completion date.

If the Proposer modifies limits, restricts or subjects his proposal to conditions that would change the requirements of the proposal, this would be considered a conditional or qualified Proposal and will not be accepted. The City reserves the right to delete any item listed in the proposal.

11. PRICES

Unit prices shall not include any local, state or federal taxes. In case of mistake in extension of price, unit price shall govern. All prices must be typewritten or written in black ink. (The party signing the Proposal or his authorized representative must initial any alteration in ink.)

12. TAXES

The City of Aurora is exempt, by law, from paying State and City Retailer’s Occupation Tax, State Service Occupation Tax, State Use Tax and Federal Excise Tax (per Illinois Revised Statutes, Chapter 120, Paragraph 44) upon City works and purchases. The City of Aurora’s Sales Tax Exemption Number is E9996-0842-07.

13. PAYMENTS

Payment shall be made for services rendered. The City, after inspection and acceptance, and in consideration of the faithful performance by the Proposer, agrees to pay for the completion of the work embraced in this contract, payment shall be made in accordance with the Illinois Local Government Prompt Payment Act (50 ILCS 505/1, *et.seq.*)

Time, in connection with any discount offered, will be computed from the date of delivery to the City or from the date a correct invoice is received by the City of Aurora Purchasing Division, if the latter date is later than the date of delivery.

Prices will be considered NET, if no payment discount is shown.

The successful Proposer shall submit invoices via e-mail to:

PurchasingDL@aurora.il.us

or Mail to the following address:

City of Aurora
Attn: Purchasing Division
44 E. Downer Place Aurora, IL
60507

The City of Aurora offers electronic funds transfer (EFT) payment to our vendors. EFT is fast, simple, safe and secure and is ***our preferred method of payment!*** Please contact our office to get set up.

14. INTERPRETATION OR CORRECTION OF PROPOSAL DOCUMENTS

Proposers shall promptly notify the City of any ambiguity, inconsistency of error which they may discover upon examination of the Proposal documents. Interpretations, corrections and changes will be made by addendum. Each Proposer shall ascertain prior to submitting a Proposal that all addenda have been received and acknowledged in the Proposal.

15. DEFAULT

Time is of the essence of this Proposal and if delivery of acceptable items or rendering of services is not completed by the time promised, the City reserves the right, without liability, in addition to its other rights and remedies, to terminate the Proposal by notice effective when received by Proposer, as to stated items not yet shipped or services not yet rendered. The City will procure articles or service from other sources and hold the Proposer responsible for any excess cost incurred as provided for in Article 2 of the Uniform Commercial Code.

16. CANCELLATION

The City reserves the right to cancel the whole or any part of the contract if the Proposer fails to perform any of the provisions in the contract or fails to make delivery within the time stated. The Proposer will not be liable to perform if situations arise by reason of strikes, acts of God or public enemy, acts of the City, fires or floods.

17. ELIGIBILITY

By signing this Proposal, the Proposer hereby certifies that they are not barred from bidding on this Proposal as a result of a violation of Article 33E, Public Bids of the Illinois Criminal Code of 1961, as amended (Illinois Compiled Statutes, 720 ILCS 5/33E-1).

18. SIGNATURES

Each Proposal must be signed by the Proposer with his/her usual signature. Proposals by partnerships must be signed with the partnership name by all members of the partnership, or an authorized representative, followed by the signature and title of the person signing. Proposals by corporations must be signed with the name of the corporation, followed by the signature and title of the person authorized to bind it in the matter. All signatures must be in ink.

When a corporation submits a Proposal, its agent must present legal evidence that he has lawful authority to sign said Proposal and that the corporation has a legal existence. In the event that any corporation organized and doing business under the laws of any foreign state is the successful Proposer, such corporation must present evidence before any contract is executed that it is authorized to do business in the State of Illinois. Proposals by corporations must be executed in the corporate name by the President or a Vice President (or other corporate officer accompanied by evidence of authority to sign), and the signature must be attested by the Secretary or an Assistant Secretary, and the corporate seal must be affixed. The corporate address and state of incorporation must be shown below the signature. Proposals by partnerships must be executed in the partnership name and signed by a partner whose title must appear under the signature, and the official address of the partnership must be shown below the signature. Any corrections to entries made on the

Proposal forms shall be initialed by the person signing the Proposal. When requested by the City, satisfactory evidence of the authority of any signature on behalf of the Proposer shall be furnished.

19. REFERENCES

Sufficient references of all like public and/or private agencies must be presented on a separate sheet and attached to this Proposal. Listing must include company name, contact person, telephone number and date purchased. All Proposers, as a condition of and prior to entry into a contract, agree that a complete background investigation of the principals of the Proposer and all employees who will work on the project may be made. Proposers agree to cooperate with the appropriate City of Aurora personnel to supply all information necessary to complete these investigations. The City of Aurora in its complete discretion may disqualify any Proposer, including low Proposer, and may void any contract previously entered into based on its background investigation.

20. COMPLIANCE WITH LAWS AND REGULATIONS

The Proposer shall at all times observe and comply with all Federal, State, Municipal and other local laws, ordinances, regulations, and requirements which in any manner affect the conduct of the Work, and with all Federal, State and local laws and policies of non-discrimination, sexual harassment, and others applicable thereto; and all such orders or decrees as exist at the present and which may be enacted later, of bodies or tribunals having jurisdiction or authority over the Work, and no plea of misunderstanding or ignorance thereof will be considered. He shall indemnify and save harmless the City and all its officers, agents, employees and servants against any requirement, claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by himself or his employees.

This RFP shall be governed by and construed according to the laws of the State of Illinois.

21. INSURANCE AND HOLD HARMLESS PROVISION

At the Proposer's expense, the Proposer shall secure and maintain in effect throughout the duration of this contract, insurance of the following kinds and limits to cover all locations of the Proposer's operations. The Proposer shall furnish Certificates of Insurance to the City before starting or within ten (10) days after the execution of the contract, whichever date is reached first. All insurance policies shall be written with insurance companies approved by the City of Aurora and licensed to do business in the State of Illinois and having a rating of not less than A IX, according to the latest edition of the A.M. Best Company; and shall include a provision preventing cancellation of the insurance policy unless thirty (30) days prior written notice is given to the City. This provision shall also be stated on each Certificate of Insurance as: "Should any of the above described policies be canceled before the expiration date thereof, the issuing company will endeavor to mail 10 days written notice to the certificate holder named to the left".

If requested, the awardee of this Proposal will give the City a copy of the insurance policies. The policies must be delivered to the City within two weeks of the request.

The limits of liability for the insurance required shall provide coverage for not less than the following amount, or greater where required by law:

- (1) Worker's Compensation Insurance - Statutory amount.
- (2) General Liability Insurance:
 - (a) \$1,000,000 per occurrence and \$2,000,000 general aggregate
 - (b) \$500,000 per occurrence for Property Damage
 - (c) \$1,000,000 per occurrence for Personal Injury

- (3) Auto Liability Insurance:
 - (a) Bodily injury with limits not less than \$1,000,000
 - (b) Property damage with limits not less than \$500,000
- (4) Umbrella excess liability of \$1,000,000 per occurrence, \$2,000,000 aggregate

The Proposer shall include the City as a primary, non-contributory additional named insured on both General and Auto Liability Insurance policies and indicate said status on any Certificates of Insurance provided to the City pursuant to this project. All insurance premiums shall be paid without cost to the City.

The Proposer agrees to indemnify and save harmless the City of Aurora, their agents and employees from and against all loss and expenses (including costs and attorneys' fees) by reason of liability imposed by law or claims made upon the City of Aurora for damages because of bodily injury, including death at any time resulting therefrom sustained by any person or persons or on account of damage to property, including loss of use thereof, arising out of or in consequence of the performance of this project work, whether such claims or injuries to persons or damage to property be due to the negligence of the Proposer or his Subcontractors. The Proposer shall assume total risk and shall be responsible for any and all damages or losses caused by or in any way resulting from the work and provide all insurance necessary to protect and save harmless the City of Aurora and its employees.

22. SUBLETTING OR ASSIGNMENT OF WORK

If the Proposer sublets the whole or any part of the Work to be done under the contract, with or without the written consent of the City, he shall not, under any circumstances, be relieved of his liabilities and obligations. **A Payment Bond will be required if the Proposer sublets any of the requested services.** All transactions of the City shall be with the Proposer; subcontractors shall be recognized only in the capacity of employees or workmen and shall be subject to the same requirements as to character and competence. In case any party or parties, to whom any work under the contract shall have been sublet, shall disregard the directions of the City or his duly authorized representatives, or shall furnish any unsatisfactory Work or shall fail or refuse in any way to conform to any of the provisions or conditions of the contract, then in that case, upon the written order of the City, the Proposer shall require said party or parties in default to discontinue Work under the contract. Said Work shall be corrected or made good and shall be continued and completed by the said Proposer or by such other party or parties as are approved by the City, in the manner and subject to all of the requirements specified in the contract.

23. WORKERS COMPENSATION ACT

The Proposer further agrees to insure his employees and their beneficiaries and to the employees and the beneficiaries of any subcontractor employed from time to time by him on said Work, the necessary first-aid, medical, surgical, and hospital services and any compensation provided for in the Workers Compensation Act of the State of Illinois that is or may be in force in the State.

Such insurance shall be placed by said Proposer in a company or association (to be approved by the City and to be accepted by the Council thereof) authorized under the laws of the State of Illinois to insure the liability above specified.

Said Proposer hereby further agrees to indemnify, keep and save harmless said City from all action, proceedings, claims, judgments, awards, and costs, loss, damages, expenses, and attorney's fees

which may in any way come against said City by reason of any accidental injuries or death suffered by any of his employees or the employees of any subcontractor employed by him in and about the performance of the Work provided for in the Proposal, and any and all liability resulting thereupon; and said Proposer, in case of any suit, action, or proceeding on account of any or all of the foregoing shall defend the same for and on behalf of said City and indemnify the City therefore, and pay the amount of any and all awards and final judgments and orders rendered and entered therein, together with all loss, costs, damages, attorney's fees, and expenses incurred therein. Said Proposer shall be the sole employer of its employees and workers, and in no way so shall the City be considered a joint employer of same under any circumstance.

24. MINORITY PARTICIPATION

The City of Aurora encourages minority business firms to submit Proposers and encourages the successful Proposer to utilize minority businesses as sub-contractors for supplies, equipment, services and construction.

25. PROSECUTION OF WORK

The Proposer shall begin the Work to be performed under the Proposal as specified in the specifications after the execution and acceptance of the Proposal, unless otherwise provided. The Work shall be conducted in such a manner and with sufficient materials, equipment and labor as is considered necessary to insure its completion within the time specified in the Proposal.

26. TIME

Proposer shall schedule its Work to meet the requirement of the City. Proposer shall perform the Work expeditiously in cooperation with the City's agent, employees, contractors and subcontractors. Proposer shall make no claim against the City and no claim shall be allowed for any damages which may arise out of any delay caused by City, its agents, employees, contractor or subcontractors. Proposer's sole remedy for delay shall be an extension in the contract time.

CITY OF AURORA
REQUEST FOR PROPSAL
23-106
SPECIFICATIONS THIRD PARTY ADMINISTRATOR (TPA) FOR RISK
MANAGEMENT

Section 1: Scope of Work:

The City of Aurora is requesting proposals from qualified, experienced vendors for a Third-Party Administrators (TPA) to provide for the comprehensive administration of claims adjusting services for general liability, property, casualty, and auto claims as well as for its workers' compensation program and associated services to support the analysis and management of claims and costs incurred under this program. The goal of this RFP is to select a vendor to partner with the Risk Management Division and Human Resources Division to handle all aspects of **both** the general liability claims and workers' compensation claim program as well as provide a comprehensive database of the City's claims. **The starting and fully operational date of this would be January 1, 2024.**

Section 2: Background

The City of Aurora is the second largest city in the State of Illinois with a population of over 180,000 persons (2020 census). The geographic area of the city is approximately 46 square miles. The City hosts or provides a full range of municipal service; including public safety, public works, criminal justice, recreation and entertainment, and human and social services. The City of Aurora has over 1,000 employees, which include full-time, temporary, seasonal, and contract employees to perform services. The City currently owns and operates a fleet of 650 vehicles and equipment, and owns 137 buildings, structures, parks, and vacant lots. The City is Partially self-insuring its general liability of up to 35 million with a 2 million deductible with excess policies. The Workers' Compensation program is self-insured. Claims for both Workers' Compensation and general liability are currently administered by Broadspire which is headquartered in Lake Zurich, Illinois. The City is currently self-insured (subject to change – see Appendix E) with SRI of 2 million in liability. The City purchases excess general liability (approximately 35 million) and workers' compensation (approximately 1 million in excess) and employer's liability. The City's general liability, property, casualty, and auto claims are housed in the Law Department and managed through Risk Management. The Risk Management Paralegal works with all City departments to gather information, process claims, and provide information to the TPA.

The City is seeking a third-party administrator to process approximately 150 claims a year for Workers' Compensation through the Human Resources Department, on its behalf, that may arise from operations described above. The current workers' compensation program is housed in Human Resources and is focused on achieving the best medical outcomes for injured workers at the most reasonable cost. To best accomplish this goal, efforts have been initiated and are on-going to partner with the best medical providers in the local community. The current program utilizes established occupational health relationships locally. The goal is to minimize the City's exposure to risk, process claims for city employees in a fair and equitable manner, to utilize effective measures to contain costs, work with our Human Resources Department, promote safe work environments, facilitate return to work programs, coordinate loss prevention strategies and ensure the program is administered in compliance with the Workers' Compensation Act (820 ILCS 305) and within acceptable industry standards.

Section 3: Statement of Needs

1. **Purpose.** The purpose of this Request for Proposals is to solicit proposals to establish a contract

through competitive negotiation for the purchase of third-party administration services for Workers' Compensation, General Liability and Automobile Liability claims, and loss control services.

2. **Definitions.** The following words and phrases, when used in this Request for Proposals, have the meanings ascribed to them in this section, except where the context clearly indicates that and the meaning is intended:

- a. **City** means City of Aurora, a municipal corporation and political subdivision of the State of Illinois, acting through its duly authorized representatives.
- b. **City Risk Management** means the division(s) of the City that cover workers' compensation in the Human Resources Department and risk management in the Law Department.
- c. **Contract** means the Goods and Services Contract, together with all Contract Documents referred to therein, awarded to the Contractor as a result of this solicitation.
- d. **Contractor** means the offeror to whom the City awards the Contract
- e. **Offeror** means the any person or legal entity that may choose to submit a proposal in response to this solicitation.
- f. **Risk Manager** means the individual responsible, or his designee, for managing the City's risks, self-insured insurance program and minimizing the adverse impact of losses.

3. **Requirements and Deliverables for General Liability, Automobile, Casualty claims and Workers' Compensation claims**

- a. **General Information.** The Contractor must provide comprehensive third-party administration and database of Workers' Compensation, General Liability and Automobile Liability claims, for the City of Aurora as specified herein. The Contractor, along with the City of Aurora, must determine and process timely payments to all appropriate providers of medical services, ancillary services and claimants for whom compensability or liability has been accepted on behalf of the City or determined by the Illinois Workers' Compensation Commission.
- b. **Transition of Claims.** The contractor will start with all new claims received by the City as of the Commencement Date. The transition of historical claims and open claims will occur up to 1 day prior and no later than 10 days after the Commencement date.
- c. **Claims Payment**
 - i. The Contractor shall obtain invoices and supporting documentation, including, not limited to, physician office notes and repair bills, for review. The Contractor shall review the invoices and documentation for adjustment to reasonable and customary costs.
 - ii. The Contractor shall use a checking account established by the City for the payment of claims. The Contractor shall use the checking account only in accordance with this Contract, directives from the City's Finance Department and the City's Risk Manager, and any policies that the City's Chief Financial Officer provides the Contractor. The City will provide an initial sum (the amount to be determined by the City) to fund the checking account. All other funds will be provided by the City in accordance with the procedures set forth herein. The Contractor shall draw all checks from this account to pay invoices and bills associated with claims administered by the Contractor pursuant to this Contract,

including, but not limited to, medical bills, indemnity wages for lost time, surveillance, and vocational rehabilitation for Workers' Compensation claims, and repairs, medical bills, and property damage claims for automobile and general liability claims. The check register should be sent to the Chief Financial Officer and the Risk Manager monthly to review and replenish the account funds.

- iii. The Contractor must make payments if authorized by the City's Law Department or the City's Risk Manager.

d. Loss Control Services

- i. The Contractor must provide safety recommendations for recurring claim causes, recommendations for safety training, and recommendations for life safety inspection surveys in the Contractor's stewardship report provided by the Contractor to the City each year during the term of the Contract on the anniversary of the Commencement Date of the Contract.

e. Electronic Claims Information System

- i. The Contractor must provide an electronic claims information system to track claims handled by the Contractor pursuant to the Contract. The Contractor's electronic claims information system must be capable of providing real-time online financial data on a claim-by-claim basis, as well as access to adjuster file notes, current reserves, and payments and reserve history. The Contractor's electronic claims information system must be capable of tailoring reports to meet the needs of national data-marts, such as PERI or the WCRI. The Contractor must provide the City with "review only" access for certain employees to access the claims files within the Contractor's electronic claims information system. The City will identify for the Contractor the City employees that must have "review only" access after the Commencement Date of the Contract. The Contractor will not be required to provide any City employees with edit capabilities within the Contractor's electronic claims information system.
 - ii. Within thirty (30) days of the Commencement Date of the Contract, the Contractor must provide training to up to 5-10 City employees on claim access and report writing within the Contractor's electronic claims information system. Upon request by the City and at any time during the term of the Contract, the Contractor must repeat the training on claim access and report writing within the Contractor's electronic claims information system for up to 5-10 City employees.
 - iii. The Contractor must maintain an electronic file in the electronic claims information system for every claim for Worker's Compensation, Automobile Liability, and General Liability received by the Contractor. In addition to the requirements set forth in section 2.0 ("Requirements and Deliverables") herein, the file must contain a description of the incident, the claimant's name, the claimant's address, the claimant's telephone number, and a copy of either the claim letter or the First Report of Injury.
- f. **Claims Handling Instructions.** At any point during the term of the Contract and if requested in writing by the City, the Contractor must, no later than ten (10) business days after receipt of the City's request, revise the Contractor's claim handling procedures provided with the Contractor's proposal as requested by the City. The Contractor must continue to revise the claim handling procedures until the City provides written approval of the claim handling procedures. Throughout the term of the Contract, the Contractor must

comply with the claim handling procedures as approved by the City.

- g. **Transition of Services upon Termination of Contract.** Upon termination of Contract, the Contractor must provide transition of all electronic claim files to the vendor designated by the City, or to the City, or both, no later than fifteen (15) days after the termination date of the Contract. The Contractor must provide any additional claim material such as recorded statements and video surveillance tapes to the City's Law Department within fifteen (15) days of termination date of the Contract. The Contractor must clearly mark all materials with the claim number and a description of content.

h. **Audit of Claims Files.**

- i. The City, its contacted insurance broker, or its contracted auditor will perform an annual review of the Contractor's claim files. The City will provide the Contractor with thirty days' notice prior to the City's review paper files.
 - ii. The Contractor must make available to the City's Risk Manager, or their designee, upon demand and with notice reasonable under the circumstances, all records in its possession concerning claims handled for the City under this Contract. No charge must be made for allowing the City's representatives to examine such records. If the City desires copies of any such records, the City must pay only the actual costs of the Contractor in making such copies or having such copies made. Any legal or managerial reviews associated with this production are specifically excluded from these actual costs. In the event records are required to be made available to a party other than the City pursuant to a subpoena or other lawful order issued by a governmental body and such requirement is not made upon the demand of the City, then the City must not be liable for any costs associated with the Contractor's provision of such records pursuant to such subpoena or other order.
 - iii. The Contractor must assist the City, its contracted insurance broker, and its contracted auditor in the conduct of such audits. This assistance must include the provision of secure, quiet office space, including furnishings and telephones needed by the City, the brokers, and the auditors.
 - iv. Notwithstanding the requirements of Section 8 ("Transition of Services upon Termination of Contract") herein, the Contractor agrees to retain all books, records, and other documents relative to the Contract in accordance with the applicable records re
- i. **Application of Work Product Doctrine.** The parties agree and acknowledge that all records created by Contractor in the preparation of litigation pursuant to this Contract must be governed by the work-product doctrine as allowed by law.

4. **Workers' Compensation Claims through Human Resources**

- a. The contractor's electronic system should be compatible with Human Resources HRIS and UKG systems that they will begin using in 2024.
- b. The Contractor should have one dedicated adjuster with one back-up at a minimum. Contractors should provide in their quote the number of cases per adjuster and the expectations.
- c. Prior to individual claim activity, the Contractor's adjuster (either an employee of the

Contractor of a subcontractor of the Contractor) will review all procedural guidelines for claim handling set forth in writing and approved by the City, including the claims handling instructions required by the Claims Handling section herein.

- d. The Contractor must make telephone contact with the City's Workers' Compensation liaison and claimant within 24 hours of the Contractor's receipt of the following types of claims:
 - i. Lost time injury claims;
 - ii. Back claims;
 - iii. Knee injury;
 - iv. Shoulder injury;
 - v. All occupational disease claims;
 - vi. All cumulative trauma claims;
 - vii. Or as requested by City.
- e. If the Contractor, upon review of the disability notes from the treating physician, determines that the claimant's disability will exceed the waiting period defined in the Workers' Compensation Act for eligibility for indemnity benefits, the Contractor must make contact with the treating physician within 24 hours of the Contractor's receipt of the disability note to determine the diagnosis, prognosis, instructions, and modified duty opportunities.
- f. The Contractor must follow-up with the treating physician and rehabilitation nurse with telephone conversation every 30 days (or earlier) after the 24-hour contact required by section 5(C) above, if indicated to verify the claimant's status on the injury, physical therapy and ability to work in a light or full duty capacity. The Contractor must request documentation of ongoing disability through reports at least monthly from the treating physician.
- g. The Contractor must take recorded statements or written statements, or both, from the claimant and any witnesses within 48 hours of the Contractor's receipt of the claim or notification of existence of a witness for:
 - i. Questionable cases
 - ii. Occupational disease
 - iii. Cumulative trauma
 - iv. Back injury
 - v. Head injury
 - vi. Knee injury
 - vii. Shoulder injury
 - viii. Catastrophic injury
 - ix. Subrogation injury
 - x. Others as directed by the City.

The Contractor must notify the person providing the statement that the phone conversation is being recorded to create a recorded statement.

- h. The investigation should be completed by the Contractor within fourteen days from the date of the Contractor's receipt of a claim. The Contractor's adjuster must make a final determination of compensability or a request to extend the compensability decision to allow for more investigation within 30 days of receipt of the claim by the Contractor or

earlier pursuant to Illinois law.

- i. Request body worn camera footage if investigation involves a camera.
 - ii. Discuss compensability of incident – accepted or denied.
 - iii. Discuss relevant information including OSHA reporting, lost time, care plan, legal budget, pro se option, surveillance, and Nurse Care Manger.
- i. A preliminary plan of action must be clearly identified and documented by the Contractor in the file within 30 days from receipt of the claim by the Contractor and the Contractor must update the plan every 30 days thereafter.
- j. The Contractor must provide status reports to the City’s Risk Manager and other delegated staff members every 30 days for all claims **via email**. The status reports must include:
 - i. Claimant’s name/department/division,
 - ii. Accident location
 - iii. Date of loss,
 - iv. The Contractor’s assigned adjuster’s name and phone number,
 - v. The Claimant’s supervisor’s name and phone number,
 - vi. Details of the claim,
 - vii. Results of investigation,
 - viii. Nature of injury,
 - ix. Exposure,
 - x. Recommendations for future handling,
 - xi. Subrogation,
 - xii. Second injury fund,
 - xiii. Reserves, and
 - xiv. Paid amount listed by category.
- k. The Contractor must establish a reserve within 21 days of the Contractor’s receipt of the first report, and the Contractor must reevaluate the reserve every 90 days thereafter. The Contractor must provide reserve advisors to the City’s Risk Manager and/or designated staff member by email on all cases over \$25,000.00, with copies and outline for status reports to be used.
- l. The Contractor must file all Illinois Form 45 forms to the Illinois Workers’ Compensation Commission.
- m. The Contractor must consider rehabilitation services on all cases where disability exceeds three weeks or where the length of disability is undetermined prior to assignment of rehabilitation services, the Contractor must contact the claimant’s employing department to discuss the possibility of limited or modified duty.
- n. The Contractor must review medical provider bills to determine compliance with fee schedules, to evaluate whether reasonable and customary fees were charged for the injury and provision of services, and to confirm that preferred provider discounts were applied. The Contractor will use the Illinois Workers’ Compensation Commission’s Medical Fee Schedule. The Contractor must perform hospital bill audits on all inpatient care expenses when a claimant’s inpatient care expenses exceed \$10,000.00.
- o. Within ten days of receipt by the Contractor of a lawsuit or hearing notice, the Contractor must develop a preliminary litigation plan including a cost forecast and provide the plan to the City’s Risk Manager and the city’s designated staff member to handle worker’s compensation matters. If outside counsel is assigned to the case, Contractor must work in

conjunction with the outside counsel to work on the litigation plan. The Contractor must review this litigation plan every 90 days and must send a copy to both the City's Risk Manager and the staff member.

- p. The Contractor must obtain from the City all necessary settlement approvals in accordance with the City's settlement authority policy requirements prior to entering negotiations on cases in excess of \$50,000.00. The City will provide a copy of the City's settlement authority policy to the Contractor after the Commencement Date of the Contract. The settlement authority policy defines who in the City administration may authorize settlements based on the value to be paid. The Contractor must provide the following information to the City's Risk Manager when the Contractor requests settlement approval:
 - i. Claimant's name,
 - ii. Claimant's position,
 - iii. Claimant's title/department/division
 - iv. Claimant's contact information,
 - v. Accident location,
 - vi. Date of loss,
 - vii. The Contractor's assigned adjuster's name and phone number,
 - viii. The claimant's supervisor's name and phone number,
 - ix. Details of the claim,
 - x. Results of investigation,
 - xi. Nature of injury,
 - xii. Exposure,
 - xiii. Recommendations for future handling,
 - xiv. Subrogation,
 - xv. Second injury fund,
 - xvi. Reserves, including amount paid by category,
 - xvii. Recommendations, and
 - xviii. Basis for settlement.
- q. Upon request, the Contractor must provide a status report or update to the City's Risk Manager, so that the City employee assigned can update the City employee with knowledge of the event (e.g. the supervisor, the safety officer).
- r. If a claim is denied by the Contractor, the claim must remain in the Contractor's electronic claims information system indefinitely and be held to see if litigation is pursued by the claimant. If a claim is litigated, the Contractor must follow the guidelines noted in section 5(M) above in regard to establishing a litigation plan to be monitored by the Risk Manager, Risk Management Paralegal, and the Law Department.
- s. Where a medical evaluation is questioned by the Contractor, after discussion with the City's Risk Manager, the Contractor must schedule an independent medical examination with a qualified physician board certified in the specialty associated with the body part injured. The Contractor must provide job descriptions and physical requirement information that could affect the physician's objective medical evaluation.
- t. Where the length of disability is questioned by the Contractor or the City, the Contractor must conduct an outside activity check, including surveillance, to determine the physical activities of the claimant and evaluate alleged disability. No surveillance must be completed by the Contractor until that surveillance is approved in writing by the City's Risk Manager. List of fees and schedule should be provided in Proposal and include if

certain medical providers/occupational therapists are preferred, and nurse case managers.

- u. The Contractor should provide Senior level adjusters with no less than 3 years of experience for all claims, except for Medical Only Workers Compensation claims.
- v. The Contractor should provide at least one (1) full time lost time Adjusters and at least one (1) back-up adjuster (staffing mutually agreed upon by the parties for reasonable claim volume handled by the main adjuster) for claims handling services, with each discipline having a minimum of 3 years' experience. Senior level Adjusters are strongly preferred.
- w. The Contractor must provide additional Adjusters to the City's account in the event of an increase in the volume of workers' compensation claims.
- x. Quarterly meetings with adjusters and Director/Chief of Human Resources to discuss status or progress of claims and next steps.
- y. Verify all personal contact information and obtain medical releases, doctors contact information, and request notes for the file. Obtain HIPPA releases. Contractor and City will both communicate regarding any pending litigation and status of cases.

5. Auto, Casualty and General Liability through Law Department-Risk Management

a. Processing

- i. Within three business days of receipt of the first report by the Contractor, the Contractor must create electronic files, establish reserves (initial reserves and subsequent changes must be approved by the City), and assign the proper department budget code number and determine liability, if possible. The Contractor must enter all necessary dates into the Contractor's electronic claims information system required by section 3(e) ("Electronic Claims Information System") herein.
- ii. A diary system must be established by the Contractor so that i) the Contractor must review each claim forty-five (45) days after the Contractor's receipt of the first report and at least every sixty calendar days thereafter, or more frequently as otherwise appropriate, and ii) at each review, the Contractor must place a status report in the electronic file notes of the Contractor's electronic claims information system.
- iii. The Contractor must make payments to medical care providers, appraisers, and ancillary service providers and claimants in a timely manner.
- iv. The Contractor must enter payments, reserve revisions and file closings promptly into the Contractor's electronic claims information system with accurate assignment of department budget codes.
- v. The Contractor must report bodily injury cases within 30 calendar days after receipt of the first report by the Contractor. If it is a dual Workers' Compensation case and general liability, Illinois Form 45 must be filed. If administration of the claims is handled by separate adjusters, they must coordinate the filing of the paperwork to the State. The Contractor must check with the Central Index Bureau for claims by the claimant with other insurers every nine to twelve months thereafter until the case is closed by the Contractor.
- vi. The Contractor's assigned claim reserve (initial reserves and subsequent changes must be approved by the City prior to implementing them) must take into

consideration probable payments related to the loss, including liability, allocated expenses, and claim service fees. The Contractor's assigned claim reserves must take into consideration liability, damages, expenses and all factors necessary to determine the estimated amount the City will be required to pay for each claim.

- vii. The Contractor should provide at least two (2) full-time liability adjusters with a minimum of three (3) years' experience.

b. File Documentation

- i. The Contractor must enter all reserve, reserve revisions and payments made by the Contractor and record all vouchers for payments made by the City related to the claim pursuant to section 3(f) into the Contractor's electronic claims information system, and the Contractor must record all information clearly with full explanations in the file notes.
- ii. Supervision of the Contractor's claims adjuster assigned to any questionable liability cases is at the discretion of the Contractor's claims manager, taking into consideration the experience level of the Contractor's adjuster to whom the claim is assigned. The Contractor may request additional direction from the City's Risk Manager.
- iii. An initial file summary, including the information set forth in the appropriate report format for reporting to the Workers' Compensation Commission or to the Central Index Bureau must be completed and submitted by the Contractor within forty-five days of the claim being assigned to the Contractor to the City and must be placed by the Contractor in the file notes within the Contractor's electronic claims information system.
- iv. The Contractor must complete an updated status report on any file remaining open every ninety days following the initial report and will include information outlining further work to be done, case evaluation, verdict potential, laws affecting the case, settlement/defense strategy and a target day for completing the outstanding work. This should be completed for both non-litigated matters (with the Contractor and Risk Manager/Risk Manager Paralegal) and litigated matters (see below in Litigation section).
- v. The Contractor must document phone conversations, discussions, meetings, and similar events held on the case clearly in each file's notes within the Contractor's electronic claims information system contemporaneously with the event.
- vi. The diary schedule within the Contractor's electronic claims information system must be maintained by the Contractor and used to ensure proper follow up and contact for requested reports from medical providers, nurse case managers, appraisers, City staff aiding in claim investigation.

c. Investigation

- i. Contact with any claimant must be made by the Contractor within 24 hours of the Contractor's receipt of the first report and, where warranted by the damage exposure, efforts to obtain a recorded statement must be taken by the Contractor from the claimant within that 24 hour period or as soon as possible thereafter where there is a question on liability or injury, or both. The Contractor must notify the claimant providing the statement that the phone conversation is being recorded to create a record of the statement.

- ii. Within one business day of the Contractor's receipt of the first report, the Contractor must make contact with the City department or agency involved when there is a need for initial discussion of the case.
- iii. Within one business day of the Contractor's receipt of the first report, the Contractor must make contact with the City department or agency involved when there is a need for initial discussion of the case.
- iv. When possible, the Contractor must do an employment, activity, and social media check.
- v. Where warranted by the damages and legal liability exposures, the Contractor must, as soon as practicable, take the necessary recorded statement from employees involved in the work that gave rise to the claim. The Contractor must notify the person providing the statement that the phone conversation is being recorded to create a recorded statement.
- vi. Within 30 days of receipt by the Contractor of the first report, the Contractor must conduct an investigation of the facts of the accident and injury with the appropriate City staff sufficient to determine liability and to substantiate the initial reserve to meet the probable liability arising from the known facts to the event. If additional information is later received by the Contractor, the Contractor must adjust the reserves accordingly.
- vii. The Contractor must arrange for proper inspection by a licensed appraiser of any alleged property damage in excess of \$7,500.00. The inspection must be completed within five (5) business days of the Contractor's receipt of the first report. An estimate from a licensed auto repair shop will suffice on claims under \$7,500.00. Payments will be reviewed by the Contractor and processed promptly by the Contractor. Limit indicated above is subject to change by the City with notice to Contractor.
- viii. The Contractor will maintain contact with claimants and document all activity in the Contractor's electronic claims information system's file notes, on an ongoing basis, to control the medical progress by confining claimant compliance with medical treatment and physical therapy recommendations.
- ix. Where the length of disability is questioned by the Contractor or the City, the Contractor must conduct an outside activity check, including surveillance, in order to determine the physical activities of the claimant and evaluate alleged disability. No surveillance must be completed by the Contractor until that surveillance is approved in writing by the City.
- x. On any file where settlement is being considered, the Contractor must solicit medical bills, medical reports and records, and lost wage documentation {where applicable} from the claimant.
- xi. The Contractor must review all medical bills submitted by the claimant for payment for casual relationship to the accident.
- xii. The Contractor shall retain outside services such as nurse case management, vocational rehabilitation services or other ancillary services necessary to aid in the recovery of, or return to work by, the claimant only after receipt of written approval from the City for each outside service to be retained. When requesting

approval from the City for the retainer of an outside service, the Contractor shall provide a specific goal and period of time for the use of the outside service.

- xiii. The Contractor shall recognize subrogation and contribution possibilities promptly and shall preserve necessary evidence and utilize experts where needed. The Contractor shall not take any portion of subrogation recoveries made on behalf of the City. No third party who may be rightfully liable for the claim made against the City will be put on notice by the Contractor without prior written approval from the City's Risk Manager.
- xiv. The Contractor shall evaluate reserves and settlement potential every time the Contractor reviews the file based on information already gathered in the investigation.
- xv. Where warranted, settlement will be pursued by the Contractor in an expedient manner, and all negotiations will be handled or managed internally by the Contractor's adjuster assigned the file unless there is a documented basis (i.e. liability is in question) to have the claim handled by the City Attorney staff or by the Chief Risk Manager.
- xvi. The Contractor shall obtain from the City all necessary settlement approvals in accordance with the City's settlement authority policy requirements prior to entering into negotiations. The City will provide a copy of the City's settlement authority policy to the Contractor after the Commencement Date of the Contract. The settlement authority policy defines who in the City administration may authorize settlements based on the value to be paid.

d. Litigation Management

- i. Contractor is expected to track reserves and notify the City when we have reached \$1 million in litigation costs for self-insured claims so that the City can notify the excess carriers.
- ii. If a lawsuit is filed, the Contractor shall work with the Law Department, City Risk Manager and outside counsel (when assigned to a case) to determine whether to settle or defend the case. Upon request by the Contractor, Corporation Counsel or his assistants will provide the Contractor with a settlement evaluation of the case. The evaluation of the settlement value, conducted by either the Contractor or the Law Department, will be clearly documented in the file notes. Regular status updates (to be determined by the parties) on litigated matters will be required between the TPA, the Law Department, and outside counsel.
- iii. Where the case is to be defended, the claim will be referred to the Law Department. The Law Department may defend the claim, or Corporation Counsel may choose to hire outside counsel.
 - 1. If outside counsel is used, staff at the Law Department will send an invoice that is expected to be paid to the outside counsel in accordance with the Illinois Local Government Prompt Payment Act, 50 ILCS 505/1, et seq.
 - 2. Updates of the litigation should be shared every 30 days with Contractor in both Workers' Compensation claims and general liability, casualty, and auto claims. Contract attorneys must also provide updates to the TPA as well as the City.

- iv. A memo must accompany the file or the referral to the Corporation Counsel outlining i) the work on the claim that remains to be done, ii) any reasons the claim was not settled, iii) suggested defenses (e.g. contributory negligence, sovereign immunity, inconsistencies amount witnesses and evidence), and iv) any remaining deadlines to be met.

e. Reporting Requirements of Contractor

- i. The Contractor shall acknowledge all claims in writing to the City. The acknowledgement must be sent by the Contractor to the City's Risk Manager within two business days of the Contractor's receipt of the first report.
- ii. For any claim reserved at \$10,000.00 and above, or any claim involving one or more of the serious injuries listed in section subsection 5 below, the Contractor shall meet the following requirements:
 - 1. The Contractor must report any losses not known to the City immediately to the City's Risk Management staff.
 - 2. The Contractor must complete an initial written report of all claims within 21 calendar days after the Contractor's receipt of the claim including information specified in a status report and submitted to the City's Risk Manager and a copy of the City's Risk Management Paralegal and must include any pertinent information received by the Contractor that could reasonably affect future activity on the claim (i.e. categories listed in the status report shown below):
 - a. Claimant's name,
 - b. Accident location,
 - c. Date of loss,
 - d. The Contractor's assigned adjuster's name and phone number,
 - e. Details of the claim,
 - f. Results of the investigation,
 - g. Nature of injury,
 - h. Exposure,
 - i. Recommendations for future handline,
 - j. Subrogation,
 - k. Reserves, including amount paid by category,
 - l. Recommendations, and basis for settlement.
 - 3. The Contractor shall complete supplemental written status reports and submit them to the City's Risk Manager and Risk Management Paralegal at least every 90 days following the initial report. These reports must include all of the information in section 6(e)(ii)(2)(above), and any other pertinent information that could reasonably affect the future activity on the claim.
 - 4. If the Contractor identifies information that will change the estimated probable cost of the claim and such information results in a change of \$10,000.00 or more of the estimated probable cost, then the Contractor must, no fewer than ten days after the date of the Contractor becoming aware of the information, adjust the reserve and provide the City's Risk Manager, and a copy to the Risk Management Paralegal, a written notification of the fact of the increase and the basis for the increase.

5. The Contractor shall send a status report to the City's Risk Manager, and a copy to the Risk Management Paralegal, by email immediately when any claim is reserved for \$100,000.00 or more, or when the Contractor has written notice of any one of the following types of injuries:
 - a. A fatality
 - b. Quadriplegia
 - c. Paraplegia
 - d. Amputation of a major extremity (e.g. hands, feet, arms, legs)
 - e. Heart attack
 - f. Back problems involving surgery
 - g. Serious burns or disfigurement
 - h. Loss of sight or hearing
 - i. Brain damage
 - j. Any other extreme, permanent injury
6. The Contractor must report the information set forth in the previous section above (5), as required by the City's insurance policy, to the City's excess carrier. The City's Risk Manager will provide the Contractor with the City's insurance carriers and policy numbers within ten (10) days of the Commencement Date of the Contract. The City's Risk Management Officer will notify the Contractor of any changes to the carriers or policy numbers within ten (10) days of the renewal date of any such policy during the life of the Contract.
7. The Contractor must provide a status report the City's Risk Manager and a copy to the Risk Management Paralegal immediately (i) when a lawsuit is received with claims damages in excess of policy limits, (ii) when the damages are unstated, or (iii) if there is a claim for punitive or exemplary damage.
8. Contractor is to pay settlements when authorized by the City. Contractor to take direction from the Law Department on the amount of settlement, payee, and address of the settlement. This includes overnight shipping of these payments as required.

6. Miscellaneous Provisions

a. Illinois Freedom of Information Act. The Proposer acknowledges the requirements of the Illinois Freedom of Information Act (FOIA) and agrees to comply with all requests made by the City of Aurora for public records (as that term is defined by Section 2(c) of FOIA in the undersigned's possession and to provide the requested public records to the City of Aurora within two (2) business days of the request being made by the City of Aurora. The undersigned agrees to indemnify and hold harmless the City of Aurora from all claims, costs, penalty, losses and injuries (including but not limited to, attorney's fees, other professional fees, court costs and/or arbitration or other dispute resolution costs) arising out of or relating to its failure to provide the public records to the City of Aurora under this agreement.

b. Entire Agreement. This Agreement, along with the documents set forth in Section 1 and incorporated by reference elsewhere in this Agreement, with consent of the parties, represents the entire agreement between the parties with respect to the performance of the Services. No other contracts, representations, warranties or statements, written or verbal, are binding on the parties. This Agreement may only be amended as provided herein.

c. Consents and Approvals. The parties represent and warrant to each other that each has obtained all the requisite consents and approvals, whether required by internal operating procedures or otherwise, for entering into this Agreement and the undertakings contemplated herein.

d. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

Section 5: Evaluation of Proposals

The City will select qualified firm(s) that can demonstrate the highest level of support by performing the requested functions in an accurate and timely manner.

Evaluation criteria will include, but may not be limited to the following:

1. Responsiveness to requirements set forth in this RFP.
2. Contractor's capacity to provide the needed services.
3. Contractor's experience to provide needed services.
4. Contractor's approach to providing the required services.
5. Contractor's ability to integrate into systems used by the City's Law Department – Risk Management and Human Resource systems.
6. Cost of Services.

Section 6: Submission Deadline

Proposals must be received by the City of Aurora **no later than 5:00 pm, Friday, November 17, 2023**. Postmarks posting times in lieu of delivery will not be accepted. Proposals must be delivered to:

City of Aurora
Attn: City Clerks' Office
44 E. Downer Place
Aurora, IL 60507

Submit an original, plus one on a USB of your Proposal and all supporting documentation.

PROPOSALS MAY NOT BE SUBMITTED ELECTRONICALLY.

Section 7: Questions

Inquiries and/or questions pertaining to the provisions and specifications of this request for proposal package shall be directed to the Director of Purchasing, in writing at PurchasingDL@aurora.il.us. Questions will be accepted until 12:00 pm CST, Tuesday, November 7, 2023. Questions will be answered via addendum and posted to the City's website at <https://www.aurora.il.org/bids.aspx> by 5:00 pm, Thursday, November 9, 2023. NO questions will be accepted or answered verbally. No questions will be accepted or answered after the November 7, 2023, 12:00 am cut-off date/time.

It is the responsibility of the interested proposer to check our website and assure they have received addendum, if any issued, and acknowledge such receipt where indicated.

Section 8: Selection Schedule

- Release date: October 27, 2023
- Questions from vendors due by: 12:00 pm, Tuesday, November 7, 2023
- Responses to vendor questions: 5:00 pm, Thursday, November 9, 2023
- Proposals due: 5:00 pm, Friday, November 17, 2023
- Successful Proposer notified on or before: Monday, December 18, 2023

**CITY OF AURORA
REQUEST FOR PROPOSAL
23-106**

**THIRD PARTY ADMINISTRATOR (TPA) FOR RISK MANAGEMENT AND WORKERS'
COMPENSATION**

Section 4 - Proposal Contents.

The proposal must include all the information set forth in this section and be organized as set forth in this section. In addition to the original, the Contractor must submit two copies of complete, bound paper copies of its proposal and six electronic copies in a portable document format readable by the Adobe Reader program and in a Microsoft Word format that can be searched and edited.

Tab 1 – Executive Summary. This tab should provide a brief summary of the proposal's contents, emphasizing any unique aspects or strengths of the proposal. The Executive Summary should not exceed two pages.

Tab 2 – Exceptions to the City's Terms and Conditions.

Tab 3 – Capabilities and Approach. This tab should describe in detail the Contractor's proposal for providing the services solicited by this Request for Proposals. A statement should be included that the Contractor is capable and willing to comply with all requirements set forth in this Statement of Needs.

Tab 4 – Claim Administration Capabilities. This tab should provide a full description of the Contractor's claim administration capabilities, including a list of all claim offices currently in operation in Illinois. This tab should describe all available options for claim reporting and claim acknowledgment for both Workers' Compensation and Risk Management general liability claims. This tab should provide a list of municipal cities in Illinois and years of affiliation with the municipalities. Additionally, please provide the following information:

Tab 5 – Staffing. This tab must provide a full description of how claim offices are organized and staffed along with a description of national services available and how they interface with local claim offices. This tab must include the resume of the individual who will serve as the overall account coordinator for the City of Aurora's account.

- i. Would an Account Executive be assigned as the primary contact on items not directly related to specific claims?
- ii. In the past two years, what percentage of employee turnover has your firm experienced for the office that will be handling the City's claims?
- iii. What is the anticipated case load of open files that would be managed by examiners assigned to this account?
- iv. Are your claim representatives "on call" 24 hours per day?
- v. How many representatives could reasonably be expected to handle claims for the City?

Tab 6 – Claim Practices. This tab should provide a detailed description of the Contractor's standard claim handling procedures. The City's claim administration requirements are included in Appendix A. This tab should indicate and explain any deviation from these requirements the Contractor would recommend or require. A copy of the Contractor's best practices or claim handling standards should be included in this tab. If necessary, please

provide the breakdown in services for general liability cases and Workers' Compensation cases.

- i. Advise how frequently your diary system allows claims supervisory personnel to review open claims.
- ii. Describe your procedures for making initial and follow-up contact with injured employees or claimants.
- iii. Describe your company philosophy and procedures for the establishment of case reserves. What are the procedures for revising reserves?
- iv. Describe cost containment procedures utilized by your firm.
- v. Describe your business practices in checking for potential fraudulent claims?
- vi. Identify the process for seeking subrogation on claims.
- vii. What are your business practices to identify those individuals who are Medicare beneficiaries?
- viii. Describe how medical bill review services take place within your firm or contractor and provide a cost benefit analysis of its potential effect on the City.
- ix. Attach copies of all standard forms used in your administration process.
- x. Submit samples of any cards, letters, pamphlets, etc. that would be provided to injured employees and claimants.
- xi. Do you have a formal program for managing lawsuits and litigation expense, if so, please describe.
- xii. Is your program able to assist the City with reporting to its excess carrier(s) by providing loss runs and status reports?
- xiii. Include any other information you feel would contribute a positive and successful program if your firm were selected. Describe in detail the claims administrator's various investigative techniques and general claim handling philosophies, addressing the following:
 1. Method of explaining claimant's right.
 2. Circumstances when in-person investigations would be used rather than telephone.
 3. Philosophy and method of contesting and denying claims payments.

Tab 7 - Pricing and Fees

- i. If different pricing and fees are used for workers' compensation and liability please quote separately.
- ii. Quote your per claim fee in one or more of these ways:
 1. Cost per claim (regardless of type).
 2. Cost per claim by type.
 3. Minimum cost/maximum costs.
 4. Lifetime handling of claims.

If a flat fee is submitted, please include the total number of claims included in the

fee and the annual maximum cost. Other pricing methods will also be considered. Indicate if a different fee could be charged to track “record only” claims.

- iii. Specify whether or not your fee includes your firm performing all of the necessary state filling.
- iv. Indicate whether the per claim cost includes recovery of subrogation losses.
- v. Indicate the types of allocated claims expenses which are not included in your per case claims costs.
- vi. State what services or type of claims that are not included in your standard fees.
- vii. Since the term of the contract will be one year, renewable annually up to two times, give an indication of expected rate changes, basis for changes, and how your firm intends to cost control.
- viii. Provide a fee schedule that include the following: system data fees, medical management fees, outside investigation fees, fees for any files that were previously serviced by another provider, surveillance fees, subrogation fees, fees for any legal type proceeding, ISO claim searches, invoicing, Physician review services, Physician Pharmacy review, Telephonic Case Management, Mental Health, Senior Nurse Reviewer Program, best practices, strategic plans, quality assurance programs, duplicate billing detection, and other Medical Management Services.

Tab 8 – Medical Management and Cost Containment. This tab should provide a description of the Contractor’s medical management and medical cost containment capabilities including but not limited to the following items:

- i. Field Case Management
- ii. Peer Review Services
- iii. Preferred Provider Network
- iv. Prescription Drug Program
- v. Telephonic Case Management
- vi. Utilization Management
- vii. Hospital bill audit service
- viii. Mental Health review
- ix. Chronic Pain Management Review
- x. Catastrophic Care Management
- xi. Independent Medical Examination
- xii. OSHA reviews/trainings
- xiii. Timely organization of transitional work/vocational rehabilitation
- xiv. Ergonomic Evaluations
- xv. Senior Nurse Reviewer Program
- xvi. Other medical fee service reviews
- xvii. Chiropractic utilization review
- xviii. Dental review
- xix. Pharmacy cost management
- xx. Review for unauthorized treatment
- xxi. Review for unrelated treatment
- xxii. Review for excessive use of treatment by allied health professionals
- xxiii. Price review for durable medical equipment
- xxiv. Review for duplicate billings

- xxv. Pharmaceutical payments or card options
- xxvi. Payments of medical bills and any outstanding collections practices
- xxvii. Management of loss reserves
- xxviii. Communication with client when a bill is denied
- xxix. This tab may also include any suggestions for medical management not listed above.

Please include costs for all the above items, plus any additional services provided.

Tab 9 – Electronic Claims Information System. This tab should include a comprehensive description of the Contractor’s electronic claims information system capability. A list of reports which can be generated by the system should be included, along with information regarding the ability to custom design report formats and samples of frequently requested reports. This tab should provide a description of on-line reporting of claims capability, security features, ability to interface with data feeds from the City’s Human Resources Department (i.e. payroll) to allow automated population of personal fields on any Illinois Workers’ Compensation systems that will reduce the need to re-input such data by the City. Additionally, this tab should provide information on tracking OSHA reporting and provision of department specific reports as well as City wide summaries.

Tab 10 – Claim Services Coordination. This tab should describe how the Contractor will provide account coordination. This tab should describe how claim meetings and reviews are conducted. This tab should include the procedure the Contractor normally utilizes for selecting claims to be reviewed, the frequency and locations for meetings. This tab should describe how the Contractor would ensure that its various offices comply with all claims handling instructions.

Tab 11 – Banking and Payment Options. This tab should describe the available options for payment of claims, claim service fees, and other expenses. This tab should describe all requirements for escrow accounts or pre-payments, billing options, and cash flow management. This tab should provide a sample detailed billing statement for a large city and description of your procedure for reconciliation of financial discrepancies.

Tab 12 – Miscellaneous. This Request for Proposals is intended to solicit proposals for Workers’ Compensation, General Liability, and Automobile Liability claims administrations, and loss control related services. The Contractor may provide any additional information to assist the City with its selection.

Tab 13 – Contractor History. This tab should provide a comprehensive narrative history of the Contractor’s organization, including the development of its experience in providing the solicited services, the depth of its resources to provide those services, an explanation of the size of the organization, and the organization’s number of years in business, office locations, and legal structure. This section of the proposal must contain the following organizational information and data for the Contractor’s organization.

Tab 14 – Key Personnel.

- i. This tab should include the resumes or curriculum vitae of the Contractor’s key staff members. It should identify the specific employees assigned to provide the services solicited by this Request for Proposal. For each key person identified by the Contractor, this tab should include the following information, provided in resume format:
 - 1. Name and title
 - 2. Office location and city of residence

3. Project responsibilities and roles
4. Educational background
5. Professional registrations and memberships (if applicable)
6. Years of relevant experience

Tab 15 – References. This tab should include the names, addresses and telephone numbers of at least four other municipalities or public schools utilizing multiple claim offices with whom the Contractor has worked during the last five years. The tab should briefly identify the project, location and services performed. The tab should also include an affirmative statement that the Contractor grants its consent for the City to contact the Contractor's references for purposes of evaluating the Contractor for this Contract and acknowledges that any information obtained from the Contractor's references will not be disclosed to the Contractor.

Tab 16 – Subcontracting. This tab should identify any of the required services that you intend to subcontract, if any, providing the following information:

- i. Reasons for subcontracting
- ii. Proposed subcontractor responsibilities
- iii. Identity of proposed subcontractors including locations, relevant personnel and
- iv. experience, previous use as a subcontractor, and any other relevant supporting information.

Tab 17 – Price Proposal. A brief description of terms must accompany this section. The price must be offered as a single package price for claims services.

**CITY OF AURORA
REQUEST FOR PROPOSAL
23-106**

**THIRD PARTY ADMINISTRATOR (TPA) FOR RISK MANAGEMENT AND WORKERS'
COMPENSATION**

Each proposal must be placed in an envelope, sealed, and clearly marked on the outside: “23-106 RFP for the Third Party Administrator (TPA) for Risk Management and Workers’ Compensation.” In order to be considered responsive, the Proposer must submit all of the following items in their sealed envelope:

CHECKLIST OF SUBMITTALS

Please enclose the following with your Proposal:

- _____ Proposer’s Certification (Page 1)
- _____ Proposer’s Tax Certification (Page 2)
- _____ Description of Company, Principals, Location, etc.
- _____ Timeline for Initial Start-up
- _____ Responses to Section Four: Proposal Contents (Appendix A)
- _____ References
- _____ Examples of Similar Work

**CITY OF AURORA
23-106
THIRD PARTY ADMINISTRATOR (TPA) FOR RISK MANAGEMENT AND WORKERS'
COMPENSATION**

REFERENCE LIST

(Please Type)

Company _____
Address _____
City, State, Zip _____
Phone Number _____
Contact Person _____

Company _____
Address _____
City, State, Zip _____
Phone Number _____
Contact Person _____

Company _____
Address _____
City, State, Zip _____
Phone Number _____
Contact Person _____

Proposer's Name: _____

Signature & Date: _____

**CITY OF AURORA AGREEMENT FOR
THIRD PARTY ADMINISTRATOR (TPA) FOR RISK MANAGEMENT AND WORKERS'
COMPENSATION
REQUEST FOR PROPSAL 23-106**

PROPOSAL FORM

Proposal Due Date & Time: 5:00 pm CST, Friday, November 17, 2023

**To: City of Aurora
Purchasing Division
44 E Downer Place
Aurora, Illinois 60507**

The following offer is hereby made to the City of Aurora, Aurora, Illinois, hereafter called the Owner.

Submitted By: _____

- I. The undersigned Vendor proposes and agrees, after having examined the specifications, quantities and other Bid documents, to irrevocably offer to furnish the materials, equipment and services in compliance with all terms, conditions, specifications and amendments (if applicable) contained in the bid solicitation documents. The items in this Invitation to Bid, including, but not limited to, all required certificates, are fully incorporated herein as a material and necessary part of the Bid.
 - A. The Vendor shall also include with their bid any necessary literature, samples, etc., as required within the Invitation to Bid, Instruction to Proposers and specifications.
 - B. For purposes of this offer, the terms Contractor, Proposer, and Vendor are used interchangeably.
- II. In submitting this Offer, the Vendor acknowledges:
 - A. All bid documents have been examined: Instructions to Proposer, Specifications and the following addenda:

No._____, No._____, No._____, (Vendor to acknowledge addenda here.)

SUBMITTED BY

COMPANY _____

ADDRESS _____

CITY, STATE, ZIP _____

AUTHORIZED SIGNATURE _____

Title

EMAIL _____

PHONE #(_____)_____ **FAX #** (_____)_____ **DATE** _____

**CITY OF AURORA AGREEMENT FOR
THIRD PARTY ADMINISTRATOR (TPA) FOR RISK MANAGEMENT AND WORKERS'
COMPENSATION
REQUEST FOR PROPSAL 23-106**

Services commence by January 1st, 2024.

All Bid prices shall be shown as delivered Aurora Destination, Prepaid and Allowed. Do not add state, federal or local taxes. Municipalities are exempt. Exemption Certification Permit No. Illinois E9996-0842-07.

No additional charges over base bid price will be accepted without written approval of the Director of Purchasing.

The City of Aurora reserves the right to reject any or all Bids, or parts thereof, and to waive any technicality, informality or irregularity in the Bids received, and to disregard all nonconforming or conditional Bids or counter-Bids and to hold the best Bids for ninety (90) days from the opening date set forth above. The City further reserves the right to award the Bid to the lowest responsible Proposer whose offer best responds in quality, fitness and capacity to the requirements of the proposed Work or usage and therefore is in the best interest of the City.

SUBMITTED BY

COMPANY _____

ADDRESS _____

CITY, STATE, ZIP _____

PREPARER'S NAME _____

Please Type

CONTRACT PERSON _____

Please Type

AUTHORIZED SIGNATURE _____

Title

PHONE #(____)_____ FAX # (____)_____ DATE _____

EMAIL _____

**CITY OF AURORA AGREEMENT FOR
THIRD PARTY ADMINISTRATOR (TPA) FOR RISK MANAGEMENT AND WORKERS'
COMPENSATION
REQUEST FOR PROPSAL 23-106**

**APPENDIX F – INSURANCE PORTFOLIO
*Subject to change depending on the market***

City of Aurora Tower

