

A G R E E M E N T

THIS AGREEMENT is made and entered into this 1st day of October, 2011, by and between the COUNTY OF FRESNO, a Political Subdivision of the State of California, hereinafter referred to as "COUNTY", and David Donn Consulting, Inc, whose address is 1388 Sutter Street, Suite 503, hereinafter referred to as "CONTRACTOR", and referred to collectively as "Parties."

W I T N E S S E T H:

WHEREAS, the COUNTY's Division of Personnel Services has a need to secure the services of a qualified firm to perform consultation and analysis of medical management ancillary services for its self-insured workers' compensation program; and

WHEREAS, the COUNTY has a desire to maximize savings garnered from ancillary program services in connection with the administration of its self-insured workers' compensation program, including, but not limited to, bill review and utilization review; and

WHEREAS, the COUNTY has a desire to retain medical management consultation services on a percentage-of-savings-recovered compensation basis in order to assist in the identification and recovery of such savings; and

WHEREAS, that COUNTY has a desire to retain medical management consultation services from an entity completely independent of provider entities in the third party administration and ancillary services business sector; and

WHEREAS, the COUNTY issued Request for Proposal No. 961-4891 on November 15, 2010, for the purpose of securing said medical management consultation services; and

WHEREAS, the CONTRACTOR responded to the Request for Proposal stating that it is qualified and willing to perform said services,

NOW, THEREFORE, it is agreed by both parties as follows:

1. **SERVICES**

A. **CONTRACTOR's General Obligations** – CONTRACTOR shall perform consultation and analysis of medical management ancillary services for COUNTY's self-insured workers' compensation program, including, but not limited to, bill review and utilization review

1 as specified by COUNTY in accordance with the specifications, requirements, terms, and
2 conditions as set forth under COUNTY's Request for Proposal No. 961-4891, which includes
3 the CSAC-EIA Workers' Compensation Claims Administration Guidelines, attached hereto as
4 Exhibit No. One; Addendum 1 to Request for Proposal No. 961-4891, attached hereto as
5 Exhibit No. Two; the CONTRACTOR's response to Request for Proposal No. 961-4891,
6 attached hereto as Exhibit Three; and all applicable portions of Title 8 of the California Code of
7 Regulations and the Labor Code. Exhibits One, Two, and Three are incorporated herein by
8 reference.

9 B. Additionally, CONTRACTOR shall perform the following:

10 Program Administration, Monitoring and Oversight. Upon the selection by
11 COUNTY of its ongoing medical management vendor, CONTRACTOR will negotiate with the
12 medical management vendor the implementation of financial and operational service
13 specifications designed to optimize the overall performance of the medical management services
14 provided by the medical management vendor to COUNTY including bill review, PPO, bill
15 negotiation and utilization review services ("Program"). CONTRACTOR will oversee the full
16 Program implementation and launch process. *CONTRACTOR services related to contract*
17 *negotiation and execution covers the negotiation of price, performance, and operational terms*
18 *specific to the actual services provided under the Program's negotiated service agreement, and*
19 *that CONTRACTOR does not provide legal counsel.*

20 For the duration of the medical management consulting contract and its
21 extensions thereof awarded under Exhibit No. One CONTRACTOR will lease to COUNTY its
22 proprietary standards for Program performance ("DDC Model"), implement the DDC Model with
23 the medical management vendor for application on the Program, continue to evaluate the financial
24 performance of the Program, provide monthly Program performance reviews to the COUNTY,
25 identify areas of underperformance in the Program, and coordinate implementation of any
26 necessary enhancements or corrections to the Program. CONTRACTOR will provide monthly
27 Program summary reports to COUNTY calculating Financial Improvement (defined herein)
28 achieved by the Program and significant operational and financial issues within the Program. To

the extent achievable within its expertise, CONTRACTOR will seek to advise COUNTY on any business matters related to the Program and to Workers' Compensation medical management services for which COUNTY seeks guidance.

2. TERM

This Agreement shall become effective on October 1, 2011 and shall terminate on September 30, 2014.

Renewal – This agreement shall automatically renew for an additional one (1) year period except when written notice is delivered by either party to the other expressing intent not to renew. Such notice must be delivered a minimum of ninety (90) days prior to the next expiration date of this agreement. The maximum number of automatic one (1) year renewal periods under this agreement is two (2) and shall comport with the compensation allocation parameters set forth in Section 4 below.

3. TERMINATION

A. Non-Allocation of Funds - The terms of this Agreement, and the services to be provided thereunder, are contingent on the approval of funds by the appropriating government agency. Should sufficient funds not be allocated, the services provided may be modified, or this Agreement terminated, at any time by giving the CONTRACTOR thirty (30) days advance written notice.

B. Breach of Contract - The COUNTY may immediately suspend or terminate this Agreement in whole or in part, where in the determination of the COUNTY there is:

1. An illegal or improper use of funds;
2. A failure to comply with any term of this Agreement;
3. A substantially incorrect or incomplete report submitted to the COUNTY;
4. Improperly performed service.

In no event shall any payment by the COUNTY constitute a waiver by the COUNTY of any breach of this Agreement or any default which may then exist on the part of the CONTRACTOR. Neither shall such payment impair or prejudice any remedy available to the

COUNTY with respect to the breach or default. The COUNTY shall have the right to demand of the CONTRACTOR the repayment to the COUNTY of any funds disbursed to the CONTRACTOR under this Agreement, which in the judgment of the COUNTY were not expended in accordance with the terms of this Agreement. The CONTRACTOR shall promptly refund any such funds upon demand. CONTRACTOR shall have thirty (30) days to rebut in writing any demand from COUNTY why it believes that it has received payment in accordance with the terms of the Agreement. All attempts will be made by COUNTY and CONTRACTOR to resolve any disputes relative to appropriateness of payment issues. The Parties will meet within fourteen (14) days of COUNTY's receipt of any written rebuttal from CONTRACTOR to discuss and attempt to resolve any dispute. If further discussions are necessary they will take place as needed. If after sixty (60) days consensus cannot be reached, CONTRACTOR will be required to make the required repayment. Payment by CONTRACTOR does not constitute a waiver of CONTRACTOR's right to pursue other legal action as they may deem appropriate.

C. Without Cause - Under circumstances other than those set forth above, this Agreement may be terminated by COUNTY upon the giving of thirty (30) days advance written notice of an intention to terminate to CONTRACTOR.

4. COMPENSATION/INVOICING: COUNTY agrees to pay CONTRACTOR and CONTRACTOR agrees to receive compensation as follows:

A A Performance Fee for CONTRACTOR Model Lease, Enforcement and Management services that is 25% (twenty five percent) of "Financial Improvement," which is comprised of the following:

1. Improvement to Program Savings (defined below);
2. Recaptured Overcharges and Overpayments (defined below).

B. Structure of Performance Fee:

1. Definitions:

The Program services purchased by COUNTY act to reduce COUNTY gross billings from medical providers (e.g. physicians, hospitals). Gross billings are "Charges" and billing reductions are "Savings." "Savings Percent" equals Savings for a given

period of time divided by Charges for that same period of time. "Baseline Period" is the twelve (12) month period of July 1, 2010 through June 30, 2011 unless COUNTY and CONTRACTOR mutually agree that there are anomalies impacting Savings Percent during this period, in which case the parties will identify a mutually acceptable different Baseline Period.

"Improvement to Program Savings" shall be calculated and defined as follows: during each month of Program activity subject to this Agreement (a "Current Program Month"), the difference between a) Savings Percent for that Current Program Month, and b) Savings Percent for the Baseline Period, is calculated. That difference represents the Savings Percent improvement of that Current Program Month compared to Savings Percent for the Baseline Period. That difference is then multiplied by Gross Charges for that Current Program Month. The product of this calculation represents actual Improvement to Program Savings for such Current Program Month. *For example: Savings Percent for Baseline Period is 50% and Savings Percent for January is 55%. Charges for January are \$500,000. Improvement to Program Savings for January equals \$25,000, which is calculated by multiplying a) 5% (the difference between Current Program Month Savings Percent and Baseline Period Savings Percent), by b) \$500,000 (January Charges).*

"Recaptured Overcharges and Overpayments" shall be defined as any Program fee overcharges and medical provider overpayments identified by CONTRACTOR and recaptured by COUNTY (monies actually reimbursed to COUNTY). Overcharges/overpayments that are acknowledged or identified, but not reimbursed, are not subject to CONTRACTOR Performance Fees.

2. Zero Performance Fee and Flat Fee Provisions

In any month where Program Improvement is negative or zero, CONTRACTOR's Performance Fee will be zero and no Performance Fee shall be issued to CONTRACTOR.

Because environmental and Program-specific factors may impact the maximum level of Savings achievable for the Program, the 25%-of-improvement Performance Fee may be converted to a flat monthly management fee by the written mutual agreement of COUNTY

1 and CONTRACTOR, under the following circumstances:

2 a. Program average monthly gross medical billing
3 charges for any consecutive three-month period fall below the preceding twelve (12) month
4 average monthly gross charges or gross charges per bill, respectively, by 15% (fifteen percent)
5 or more. In this case, the flat monthly management fee will be calculated as the average
6 monthly Performance Fee payment for the 12 (twelve) month period immediately preceding the
7 three-month period in which gross charges fell by 15% (fifteen percent) or more. In the event a
8 twelve (12) month period is not available, a shorter period of no less than six months will be
9 used, unless a six-month period is also not available, in which case the calculation period and
10 corresponding flat monthly management fee will be established by mutual agreement.

11 b. A material adjustment is made to the California workers'
12 compensation fee schedules or regulations. An adjustment will be considered material based on
13 the mutual written agreement of COUNTY and CONTRACTOR. In this case, the flat monthly
14 management fee will be calculated as the average of monthly Performance Fee payments for the
15 twelve (12) month period immediately preceding the effective date of the fee schedule or
16 regulatory adjustments necessitating the shift to a flat monthly management fee. In the event a
17 twelve (12) month period is not available, a shorter period of no less than six (6) months will be
18 used, unless a six (6) month period is also not available, in which case the calculation period and
19 corresponding flat monthly fee will be established by mutual agreement.

20 C. Invoicing and Maximum Compensation

21 CONTRACTOR shall submit monthly invoices to the County of Fresno Risk
22 Management Division, 2220 Tulare Street, Suite 2100, Fresno, CA 93721.

23 Annual compensation for this agreement shall not exceed Two Hundred Fifty
24 Thousand Dollars (\$250,000). In no event shall services performed under this Agreement be in
25 excess of Seven Hundred Fifty Thousand Dollars (\$750,000) during the initial three (3) year
26 term of this Agreement. It is understood that all expenses incidental to CONTRACTOR's
27 performance of services under this Agreement shall be borne by CONTRACTOR. COUNTY
28 agrees to pay invoices within forty five (45) days from receipt.

1 5. **INDEPENDENT CONTRACTOR:** In performance of the work, duties and
2 obligations assumed by CONTRACTOR under this Agreement, it is mutually understood and
3 agreed that CONTRACTOR, including any and all of the CONTRACTOR'S officers, agents, and
4 employees will at all times be acting and performing as an independent contractor, and shall act in
5 an independent capacity and not as an officer, agent, servant, employee, joint venturer, partner, or
6 associate of the COUNTY. Furthermore, COUNTY shall have no right to control or supervise or
7 direct the manner or method by which CONTRACTOR shall perform its work and function.
8 However, COUNTY shall retain the right to administer this Agreement so as to verify that
9 CONTRACTOR is performing its obligations in accordance with the terms and conditions thereof.
10 CONTRACTOR and COUNTY shall comply with all applicable provisions of law and the rules and
11 regulations, if any, of governmental authorities having jurisdiction over matters the subject thereof.
12 Because of its status as an independent contractor, CONTRACTOR shall have absolutely no right
13 to employment rights and benefits available to COUNTY employees. CONTRACTOR shall be
14 solely liable and responsible for providing to, or on behalf of, its employees all legally-required
15 employee benefits. In addition, CONTRACTOR shall be solely responsible and save COUNTY
16 harmless from all matters relating to payment of CONTRACTOR'S employees, including
17 compliance with Social Security withholding and all other regulations governing such matters. It is
18 acknowledged that during the term of this Agreement, CONTRACTOR may be providing services
19 to others unrelated to the COUNTY or to this Agreement.

20 6. **MODIFICATION:** Any matters of this Agreement may be modified from time to time
21 by the written consent of all the parties without, in any way, affecting the remainder.

22 7. **NON-ASSIGNMENT:** Neither party shall assign, transfer or sub-contract this
23 Agreement nor their rights or duties under this Agreement without the prior written consent of the
24 other party.

25 8. **HOLD HARMLESS:** CONTRACTOR agrees to indemnify, save, hold harmless, and
26 at COUNTY'S request, defend the COUNTY, its officers, agents, and employees from any and all
27 costs and expenses (to include attorneys' fees), damages, liabilities, claims, and losses occurring
28 or resulting to COUNTY in connection with the performance, or failure to perform, by

1 CONTRACTOR, its officers, agents, or employees under this Agreement, and from any and all
2 costs and expenses (to include attorneys' fees), damages, liabilities, claims, and losses occurring
3 or resulting to any person, firm, or corporation who may be injured or damaged by the
4 performance, or failure to perform, of CONTRACTOR, its officers, agents, or employees under
5 this Agreement.

6 9. LIMITATION OF LIABILITY: COUNTY and CONTRACTOR agree that each party's
7 liability under this Agreement for any damages, regardless of the form of action, shall not exceed
8 the respective maximum limits of the insurance coverage carried by CONTRACTOR as described
9 in Section 11, Insurance, of this Agreement, and the maximum limits of the insurance coverage
10 carried by COUNTY. This shall be COUNTY'S and CONTRACTOR'S exclusive remedy. Each
11 party will not be liable for any special, indirect, incidental or consequential damages of any
12 character, including, without limitation, damages for loss of goodwill, work stoppage, loss of data,
13 or any loss of profits, even if each party has been advised of the possibility of such damages.

14 10. CONFIDENTIAL CONTRACTOR INFORMATION: COUNTY acknowledges
15 that it may be furnished or may otherwise receive or have access to the CONTRACTOR's
16 Proprietary Information (defined below). COUNTY agrees to preserve and protect the
17 confidentiality of CONTRACTOR's Proprietary Information and all physical forms thereof, whether
18 disclosed before this Agreement is signed or afterward. COUNTY agrees to bind its employees
19 and agents in writing to terms no less restrictive than those set forth herein. COUNTY shall not
20 disclose or disseminate CONTRACTOR's Proprietary Information to any COUNTY employee not
21 directly involved in the operation of the Program or to any third party without CONTRACTOR's
22 written consent, and shall not use the Proprietary Information for COUNTY benefit or for the
23 benefit of any third party. Upon the request of CONTRACTOR or upon termination of this
24 Agreement, COUNTY shall return to CONTRACTOR all copies of the Proprietary Information.

25 For purposes of this Agreement, "Proprietary Information" shall mean any proprietary
26 business, technical and financial information of CONTRACTOR relating to its materials,
27 documentation, inventions, know-how, ideas, products, trade secrets, vendors, customers and
28 markets, business plans and opportunities, finances, the terms and conditions of this Agreement.

1 the DDC Model, and all other proprietary or confidential information related to CONTRACTOR's
2 business or affairs. Proprietary Information shall not include any information which: (a) is known
3 to COUNTY at the time of disclosure; (b) has become publicly known through no wrongful act of
4 COUNTY; (c) has been rightfully received by COUNTY from a third party without restriction on
5 disclosure and without breach of any agreement with CONTRACTOR; (d) has been independently
6 developed by COUNTY, as evidenced by appropriate documentation; (e) has been approved for
7 release by CONTRACTOR. Notwithstanding the foregoing, COUNTY may disclose
8 CONTRACTOR's Proprietary Information pursuant to a court order or similar mandate, provided
9 however that COUNTY shall first have been given the opportunity to seek a protective order
10 protecting the Proprietary Information and such disclosure is limited only to the extent necessary
11 by the court order or mandate.

12 In connection with this Agreement, CONTRACTOR may learn or develop proprietary
13 techniques and confidential information ("Confidential Information") that belong to COUNTY and
14 have great value in COUNTY's business. Confidential Information includes all information that has
15 or could have commercial value or other use in the business in which COUNTY is engaged, or in
16 which it contemplates engaging, and all information the unauthorized disclosure of, which could be
17 detrimental to the interests of COUNTY, whether or not this information is explicitly identified as
18 Confidential Information. CONTRACTOR agrees that at all times during and after its engagement
19 with COUNTY, CONTRACTOR will not disclose to any third party, or make any use of,
20 Confidential Information of COUNTY except as is strictly required to perform its duties for
21 COUNTY. CONTRACTOR further agrees not to remove any Confidential Information from any
22 COUNTY premises without the prior written approval of COUNTY.

23 11. INSURANCE

24 A. Without limiting the COUNTY's right to obtain indemnification from
25 CONTRACTOR or any third parties, CONTRACTOR, at its sole expense, shall maintain in full
26 force and effect, the following insurance policies throughout the term of the Agreement:

27 Commercial General Liability

28 Commercial General Liability Insurance with limits of not less than One Million Dollars

1 (\$1,000,000) per occurrence and an annual aggregate of Two Million Dollars (\$2,000,000).

2 This policy shall be issued on a per occurrence basis and should include coverage for
3 contractual liability.

4 Automobile Liability

5 Comprehensive Automobile Liability Insurance with limits for bodily injury of not less than
6 Two Hundred Fifty Thousand Dollars (\$250,000.00) per person, Five Hundred Thousand
7 Dollars (\$500,000.00) per accident and for property damages of not less than Fifty
8 Thousand Dollars (\$50,000.00), or such coverage with a combined single limit of Five
9 Hundred Thousand Dollars (\$500,000.00). Coverage should include owned and non-
10 owned vehicles used in connection with this Agreement.

11 Professional Liability

12 If CONTRACTOR employs licensed professional staff, (e.g., Ph.D., R.N., L.C.S.W.,
13 M.F.C.C.) in providing services, Professional Liability Insurance with limits of not less than
14 One Million Dollars (\$1,000,000.00) per occurrence, Three Million Dollars (\$3,000,000.00)
15 annual aggregate.

16 Workers' Compensation

17 A policy of Workers' Compensation insurance as may be required by the California Labor
18 Code.

19 B. General Provisions

20 CONTRACTOR shall obtain endorsements to the Commercial General Liability
21 insurance naming the County of Fresno, its officers, agents, and employees, individually and
22 collectively, as additional insured, but only insofar as the operations under this Agreement are
23 concerned. Such coverage for additional insured shall apply as primary insurance and any other
24 insurance, or self-insurance, maintained by COUNTY, its officers, agents and employees shall be
25 excess only and not contributing with insurance provided under CONTRACTOR's policies herein.
26 This insurance shall not be cancelled or changed without a minimum of thirty (30) days advance
27 written notice given to COUNTY.

28 Within Thirty (30) days from the date CONTRACTOR signs and executes this

1 Agreement, CONTRACTOR shall provide certificates of insurance and endorsement as stated
2 above for all of the foregoing policies, as required herein, to the County of Fresno, ATTN: Risk
3 Management, 2220 Tulare Street, 21st Floor, Fresno, CA 93721, stating that such insurance
4 coverages have been obtained and are in full force; that the County of Fresno, its officers, agents
5 and employees will not be responsible for any premiums on the policies; that such Commercial
6 General Liability insurance names the County of Fresno, its officers, agents and employees,
7 individually and collectively, as additional insured, but only insofar as the operations under this
8 Agreement are concerned; that such coverage for additional insured shall apply as primary
9 insurance and any other insurance, or self-insurance, maintained by COUNTY, its officers, agents
10 and employees, shall be excess only and not contributing with insurance provided under
11 CONTRACTOR's policies herein; and that this insurance shall not be cancelled or changed
12 without a minimum of thirty (30) days advance, written notice given to COUNTY.

13 In the event CONTRACTOR fails to keep in effect at all times insurance coverage
14 as herein provided, the COUNTY may, in addition to other remedies it may have, suspend or
15 terminate this Agreement upon the occurrence of such event.

16 All policies shall be with admitted insurers licensed to do business in the State of
17 California. Insurance purchased shall be purchased from companies possessing a current A.M.
18 Best, Inc. rating of A FSC VII or better.

19 12. AUDITS AND INSPECTIONS: The CONTRACTOR shall at any time during
20 business hours, and as often as the COUNTY may deem necessary, make available to the
21 COUNTY for examination all of its records and data with respect to the matters covered by this
22 Agreement. The CONTRACTOR shall, upon request by the COUNTY, permit the COUNTY to
23 audit and inspect all of such records and data necessary to ensure CONTRACTOR'S compliance
24 with the terms of this Agreement.

25 If this Agreement exceeds ten thousand dollars (\$10,000.00), CONTRACTOR shall be subject to
26 the examination and audit of the Auditor General for a period of three (3) years after final payment
27 under contract (Government Code Section 8546.7).

28 13. DISCLOSURE OF SELF-DEALING TRANSACTIONS: This provision is only

1 applicable if the CONTRACTOR is operating as a corporation (a for-profit or non-profit
2 corporation) or if during the term of this agreement, the CONTRACTOR changes its status to
3 operate as a corporation.

4 Members of the CONTRACTOR's Board of Directors shall disclose any self-
5 dealing transactions that they are a party to while CONTRACTOR is providing goods or
6 performing services under this agreement. A self-dealing transaction shall mean a transaction
7 to which the CONTRACTOR is a party and in which one or more of its directors has a material
8 financial interest. Members of the Board of Directors shall disclose any self-dealing transactions
9 that they are a party to by completing and signing a *Self-Dealing Transaction Disclosure Form*
10 (Exhibit Four, incorporated herein by reference) and submitting it to the COUNTY prior to
11 commencing with the self-dealing transaction or immediately thereafter.

12 14. NOTICES: The persons and their addresses having authority to give and receive
13 notices under this Agreement include the following:

14
15 COUNTY

16 COUNTY OF FRESNO

17 ATTN: Beth Bandy

18 Deputy Director of Personnel Services

19 2220 Tulare St., 16th Floor

20 Fresno, CA 93721

CONTRACTOR

 David Donn Consulting, Inc.

 ATTN: David Donn

 President

 1388 Sutter Street, Suite 503

 San Francisco, CA 94109

21 Any and all notices between the COUNTY and the CONTRACTOR provided for or
22 permitted under this Agreement or by law shall be in writing and shall be deemed duly served
23 when personally delivered to one of the parties, or in lieu of such personal services, when
24 deposited in the United States Mail, postage prepaid, addressed to such party.

25 15. GOVERNING LAW: Venue for any action arising out of or related to this Agreement
26 shall only be in Fresno County, California.

27 The rights and obligations of the parties and all interpretation and performance of this Agreement
28 shall be governed in all respects by the laws of the State of California.

1 16. CONFIDENTIAL COUNTY INFORMATION: CONTRACTOR shall properly secure
2 and maintain the highest level of privacy and confidentiality of any and all "Confidential
3 Information" to which CONTRACTOR is privy under this Agreement, unless and until
4 CONTRACTOR obtains the express written consent from the Deputy Director of Personnel
5 Services to release such information. As referenced in this section and not to conflict with prior
6 definitions or references in this agreement, the term "Confidential Information" shall mean any and
7 all COUNTY workers' compensation confidential, sensitive, and/or private information and claims
8 data in any form (oral, hard copy, or electronic) that CONTRACTOR comes in contact with in the
9 course of executing this Agreement, including, but not limited to COUNTY workers' compensation
10 claims health and fiscal data or any other personally identifiable data that should be reasonably
11 understood to be confidential and not generally known or subject to "public disclosure," or
12 otherwise exempt from public disclosure under the law. For purposes of this Agreement, "public
13 disclosure" shall mean disclosure to anyone (including COUNTY departments and employees)
14 outside of the COUNTY's Risk Management Division of Personnel Services and its authorized
15 personnel and/or designee(s).

16 17. ENTIRE AGREEMENT: This Agreement constitutes the entire agreement between
17 the CONTRACTOR and COUNTY with respect to the subject matter hereof and supersedes all
18 previous Agreement negotiations, proposals, commitments, writings, advertisements, publications,
19 and understanding of any nature whatsoever unless expressly included in this Agreement. In the
20 event of any inconsistency in interpreting the documents which constitute this Agreement, the
21 inconsistency shall be resolved by giving precedence in the following order of priority: (1) the
22 text of this Agreement; (2) County of Fresno Request for Proposal 961-4891; (3) the COUNTY'S
23 Addendum 1 to Request for Proposal No. 964-4891; and (4) the CONTRACTOR'S quotation
24 made in response to Request for Proposal No. 964-4891.

25 ///

26 ///

27 ///

28 ///

1 IN WITNESS WHEREOF, the undersigned Parties hereby acknowledge execution of this
2 Agreement by their signatures below.

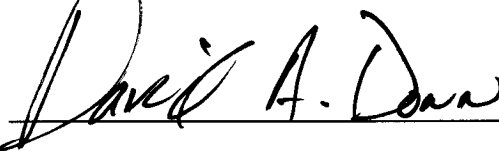
3
4 **CONTRACTOR:**

COUNTY OF FRESNO

5 **DAVID DONN CONSULTING, INC.**

6  8/31/11


7
8 Authorized Signature Date

9 

10
11 Print Name

12 President

13
14 Title (Chairman, President, any Vice President)

15  8/31/11

16
17 Authorized Signature Date

18 Court Crisborn

19
20 Print Name

21 CFO

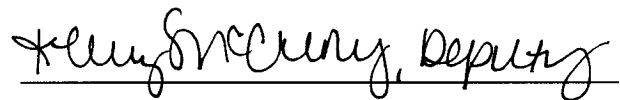
22
23 Title (Secretary, Assistant Secretary, CFO)



PHIL LARSON, CHAIRMAN

BOARD OF SUPERVISORS

Date: 9/27/11



BERNICE E. SEIDEL, CLERK

BOARD OF SUPERVISORS

Date: 9/27/11

24
25
26
27
28 **PLEASE SEE ADDITIONAL SIGNATURE PAGE ATTACHED**

1 APPROVED AS TO LEGAL FORM:

2 KEVIN BRIGGS, COUNTY COUNSEL

3
4 By: 

DATE: _____

5
6
7 APPROVED AS TO ACCOUNTING FORM:

8 VICKI CROW, C.P.A., AUDITOR-CONTROLLER/

9 TREASURER-TAX COLLECTOR

10
11 By: 

DATE: _____

12
13
14 REVIEWED AND RECOMMENDED FOR

15 APPROVAL:

16
17 By: 

DATE: 9/8/11

18 BETH BANDY, DEPUTY DIRECTOR

19 PERSONNEL SERVICES

20
21 Fund/Subclass: 1060/10000

22 Organization: 89250100

23 Account/Program: 7295

24
25 GSB:gsb

COUNTY OF FRESNO REQUEST FOR PROPOSAL

NUMBER: 961-4891

CLAIMS ADMINISTRATION AND ANCILLARY SERVICES – WORKERS' COMPENSATION

November 15, 2010

ORG/Requisition: 89250100/ 8921100008

PURCHASING USE
JER

G:\RISKMGMT\GBORBOA\CONTRACTS\RISKCONTRACTS\YORK\RENEWAL JULY 2011\REP961-

IMPORTANT: SUBMIT PROPOSAL IN SEALED PACKAGE WITH PROPOSAL NUMBER, CLOSING DATE AND BUYER'S NAME MARKED CLEARLY ON THE OUTSIDE TO:

COUNTY OF FRESNO, Purchasing
4525 EAST HAMILTON AVENUE, 2nd Floor
FRESNO, CA 93702-4599

CLOSING DATE OF BID WILL BE AT 2:00 P.M., ON DECEMBER 29, 2010.

PROPOSALS WILL BE CONSIDERED LATE WHEN THE OFFICIAL PURCHASING TIME CLOCK READS 2:00 P.M.
Proposals will be opened and publicly read at that time. All proposal information will be available for review after contract award.

Clarifications of specifications are to be directed to: Patricia Flaherty, phone (559) 456-7110, e-mail
CountyPurchasing@co.fresno.ca.us, fax (559) 456-7831.

GENERAL CONDITIONS: See "County Of Fresno Purchasing Standard Instructions And Conditions For Request For Proposals (RFP'S) and Requests for Quotations (RFQ'S)" attached. Check County of Fresno Purchasing's Open Solicitations website at <http://www2.co.fresno.ca.us/0440/Bidshome2.asp> for RFQ/RFP documents and changes.

BIDDER TO COMPLETE

UNDERSIGNED AGREES TO FURNISH THE COMMODITY OR SERVICE STIPULATED IN THE ATTACHED PROPOSAL SCHEDULE AT THE PRICES AND TERMS STATED, SUBJECT TO THE "COUNTY OF FRESNO PURCHASING STANDARD INSTRUCTIONS AND CONDITIONS FOR REQUEST FOR PROPOSALS (RFP'S) AND REQUESTS FOR QUOTATIONS (RFQ'S)" ATTACHED.

Except as noted on individual items, the following will apply to all items in the Proposal Schedule.

1. Complete delivery will be made within _____ calendar days after receipt of Order.
2. A cash discount _____ % _____ days will apply.

COMPANY _____

ADDRESS _____

CITY _____

STATE _____

ZIP CODE _____

() _____

() _____

TELEPHONE NUMBER _____

FACSIMILE NUMBER _____

E-MAIL ADDRESS _____

SIGNED BY _____

PRINT NAME _____

TITLE _____

COUNTY OF FRESNO PURCHASING

STANDARD INSTRUCTIONS AND CONDITIONS FOR REQUESTS FOR PROPOSALS (RFP'S) AND REQUESTS FOR QUOTATIONS (RFQ'S)

Note: the reference to "bids" in the following paragraphs applies to RFP's and RFQ's

GENERAL CONDITIONS

By submitting a bid the bidder agrees to the following conditions. These conditions will apply to all subsequent purchases based on this bid.

1. BID PREPARATION:

- A) All prices and notations must be typed or written in ink. No erasures permitted. Errors may be crossed out, initialed and corrections printed in ink by person signing bid.
- B) Brand Names: Brand names and numbers when given are for reference. Equal items will be considered, provided the offer clearly describes the article and how it differs from that specified. In the absence of such information it shall be understood the offering is exactly as specified.
- C) State brand or make of each item. If bidding on other than specified, state make, model and brand being bid and attach supporting literature/specifications to the bid.
- D) Bid on each item separately. Prices should be stated in units specified herein. All applicable charges must be quoted; charges on invoice not quoted herein will be disallowed.
- E) Time of delivery is a part of the consideration and must be stated in definite terms and must be adhered to. F.O.B. Point shall be destination or freight charges must be stated.
- F) All bids must be dated and signed with the firm's name and by an authorized officer or employee.
- G) Unless otherwise noted, prices shall be firm for one hundred eighty (180) days after closing date of bid.

2. SUBMITTING BIDS:

- A) Each bid must be submitted on forms provided in a sealed envelope/package with bid number and closing date and time on the outside of the envelope/package.
- B) Interpretation: Should any discrepancies or omissions be found in the bid specifications or doubt as to their meaning, the bidder shall notify the Buyer in writing at once. The County shall not be held responsible for verbal interpretations. Questions regarding the bid must be received by Purchasing at least five (5) working days before bid opening. All addenda issued shall be in writing, duly issued by Purchasing and incorporated into the contract.
- C) ISSUING AGENT/AUTHORIZED CONTACT: This RFP/RFQ has been issued by County of Fresno, Purchasing. Purchasing shall be the vendor's sole point of contact with regard to the RFP/RFQ, its content, and all issues concerning it.

All communication regarding this RFP/RFQ shall be directed to an authorized representative of County Purchasing. The specific buyer managing this RFP/RFQ is identified on the cover page, along with

his or her telephone number, and he or she should be the primary point of contact for discussions or information pertaining to the RFP/RFQ. Contact with any other County representative, including elected officials, for the purpose of discussing this RFP/RFQ, its content, or any other issue concerning it, is prohibited unless authorized by Purchasing. Violation of this clause, by the vendor having unauthorized contact (verbally or in writing) with such other County representatives, may constitute grounds for rejection by Purchasing of the vendor's quotation.

The above stated restriction on vendor contact with County representatives shall apply until the County has awarded a purchase order or contract to a vendor or vendors, except as follows. First, in the event that a vendor initiates a formal protest against the RFP/RFQ, such vendor may contact the appropriate individual, or individuals who are managing that protest as outlined in the County's established protest procedures. All such contact must be in accordance with the sequence set forth under the protest procedures. Second, in the event a public hearing is scheduled before the Board of Supervisors to hear testimony prior to its approval of a purchase order or contract, any vendor may address the Board.

- D) Bids received after the closing time will NOT be considered.
- E) Bidders are to bid what is specified or requested first. If unable to or unwilling to, bidder may bid alternative or option, indicating all advantages, disadvantages and their associated cost.
- F) Public Contract Code Section 7028.15

Where the State of California requires a Contractor's license, it is a misdemeanor for any person to submit a bid unless specifically exempted.

3. FAILURE TO BID:

- A) If not bidding, return bid sheet and state reason for no bid or your name may be removed from mailing list.

4. TAXES, CHARGES AND EXTRAS:

- A) County of Fresno is subject to California sales and/or use tax (8.975%). Please indicate as a separate line item if applicable.
- B) **DO NOT** include Federal Excise Tax. County is exempt under Registration No. 94-73-03401-K.
- C) County is exempt from Federal Transportation Tax. Exemption certificate is not required where shipping papers show consignee as County of Fresno.
- D) Charges for transportation, containers, packing, etc. will not be paid unless specified in bid.

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5. W-9 – REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION:

Upon award of bid, the vendor shall submit to County Purchasing, a completed W-9 - Request for Taxpayer Identification Number and Certification if not already a current vendor with The County of Fresno. This form is available from the IRS to complete on line at <http://www.irs.gov/pub/irs-pdf/fw9.pdf>.

6. AWARDS:

- A) Subject to the local preference provisions referenced in Paragraph 7 below and more thoroughly set forth in the General Requirements section of this RFP/RFQ, award(s) will be made to the most responsive responsible bidder. The evaluation will include such things as life-cycle cost, availability, delivery costs and whose product and/or service is deemed to be in the best interest of the County. The County shall be the sole judge in making such determination.
- B) Unless bidder gives notice of all-or-none award in bid, County may accept any item, group of items or on the basis of total bid.
- C) The County reserves the right to reject any and all bids and to waive informalities or irregularities in bids.
- D) Award Notices are tentative: Acceptance of an offer made in response to this RFP/RFQ shall occur only upon execution of an agreement by both parties or issuance of a valid written Purchase Order by Fresno County Purchasing.
- E) After award, all bids shall be open to public inspection. The County assumes no responsibility for the confidentiality of information offered in a bid.

7. LOCAL VENDORS:

A) Local Vendor Preference (applicable to RFQ Process only)

The following provisions are applicable only to the County's acquisition of materials, equipment or supplies through the RFQ process when the funding source does not require an exemption to the Local Vendor Preference.

THE PROVISIONS OF THIS PARAGRAPH ARE APPLICABLE, NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS RFQ TO THE CONTRARY

If the apparent low bidder is not a local vendor, any local vendor who submitted a bid which was within five percent (5%) of the lowest responsive bid as determined by the purchasing agent shall have the option of submitting a new bid within forty-eight (48) hours (not including weekends and holidays) of County's delivery of notification. Such new bids must be in an amount less than or equal to the lowest responsive bid as determined by the purchasing agent. If the purchasing agent receives any new bids from local vendors who have the option of submitting new bids within said forty-eight (48) hour period, it shall award the contract to the local vendor submitting the lowest responsive bid. If no new bids are received, the contract shall be awarded to the original low bidder as announced by the purchasing agent.

B) Local Vendor Defined

"Local Vendor" shall mean any business which:

- 1. Has its headquarters, distribution point or locally-owned franchise located in or having a street address within the County for at least six (6) months immediately prior to the issuance of the request for competitive bids by the purchasing agent; and
- 2. Holds any required business license by a jurisdiction located in Fresno County; and
- 3. Employs at least one (1) full-time or two (2) part-time employees whose primary residence is located within Fresno County, or if the business has no employees, shall be at least fifty percent (50%) owned by one or more persons whose primary residence(s) is located within Fresno County.

8. TIE BIDS:

All other factors being equal, the contract shall be awarded to the Fresno County vendor or, if neither or both are Fresno County vendors, it may be awarded by the flip of a coin in the presence of witnesses or the entire bid may be rejected and re-bid. If the General Requirements of this RFP/RFQ state that they are applicable, the provisions of the Fresno County Local Vendor Preference shall take priority over this paragraph.

9. PATENT INDEMNITY:

The vendor shall hold the County, its officers, agents and employees, harmless from liability of any nature or kind, including costs and expenses, for infringement or use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in connection with this bid.

10. SAMPLES:

Samples, when required, must be furnished and delivered free and, if not destroyed by tests, will upon written request (within thirty (30) days of bid closing date) be returned at the bidder's expense. In the absence of such notification, County shall have the right to dispose of the samples in whatever manner it deems appropriate.

11. RIGHTS AND REMEDIES OF COUNTY FOR DEFAULT:

- A) In case of default by vendor, the County may procure the articles or service from another source and may recover the cost difference and related expenses occasioned thereby from any unpaid balance due the vendor or by proceeding against performance bond of the vendor, if any, or by suit against the vendor. The prices paid by the County shall be considered the prevailing market price at the time such purchase is made.
- B) Articles or services, which upon delivery inspection do not meet specifications, will be rejected and the vendor will be considered in default. Vendor shall reimburse County for expenses related to delivery of non-specified goods or services.
- C) Regardless of F.O.B. point, vendor agrees to bear all risks of loss, injury or destruction to goods and materials ordered herein which occur prior to delivery and such loss, injury or destruction shall not release vendor from any obligation hereunder.

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12. DISCOUNTS:

Terms of less than fifteen (15) days for cash payment will be considered as net in evaluating this bid. A discount for payment within fifteen (15) days or more will be considered in determining the award of bid. Discount period will commence either the later of delivery or receipt of invoice by the County. Standard terms are Net forty-five (45) days.

13. SPECIAL CONDITIONS IN BID SCHEDULE SUPERSEDE GENERAL CONDITIONS:

The "General Conditions" provisions of this RFP/RFQ shall be superseded if in conflict with any other section of this bid, to the extent of any such conflict.

14. SPECIAL REQUIREMENT:

With the invoice or within twenty-five (25) days of delivery, the seller must provide to the County a Material Safety Data Sheet for each product, which contains any substance on "The List of 800 Hazardous Substances", published by the State Director of Industrial Relations. (See Hazardous Substances Information and Training Act. California State Labor Code Sections 6360 through 6399.7.)

15. RECYCLED PRODUCTS/MATERIALS:

Vendors are encouraged to provide and quote (with documentation) recycled or recyclable products/materials which meet stated specifications.

16. YEAR COMPLIANCE WARRANTY:

Vendor warrants that any product furnished pursuant to this Agreement/order shall support a four-digit year format and be able to accurately process date and time data from, into and between the twentieth and twenty-first centuries, as well as leap year calculations. "Product" shall include, without limitation, any piece or component of equipment, hardware, firmware, middleware, custom or commercial software, or internal components or subroutines therein. This warranty shall survive termination or expiration of this Agreement.

In the event of any decrease in product functionality or accuracy related to time and/or date data related codes and/or internal subroutines that impede the product from operating correctly using dates beyond December 31, 1999, vendor shall restore or repair the product to the same level of functionality as warranted herein, so as to minimize interruption to County's ongoing business process, time being of the essence. In the event that such warranty compliance requires the acquisition of additional programs, the expense for any such associated or additional acquisitions, which may be required, including, without limitation, data conversion tools, shall be borne exclusively by vendor. Nothing in this warranty shall be construed to limit any rights or remedies the County may otherwise have under this Agreement with respect to defects other than year performance.

17. PARTICIPATION:

Bidder may agree to extend the terms of the resulting contract to other political subdivision, municipalities and tax-supported agencies.

Such participating Governmental bodies shall make purchases in their own name, make payment directly to bidder, and be liable directly to the bidder, holding the County of Fresno harmless.

18. CONFIDENTIALITY:

All services performed by vendor shall be in strict conformance with all applicable Federal, State of California and/or local laws and regulations

relating to confidentiality, including but not limited to, California Civil Code, California Welfare and Institutions Code, Health and Safety Code, California Code of Regulations, Code of Federal Regulations.

Vendor shall submit to County's monitoring of said compliance.

Vendor may be a business associate of County, as that term is defined in the "Privacy Rule" enacted by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). As a HIPAA Business Associate, vendor may use or disclose protected health information ("PHI") to perform functions, activities or services for or on behalf of County as specified by the County, provided that such use or disclosure shall not violate HIPAA and its implementing regulations. The uses and disclosures of PHI may not be more expansive than those applicable to County, as the "Covered Entity" under HIPAA's Privacy Rule, except as authorized for management, administrative or legal responsibilities of the Business Associate.

Vendor shall not use or further disclose PHI other than as permitted or required by the County, or as required by law without written notice to the County.

Vendor shall ensure that any agent, including any subcontractor, to which vendor provides PHI received from, or created or received by the vendor on behalf of County, shall comply with the same restrictions and conditions with respect to such information.

19. APPEALS:

Appeals must be submitted in writing within seven (7) working days after notification of proposed recommendations for award. A "Notice of Award" is not an indication of County's acceptance of an offer made in response to this RFP/RFQ. Appeals should be submitted to County of Fresno Purchasing, 4525 E. Hamilton Avenue, Fresno, California 93702-4599. Appeals should address only areas regarding RFP contradictions, procurement errors, quotation rating discrepancies, legality of procurement context, conflict of interest, and inappropriate or unfair competitive procurement grievance regarding the RFP/RFQ process.

Purchasing will provide a written response to the complainant within seven (7) working days unless the complainant is notified more time is required.

If the protesting bidder is not satisfied with the decision of Purchasing, he/she shall have the right to appeal to the Purchasing Agent/CAO within seven (7) business days after Purchasing's notification; except if, notified to appeal directly to the Board of Supervisors at the scheduled date and time.

If the protesting bidder is not satisfied with Purchasing Agent/CAO's decision, the final appeal is with the Board of Supervisors.

20. OBLIGATIONS OF CONTRACTOR:

A) CONTRACTOR shall perform as required by the ensuing contract. CONTRACTOR also warrants on behalf of itself and all subcontractors engaged for the performance of the ensuing contract that only persons authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986 and other applicable laws shall be employed in the performance of the work hereunder.

B) CONTRACTOR shall obey all Federal, State, local and special district laws, ordinances and regulations.

21. AUDITS & RETENTION:

The Contractor shall maintain in good and legible condition all books, documents, papers, data files and other records related to its performance under this contract. Such records shall be complete and available to Fresno County, the State of California, the federal government or their duly authorized representatives for the purpose of audit, examination, or copying during the

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term of the contract and for a period of at least three (3) years following the County's final payment under the contract or until conclusion of any pending matter (e.g., litigation or audit), whichever is later. Such records must be retained in the manner described above until all pending matters are closed.

22. DISCLOSURE – CRIMINAL HISTORY & CIVIL ACTIONS:

Applies to Request for Proposal (RFP); does not apply to Request for Quotation (RFQ) unless specifically stated elsewhere in the RFQ document.

In their proposal, the bidder is required to disclose if any of the following conditions apply to them, their owners, officers, corporate managers and partners (hereinafter collectively referred to as "Bidder"):

- Within the three-year period preceding the proposal, they have been convicted of, or had a civil judgment rendered against them for:
 - fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction;
 - violation of a federal or state antitrust statute;
 - embezzlement, theft, forgery, bribery, falsification, or destruction of records; or
 - false statements or receipt of stolen property

Within a three-year period preceding their proposal, they have had a public transaction (federal, state, or local) terminated for cause or default.

23. DATA SECURITY:

Individuals and/or agencies that enter into a contractual relationship with the COUNTY for the purpose of providing services must employ adequate controls and data security measures, both internally and externally to ensure and protect the confidential information and/or data provided to contractor by the COUNTY, preventing the potential loss, misappropriation or inadvertent access, viewing, use or disclosure of COUNTY data including sensitive or personal client information; abuse of COUNTY resources; and/or disruption to COUNTY operations.

Individuals and/or agencies may not connect to or use COUNTY networks/systems via personally owned mobile, wireless or handheld devices unless authorized by COUNTY for telecommuting purposes and provide a secure connection; up to date virus protection and mobile devices must have the remote wipe feature enabled. Computers or computer peripherals including mobile storage devices may not be used (COUNTY or Contractor device) or brought in for use into the COUNTY's system(s) without prior authorization from COUNTY's Chief Information Officer and/or designee(s).

No storage of COUNTY's private, confidential or sensitive data on any hard-disk drive, portable storage device or remote storage installation unless encrypted according to advance encryption standards (AES of 128 bit or higher).

The COUNTY will immediately be notified of any violations, breaches or potential breaches of security related to COUNTY's confidential information, data and/or data processing equipment which stores or processes COUNTY data, internally or externally.

COUNTY shall provide oversight to Contractor's response to all incidents arising from a possible breach of security related to COUNTY's

confidential client information. Contractor will be responsible to issue any notification to affected individuals as required by law or as deemed necessary by COUNTY in its sole discretion. Contractor will be responsible for all costs incurred as a result of providing the required notification.

24. PURCHASING LOCATION & HOURS:

Fresno County Purchasing is located at 4525 E. Hamilton Avenue (**second floor**), Fresno, CA 93702. Non-holiday hours of operation are Monday through Friday, 8:00 A.M. to 12:00 Noon and 1:00 P.M. to 5:00 P.M. PST; Purchasing is closed daily from 12:00 Noon to 1:00 P.M. The following holiday office closure schedule is observed:

January 1*	New Year's Day
Third Monday in January	Martin Luther King, Jr.'s Birthday
Third Monday in February	Washington - Lincoln Day
March 31*	Cesar Chavez' Birthday
Last Monday in May	Memorial Day
July 4*	Independence Day
First Monday in September	Labor Day
November 11*	Veteran's Day
Fourth Thursday in November	Thanksgiving Day
Friday following Thanksgiving	
December 25*	Christmas

* When this date falls on a Saturday, the holiday is observed the preceding Friday. If the date falls on a Sunday, the holiday is observed the following Monday.

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OVERVIEW

The County of Fresno is seeking a qualified firm(s) to act as the Third Party Administrator (TPA) to perform claims administration services and to administer/provide ancillary services for its self-insured workers compensation program. The contract(s) for services provided per this RFP will be for three (3) years with a provision for two (2) single year renewal options. The current contract expires June 30, 2011. The successful bidder should anticipate assuming responsibility on July 1, 2011 for all claims management functions including currently open files and all new claims. The successful TPA bidder must have a claims office in Fresno.

This Request for Proposal and subsequent contract is for TPA claims administration, to include Medicare Section 111 Mandatory Reporting requirements and ancillary program support services. The selected TPA bidder will not be guaranteed preference for ancillary services such as bill review, medical case management, utilization review, and medical provider network. The selected claims administrator bidder must have the capability to work with other providers of ancillary services if these services are in fact awarded to other vendors. **All bids for services, to include ancillary services, must be annualized flat rate bids. Bids that are based on a per unit basis, or other basis, will be considered non-conforming. The only exception to this parameter will be for the Medical Management Consultant, which shall be required to provide services on a percentage of actual additional savings identified basis.** Details on how the bidder came to the flat rate price will be required in order to properly evaluate the efficacy of the bid and compare with other bids.

After the award of the bid, County Risk Management representatives will meet with the claims administrator to review any other vendors awarded bids in each category for ancillary services. Upon selection of the ancillary services vendors, if different than the claims administrator awardee, the claims administrators must utilize the services of the companies selected with the exception of investigations. All investigation recommendations made by the claims administrator must be approved by County Risk Management prior to assignment.

KEY DATES

RFP Issue Date: November 15, 2010

Vendor Conference: December 2, 2010 at 10:00 A.M.

Vendors are to contact Patricia Flaherty at (559) 456-7110, if planning to attend the Vendor Conference.

County of Fresno Purchasing
4525 E. Hamilton Avenue, 2nd Floor
Fresno, CA 93702

Deadline for Written Requests for Interpretations or Corrections of RFP:

December 10, 2010 at 12:00 P.M.

Fax No. (559) 456-7831

E-Mail: CountyPurchasing@co.fresno.ca.us

RFP Closing Date:

December 29, 2010 at 2:00 P.M.

County of Fresno Purchasing
4525 E. Hamilton Avenue, 2nd Floor
Fresno, CA 93702

Oral Interviews:

Anticipated January 2011

PROPOSAL IDENTIFICATION SHEET

RESPONDENT TO COMPLETE AND RETURN WITH PROPOSAL

Our proposal is attached and identified as: _____

The undersigned agrees to furnish the service stipulated at the prices and terms stated in the cost proposal.

Work services will commence within _____ calendar days after signing of the final contract.

Company: _____

Address: _____

Zip: _____

Signed by: _____

Print Name

Print Title

() ()

Telephone Fax Number E-mail Address

Date: _____

TRADE SECRET ACKNOWLEDGEMENT

All proposals received by the County shall be considered "Public Record" as defined by Section 6252 of the California Government Code. This definition reads as follows:

"...Public records" includes any writing containing information relating to the conduct of the public's business prepared, owned, used or retained by any state or local agency regardless of physical form or characteristics "Public records" in the custody of, or maintained by, the Governor's office means any writing prepared on or after January 6, 1975."

Each proposal submitted is Public record and is therefore subject to inspection by the public per Section 6253 of the California Government Code. This section states that "every citizen has a right to inspect any public record".

The County will not exclude any proposal or portion of a proposal from treatment as a public record except in the instance that it is submitted as a trade secret as defined by the California Government Code. Information submitted as proprietary, confidential or under any other such terms that might suggest restricted public access will not be excluded from treatment as public record.

"Trade secrets" as defined by Section 6254.7 of the California Government Code are deemed not to be public record. This section defines trade secrets as:

"...Trade secrets," as used in this section, may include, but are not limited to, any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data or compilation of information that is not patented, which is known only to certain individuals within a commercial concern who are using it to fabricate, produce, or compound an article of trade or a service having commercial value and which gives its user an opportunity to obtain a business advantage over competitors who do not know or use it."

Information identified by bidder as "trade secret" will be reviewed by County of Fresno's legal counsel to determine conformance or non-conformance to this definition. Examples of material not considered to be trade secrets are pricing, cover letter, promotional materials, etc. Such material should be submitted in a separate binder not marked "Trade Secret".

INFORMATION THAT IS PROPERLY IDENTIFIED AS TRADE SECRET AND CONFORMS TO THE ABOVE DEFINITION WILL NOT BECOME PUBLIC RECORD. COUNTY WILL SAFEGUARD THIS INFORMATION IN AN APPROPRIATE MANNER.

Information identified by bidder as trade secret and determined not to be in conformance with the California Government Code definition shall be excluded from the proposal. Such information will be returned to the bidder at bidder's expense upon written request.

Trade secrets must be submitted in a separate binder that is plainly marked "Trade Secrets."

The County shall not in any way be liable or responsible for the disclosure of any proposals or portions thereof, if they are not (1) submitted in a separate binder that is plainly marked "Trade Secret" on the outside; and (2) if disclosure is required under the provision of law or by order of Court.

Vendors are advised that the County does not wish to receive trade secrets and that vendors are not to supply trade secrets unless they are absolutely necessary.

TRADE SECRET ACKNOWLEDGEMENT

I have read and understand the above "Trade Secret Acknowledgement."

I understand that the County of Fresno has no responsibility for protecting information submitted as a trade secret if it is not delivered in a separate binder plainly marked "Trade Secret."

Enter company name on appropriate line:

_____ has submitted information identified as Trade
(Company Name) Secrets in a separate marked binder.**

_____ has **not** submitted information identified as Trade
(Company Name) Secrets.

ACKNOWLEDGED BY:

_____ ()
Signature Telephone

_____ Print Name and Title Date

_____ Address

_____ City State Zip

**Bidders brief statement that clearly sets out the reasons for confidentiality in conforming with the California Government Code definition.

DISCLOSURE – CRIMINAL HISTORY & CIVIL ACTIONS

In their proposal, the bidder is required to disclose if any of the following conditions apply to them, their owners, officers, corporate managers and partners (hereinafter collectively referred to as "Bidder"):

- Within the three-year period preceding the proposal, they have been convicted of, or had a civil judgment rendered against them for:
 - fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction;
 - violation of a federal or state antitrust statute;
 - embezzlement, theft, forgery, bribery, falsification, or destruction of records; or
 - false statements or receipt of stolen property
- Within a three-year period preceding their proposal, they have had a public transaction (federal, state, or local) terminated for cause or default.

Disclosure of the above information will not automatically eliminate a Bidder from consideration.

The information will be considered as part of the determination of whether to award the contract and any additional information or explanation that a Bidder elects to submit with the disclosed information will be considered. If it is later determined that the Bidder failed to disclose required information, any contract awarded to such Bidder may be immediately voided and terminated for material failure to comply with the terms and conditions of the award.

Any Bidder who is awarded a contract must sign an appropriate Certification Regarding Debarment, Suspension, and Other Responsibility Matters. Additionally, the Bidder awarded the contract must immediately advise the County in writing if, during the term of the agreement: (1) Bidder becomes suspended, debarred, excluded or ineligible for participation in federal or state funded programs or from receiving federal funds as listed in the excluded parties list system (<http://www.epls.gov>); or (2) any of the above listed conditions become applicable to Bidder. The Bidder will indemnify, defend and hold the County harmless for any loss or damage resulting from a conviction, debarment, exclusion, ineligibility or other matter listed in the signed Certification Regarding Debarment, Suspension, and Other Responsibility Matters.

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER
RESPONSIBILITY MATTERS--PRIMARY COVERED TRANSACTIONS**

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, debarred, suspended, ineligible, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

CERTIFICATION

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it, its owners, officers, corporate managers and partners:
- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Signature:

Date:

(Printed Name & Title)

(Name of Agency or Company)

VENDOR MUST COMPLETE AND RETURN WITH REQUEST FOR PROPOSAL

Firm: _____

REFERENCE LIST

Provide a list of at least five (5) customers for whom you have recently provided similar services. Be sure to include all requested information.

Reference Name: _____ Contact: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone No.: (_____) _____ Date: _____
 Service Provided: _____

Reference Name: _____ Contact: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone No.: (_____) _____ Date: _____
 Service Provided: _____

Reference Name: _____ Contact: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone No.: (_____) _____ Date: _____
 Service Provided: _____

Reference Name: _____ Contact: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone No.: (_____) _____ Date: _____
 Service Provided: _____

Reference Name: _____ Contact: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone No.: (_____) _____ Date: _____
 Service Provided: _____

Failure to provide a list of at least five (5) customers may be cause for rejection of this RFP.

PARTICIPATION

The County of Fresno is a member of the Central Valley Purchasing Group. This group consists of Fresno, Kern, Kings, and Tulare Counties and all governmental, tax supported agencies within these counties.

Whenever possible, these and other tax supported agencies co-op (piggyback) on contracts put in place by one of the other agencies.

Any agency choosing to avail itself of this opportunity, will make purchases in their own name, make payment directly to the contractor, be liable to the contractor and vice versa, per the terms of the original contract, all the while holding the County of Fresno harmless. If awarded this contract, please indicate whether you would extend the same terms and conditions to all tax supported agencies within this group as you are proposing to extend to Fresno County.

☐

Yes, we will extend contract terms and conditions to all qualified agencies within the Central Valley Purchasing Group and other tax supported agencies.

☐

No, we will not extend contract terms to any agency other than the County of Fresno.

(Authorized Signature)

Title

*** Note: This form/information is not rated or ranked in evaluating proposal.**

GENERAL REQUIREMENTS

DEFINITIONS: The terms Bidder, Proposer, Contractor and Vendor are all used interchangeably and refer to that person, partnership, corporation, organization, agency, etc. which is offering the proposal and is identified on the "Provider" line of the Proposal Identification Sheet.

LOCAL VENDOR PREFERENCE: The Local Vendor Preference **does not** apply to this Request for Proposal.

RFP CLARIFICATION AND REVISIONS: Any revisions to the RFP will be issued and distributed as written addenda.

FIRM PROPOSAL: All proposals shall remain firm for at least one hundred eighty (180) days.

PROPOSAL PREPARATION: Proposals should be submitted in the formats shown under "PROPOSAL CONTENT REQUIREMENTS" section of this RFP.

County of Fresno will not be held liable or any cost incurred by bidders responding to RFP.

Bidders are to bid what is specified or requested first. If unable to or unwilling to, bidder may bid alternative or option, indicating all advantages, disadvantages and their associated cost.

SUPPORTIVE MATERIAL: Additional material may be submitted with the proposal as appendices. Any additional descriptive material that is used in support of any information in your proposal must be referenced by the appropriate paragraph(s) and page number(s).

Bidders are asked to submit their proposals in a binder (one that allows for easy removal of pages) with index tabs separating the sections identified in the Table of Contents. Pages must be numbered on the bottom of each page.

Any proposal attachments, documents, letters and materials submitted by the vendor shall be binding and included as a part of the final contract should your bid be selected.

TAXES: The quoted amount must include all applicable taxes. If taxes are not specifically identified in the proposal it will be assumed that they are included in the total quoted.

SALES TAX: Fresno County pays California State Sales Tax in the amount of 8.975% regardless of vendor's place of doing business.

RETENTION: County of Fresno reserves the right to retain all proposals, excluding proprietary documentation submitted per the instructions of this RFP, regardless of which response is selected.

ORAL PRESENTATIONS: Each finalist may be required to make an oral presentation in Fresno County and answer questions from County personnel. An on-site visit by County representatives may also be conducted.

AWARD/REJECTION: The award will be made to the vendor offering the overall proposal deemed to be to the best advantage of the County. The County shall be the sole judge in making such determination. The County reserves the right to reject any and all proposals. The lowest bidders are not arbitrarily the vendors whose proposals will be selected. Award Notices

are tentative: Acceptance of an offer made in response to this RFP shall occur only upon execution of an agreement by both parties or issuance of a valid written Purchase Order by Fresno County Purchasing.

County Purchasing will chair or co-chair all award, evaluation and contract negotiation committees.

Award may require approval by the County of Fresno Board of Supervisors.

NEGOTIATION: The County will prepare and negotiate its own contract with the selected vendor, giving due consideration to the stipulation of the vendor's standard contracts and associated legal documents.

WAIVERS: The County reserves the right to waive any informalities or irregularities and any technical or clerical errors in any quote as the interest of the County may require.

TERMINATION: The County reserves the right to terminate any resulting contract upon written notice.

MINOR DEVIATIONS: The County reserves the right to negotiate minor deviations from the prescribed terms, conditions and requirements with the selected vendor.

PROPOSAL REJECTION: Failure to respond to all questions or not to supply the requested information could result in rejection of your proposal.

ASSIGNMENTS: The ensuing proposed contract will provide that the vendor may not assign any payment or portions of payments without prior written consent of the County of Fresno.

BIDDERS LIABILITIES: County of Fresno will not be held liable for any cost incurred by vendors in responding to the RFP.

CONFIDENTIALITY: Bidders shall not disclose information about the County's business or business practices and safeguard confidential data which vendor staff may have access to in the course of system implementation.

DISPUTE RESOLUTION: The ensuing contract shall be governed by the laws of the State of California.

Any claim which cannot be amicably settled without court action will be litigated in the U. S. District Court for the Eastern District of California in Fresno, CA or in a state court for Fresno County.

NEWS RELEASE: Vendors shall not issue any news releases or otherwise release information to any third party about this RFP or the vendor's quotation without prior written approval from the County of Fresno.

BACKGROUND REVIEW: The County reserves the right to conduct a background inquiry of each proposer/bidder which may include collection of appropriate criminal history information, contractual and business associations and practices, employment histories and reputation in the business community. By submitting a proposal/bid to the County, the vendor consents to such an inquiry and agrees to make available to the County such books and records the County deems necessary to conduct the inquiry.

PERFORMANCE BOND: The successful bidders may be required to furnish a faithful performance bond.

ACQUISITIONS: The County reserves the right to obtain the whole system as proposed or only a portion of the system, or to make no acquisition at all.

OWNERSHIP: The successful vendor will be required to provide to the County of Fresno documented proof of ownership by the vendor, or its designated subcontractor, of the proposed programs.

EXCEPTIONS: Identify with explanation, any terms, conditions, or stipulations of the RFP with which you *CAN NOT* or *WILL NOT* comply with by proposal group.

ADDENDA: In the event that it becomes necessary to revise any part of this RFP, addenda will be provided to all agencies and organizations that receive the basic RFP.

SUBCONTRACTORS: If a subcontractor is proposed, complete identification of the subcontractor and his tasks should be provided. The primary contractor is not relieved of any responsibility by virtue of using a subcontractor.

CONFLICT OF INTEREST: The County shall not contract with, and shall reject any bid or proposal submitted by the persons or entities specified below, unless the Board of Supervisors finds that special circumstances exist which justify the approval of such contract:

1. Employees of the County or public agencies for which the Board of Supervisors is the governing body.
2. Profit-making firms or businesses in which employees described in Subsection (1) serve as officers, principals, partners or major shareholders.
3. Persons who, within the immediately preceding twelve (12) months, came within the provisions of Subsection (1), and who were employees in positions of substantial responsibility in the area of service to be performed by the contract, or participated in any way in developing the contract or its service specifications.
4. Profit-making firms or businesses in which the former employees described in Subsection (3) serve as officers, principals, partners or major shareholders.
5. No County employee, whose position in the County enables him to influence the selection of a contractor for this RFP, or any competing RFP, and no spouse or economic dependent of such employee, shall be employees in any capacity by a bidder, or have any other direct or indirect financial interest in the selection of a contractor.
6. In addition, no County employee will be employed by the selected vendor to fulfill the vendor's contractual obligations to the County.

ORDINANCE 3.08.130 – POST-SEPARATION EMPLOYMENT PROHIBITED

No officer or employee of the County who separates from County service shall for a period of one year after separation enter into any employment, contract, or other compensation arrangement with any County consultant, vendor, or other County provider of goods, materials, or services, where the officer or employee participated in any part of the decision making process that led to the County relationship with the consultant, vendor or other County provider of goods, materials or services.

Pursuant to Government Code section 25132(a), a violation of the ordinance may be enjoined by an injunction in a civil lawsuit, or prosecuted as a criminal misdemeanor.

EVALUATION CRITERIA: Respondents will be evaluated on the basis of their responses to all questions and requirements in this RFP and product cost. The County shall be the sole judge in the ranking process and reserves the right to reject any or all bids. False, incomplete or unresponsive statements in connection with this proposal may be sufficient cause for its rejection.

SELECTION PROCESS: All proposals will be evaluated by a team consisting of representatives from appropriate County Department(s), and Purchasing. It will be their responsibility to make the final recommendations. Purchasing will chair or co-chair the evaluation or evaluation process.

Organizations that submit a proposal may be required to make an oral presentation to the Selection Committee. These presentations provide an opportunity for the individual, agency, or organization to clarify its proposal to ensure thorough, mutual understanding.

INDEPENDENT CONTRACTOR: In performance of the work, duties, and obligations assumed by Contractor under any ensuing Agreement, it is mutually understood and agreed that Contractor, including any and all of Contractor's officers, agents, and employees will at all times be acting and performing as an independent contractor, and shall act in an independent capacity and not as an officer, agent, servant, employee, joint venturer, partner, or associate of the County. Furthermore, County shall have no right to control, supervise, or direct the manner or method by which Contractor shall perform its work and function. However, County shall retain the right to administer this Agreement so as to verify that Contractor is performing its obligations in accordance with the terms and conditions thereof. Contractor and County shall comply with all applicable provisions of law and the rules and regulations, if any, of governmental authorities having jurisdiction over matters the subject thereof.

Because of its status as an independent contractor, Contractor shall have absolutely no right to employment rights and benefits available to County employees. Contractor shall be solely liable and responsible for providing to, or on behalf of, its employees all legally required employee benefits. In addition, Contractor shall be solely responsible and save County harmless from all matters relating to payment of Contractor's employees, including compliance with Social Security, withholding, and all other regulations governing such matters. It is acknowledged that during the term of the Agreement, Contractor may be providing services to others unrelated to the COUNTY or to the Agreement.

HOLD HARMLESS CLAUSE: Contractor agrees to indemnify, save, hold harmless and at County's request, defend the County, its officers, agents and employees, from any and all costs and expenses (to include attorney's fees), damages, liabilities, claims and losses occurring or resulting to County in connection with the performance, or failure to perform, by Contractor, its officers, agents or employees under this Agreement and from any and all costs and expenses (to include attorney's fees), damages, liabilities, claims and losses occurring or resulting to any person, firm or corporation who may be injured or damaged by the performance, or failure to perform, of Contractor, its officers, agents or employees under this Agreement.

PRICE RESPONSIBILITY: The selected vendor will be required to assume full responsibility for all services and activities offered in the proposal, whether or not they are provided directly. Further, the County of Fresno will consider the selected vendor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract. The contractor may not subcontract or transfer the contract, or any right or obligation

arising out of the contract, without first having obtained the express written consent of the County.

ADDRESSES AND TELEPHONE NUMBERS: The vendor will provide the business address and mailing address, if different, as well as the telephone number of the individual signing the contract.

ASSURANCES: Any contract awarded under this RFP must be carried out in full compliance with The Civil Rights Act of 1964, The Americans With Disabilities Act of 1990, their subsequent amendments, and any and all other laws protecting the rights of individuals and agencies. The County of Fresno has a zero tolerance for discrimination, implied or expressed, and wants to ensure that policy continues under this RFP. The contractor must also guarantee that services, or workmanship, provided will be performed in compliance with all applicable local, state, or federal laws and regulations pertinent to the types of services, or project, of the nature required under this RFP. In addition, the contractor may be required to provide evidence substantiating that their employees have the necessary skills and training to perform the required services or work.

INSURANCE:

Without limiting the COUNTY's right to obtain indemnification from CONTRACTOR or any third parties, CONTRACTOR, at its sole expense, shall maintain in full force and effect, the following insurance policies or a program of self-insurance, including but not limited to, an insurance pooling arrangement or Joint Powers Agreement (JPA) throughout the term of the Agreement:

A. Commercial General Liability

Commercial General Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence and an annual aggregate of Two Million Dollars (\$2,000,000). This policy shall be issued on a per occurrence basis. COUNTY may require specific coverages including completed operations, products liability, contractual liability, Explosion-Collapse-Underground, fire legal liability or any other liability insurance deemed necessary because of the nature of this contract.

B. Automobile Liability

Comprehensive Automobile Liability Insurance with limits for bodily injury of not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) per person, Five Hundred Thousand Dollars (\$500,000.00) per accident and for property damages of not less than Fifty Thousand Dollars (\$50,000.00), or such coverage with a combined single limit of Five Hundred Thousand Dollars (\$500,000.00). Coverage should include owned and non-owned vehicles used in connection with this Agreement.

C. Professional Liability

If CONTRACTOR employs licensed professional staff, (e.g., Ph.D., R.N., L.C.S.W., M.F.C.C.) in providing services, Professional Liability Insurance with limits of not less than One Million Dollars (\$1,000,000.00) per occurrence, Three Million Dollars (\$3,000,000.00) annual aggregate.

This coverage shall be issued on a per claim basis. Contractor agrees that it shall maintain, at its sole expense, in full force and effect for a period of three (3) years following the termination of this Agreement, one or more policies of professional liability insurance with limits of coverage as specified herein.

D. Worker's Compensation

A policy of Worker's Compensation insurance as may be required by the California Labor Code.

Contractor shall obtain endorsements to the Commercial General Liability insurance naming the County of Fresno, its officers, agents, and employees, individually and collectively, as additional insured, but only insofar as the operations under this Agreement are concerned. Such coverage for additional insured shall apply as primary insurance and any other insurance, or self-insurance, maintained by County, its officers, agents and employees shall be excess only and not contributing with insurance provided under Contractor's policies herein. This insurance shall not be cancelled or changed without a minimum of thirty (30) days advance written notice given to County.

Within thirty (30) days from the date Contractor executes this Agreement, Contractor shall provide certificates of insurance and endorsement as stated above for all of the foregoing policies, as required herein, to the County of Fresno, Gregory S. Borboa, Personnel Services, Risk Manager, stating that such insurance coverage have been obtained and are in full force; that the County of Fresno, its officers, agents and employees will not be responsible for any premiums on the policies; that such Commercial General Liability insurance names the County of Fresno, its officers, agents and employees, individually and collectively, as additional insured, but only insofar as the operations under this Agreement are concerned; that such coverage for additional insured shall apply as primary insurance and any other insurance, or self-insurance, maintained by County, its officers, agents and employees, shall be excess only and not contributing with insurance provided under Contractor's policies herein; and that this insurance shall not be cancelled or changed without a minimum of thirty (30) days advance, written notice given to County.

In the event Contractor fails to keep in effect at all times insurance coverage as herein provided, the County may, in addition to other remedies it may have, suspend or terminate this Agreement upon the occurrence of such event.

All policies shall be with admitted insurers licensed to do business in the State of California. Insurance purchased shall be purchased from companies possessing a current A.M. Best, Inc. rating of A FSC VII or better.

AUDIT AND RETENTION: The Contractor shall maintain in good and legible condition all books, documents, papers, data files and other records related to its performance under this contract. Such records shall be complete and available to Fresno County, the State of California, the federal government or their duly authorized representatives for the purpose of audit, examination, or copying during the term of the contract and for a period of at least three years following the County's final payment under the contract or until conclusion of any pending matter (e.g., litigation or audit), whichever is later. Such records must be retained in the manner described above until all pending matters are closed.

DEFAULT: In case of default by the selected bidder, the County may procure materials and services from another source and may recover the loss occasioned thereby from any unpaid balance due the selected bidder, or by any other legal means available to the County.

BREACH OF CONTRACT: In the event of breach of contract by either party, the other party shall be relieved of its obligations under this agreement and may pursue any legal remedies.

CONFIDENTIALITY

All services performed by vendor shall be in strict conformance with all applicable Federal, State of California and/or local laws and regulations relating to confidentiality, including but not limited to, California Civil Code, California Welfare and Institutions Code, Health and Safety Code, California Code of Regulations, Code of Federal Regulations.

Vendor shall submit to County's monitoring of said compliance.

Vendor may be a Business associate of County, as that term is defined in the "Privacy Rule" enacted by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). As a HIPAA Business Associate, vendor may use or disclose protected health information ("PHI") to perform functions, activities or services for or on behalf of County, as specified by the County, provided that such use or disclosure shall not violate HIPAA and its implementing regulations. The uses and disclosures of PHI may not be more expansive than those applicable to County, as the "Covered Entity" under HIPAA's Privacy Rule, except as authorized for management, administrative or legal responsibilities of the Business Associate.

Vendor shall not use or further disclose PHI other than as permitted or required by the County, or as required by law without written notice to the County.

Vendor shall ensure that any agent, including any subcontractor, to which vendor provides PHI received from, or created or received by the vendor on behalf of County, shall comply with the same restrictions and conditions with respect to such information.

APPEALS

Appeals must be submitted in writing within *seven (7) business days after notification of proposed recommendations for award. A "Notice of Award" is not an indication of County's acceptance of an offer made in response to this RFP. Appeals shall be submitted to County of Fresno Purchasing, 4525 E. Hamilton Avenue, Fresno, California 93702-4599. Appeals should address only areas regarding RFP contradictions, procurement errors, quotation rating discrepancies, legality of procurement context, conflict of interest, and inappropriate or unfair competitive procurement grievance regarding the RFP process.

Purchasing will provide a written response to the complainant within *seven (7) business days unless the complainant is notified more time is required.

If the protesting bidder is not satisfied with the decision of Purchasing, he/she shall have the right to appeal to the Purchasing Agent/CAO within seven (7) business days after Purchasing's notification; except, if notified to appeal directly to the Board of Supervisors at the scheduled date and time.

If the protesting bidder is not satisfied with Purchasing Agent/CAO's decision, the final appeal is with the Board of Supervisors.

*The seven (7) business day period shall commence upon the date that the notification is issued by the County.

SPECIFIC TERMS AND CONDITIONS

ISSUING AGENT: This RFP has been issued by County of Fresno, Purchasing. Purchasing shall be the vendor's sole point of contact with regard to the RFP, its content, and all issues concerning it.

AUTHORIZED CONTACT: All communication regarding this RFP shall be directed to an authorized representative of County Purchasing. The specific buyer managing this RFP is identified on the cover page, along with his or her telephone number, and he or she should be the primary point of contact for discussions or information pertaining to the RFP. Contact with any other County representative, including elected officials, for the purpose of discussing this RFP, its content, or any other issue concerning it, is prohibited unless authorized by Purchasing. Violation of this clause, by the vendor having unauthorized contact (verbally or in writing) with such other County representatives, may constitute grounds for rejection by Purchasing of the vendor's quotation.

The above stated restriction on vendor contact with County representatives shall apply until the County has awarded a purchase order or contract to a vendor or vendors, except as follows. First, in the event that a vendor initiates a formal protest against the RFP, such vendor may contact the appropriate individual, or individuals who are managing that protest as outlined in the County's established protest procedures. All such contact must be in accordance with the sequence set forth under the protest procedures. Second, in the event a public hearing is scheduled before the Board of Supervisors to hear testimony prior to its approval of a purchase order or contract, any vendor may address the Board.

VENDOR CONFERENCE: On December 2, 2010 at 10:00 a.m., a vendor's conference will be held in which the scope of the project and proposal requirements will be explained. The meeting will be held at the office of County of Fresno Purchasing, 4525 E. Hamilton (between Cedar and Maple), 2nd Floor, Fresno, California. Addendum will be prepared and distributed to all bidders only if necessary to clarify substantive items raised during the bidders' conference.

Bidders are to contact Patricia Flaherty at County Purchasing, (559) 456-7110, if they are planning to attend the conference.

NUMBER OF COPIES: Submit **one (1) original, with a *reproducible compact disk enclosed and six (6) copies** of your proposal to County of Fresno Purchasing no later than the proposal acceptance date and time as stated on the front of this document. The cover page of each document is to be appropriately marked "Original" or "Copy".

***Bidder shall submit one (1) reproducible compact disk (i.e.: PDF file) containing the complete proposal excluding trade secrets. Compact disk should accompany the original binder and should be either attached to the inside cover of the binder or inserted in an attached sleeve or envelope in the front of the binder to insure the disk is not misplaced.**

INTERPRETATION OF RFP: Vendors must make careful examination of the requirements, specifications and conditions expressed in the RFP and fully inform themselves as to the quality and character of services required. If any person planning to submit a proposal finds discrepancies in or omissions from the RFP or has any doubt as to the true meaning or interpretation, correction thereof may be requested at the scheduled Vendor Conference (see

above). Any change in the RFP will be made only by written addendum, duly issued by the County. The County will not be responsible for any other explanations or interpretations.

Questions may be submitted subsequent to the Vendor Conference, subject to the following conditions:

- a. Such questions are submitted in writing to the County Purchasing not later than December 10, 2010 at 12:00 p.m. Questions must be directed to the attention of Patricia Flaherty.
- b. Such questions are submitted with the understanding that County can respond only to questions it considers material in nature.
- c. Questions shall be e-mailed to CountyPurchasing@co.fresno.ca.us, faxed to (559) 456-7831 or delivered to County of Fresno Purchasing. If faxing, the bidder must confirm receipt by phone ((559) 456-7110) within one-half (1/2) hour of transmission.

NOTE: The bidder is encouraged to submit all questions at the Vendor Conference. Time limitations can prevent a response to questions submitted after the conference.

SELECTION COMMITTEE: All proposals will be evaluated by a team co-chaired by Purchasing. All proposals will be evaluated by a review committee that may consist of County of Fresno Purchasing, department staff, community representatives from advisory boards and other members as appropriate.

The proposals will be evaluated in a multi-stage selection process. Some bids may be eliminated or set aside after an initial review. If a proposal does not respond adequately to the RFP or the bidder is deemed unsuitable or incapable of delivering services, the proposal may be eliminated from consideration. It will be the selection committee's responsibility to make the final recommendation to the Department Head.

CONTRACT TERM: It is County's intent to contract with the successful bidder for a term of three (3) years with the option to renew for up to two (2) additional one (1) year periods. County will retain the right to terminate the Agreement upon giving thirty (30) days advance written notification to the Contractor.

PAYMENT: The County of Fresno may use Procurement Card to place and make payment for orders under the ensuing contract.

AUDITED FINANCIAL STATEMENTS: Copies of the audited Financial Statements for the last three (3) years for the business, agency or program that will be providing the service(s) proposed. If audited statements are not available, compiled or reviewed statements will be accepted with copies of three years of corresponding federal tax returns. This information is to be provided after the RFP closes, if requested. **Do not provide with your proposal.**

SCOPE OF WORK

WORKERS COMPENSATION ADMINISTRATION AND ANCILLARY SERVICES DESCRIPTION/SCOPE OF WORK

The County of Fresno is seeking a qualified firm(s) to act as the Third Party Administrator (TPA) to perform claims administration services and to administer/provide ancillary services for its self-insured workers compensation program. A three (3) year contract with a provision for two (2) single year renewal options is preferred. The rate for initial three (3) year period must be flat. Increases not to exceed 3% may be exercised in the two (2) option years. The current contract expires June 30, 2011. The successful bidder should anticipate assuming responsibility on July 1, 2011 for all claims management functions including currently open files and all new claims. The successful TPA bidder must have a claims office in Fresno.

This Request for Proposal and subsequent contract is for TPA claims administration, to include Medicare Section 111 Mandatory Reporting requirements and ancillary program support services. The selected TPA bidder will not be guaranteed preference for ancillary services such as bill review, medical case management, utilization review, and medical provider network. The selected claims administrator bidder must have the capability to work with other providers of ancillary services if these services are in fact awarded to other vendors. **All bids for services, to include ancillary services, must be flat rate bids. Bids that are based on a per unit basis, or other basis, will be considered non-conforming. The only exception to this parameter will be for the Medical Management Consultant, which shall be required to provide services on a percentage of actual additional savings identified basis.** Details on how the bidder came to the flat rate price will be required in order to properly evaluate the efficacy of the bid and compare with other bids.

After the award of the bid, County Risk Management representatives will meet with the claims administrator to review any other vendors awarded bids in each category for ancillary services. Upon selection of the ancillary services vendors, if different than the claims administrator awardee, the claims administrators must utilize the services of the companies selected with the exception of investigations. All investigation recommendations made by the claims administrator must be approved by County Risk Management prior to assignment.

COUNTY RELATIONSHIP TO CLAIMS ADMINISTRATOR

The County is looking to its TPA to perform and administer the full range of workers compensation administration services. The TPA is to apply the provisions of the California Labor Code, the California Code of Regulations and case law related to workers compensation to the claims submitted by employees of the County. Decisions as to the compensability of claims are made by the TPA in consultation with the County. The TPA also serves as the workers compensation system information resource for the County payroll and accounting offices. As other sources of expertise are required, the County expects the TPA to arrange either through its staff or through outside vendors for effective providers of the appropriate expertise. In house or outside vendors must be approved by County of Fresno, Risk Management, which includes any ancillary service providers other than the TPA that may be selected during this bidding process.

The Risk Management Division will be the primary contact point for the TPA. The TPA will secure information about claimants, their duties, the accident leading to the claim and other specific information from Risk Management and other sources in the County.

HISTORY

The County self-insured its workers compensation exposure on July 1, 1966. In the 44 years it has existed, the program has been administered by a series of nine (9) TPAs. Risk Management has supervised the program since the function was formalized in 1976.

OBJECTIVES

The County will expect the successful bidder(s) to fulfill the following objectives in the administration of the County's self-insured workers compensation plan:

1. Comply with all provisions of the California Labor Code related to workers compensation.
2. Manage effectively and expeditiously all County workers compensation claims in such a manner as to minimize the County's costs.
3. Administer claims in such a manner that the County's relationship with its employees is not adversely affected.
4. Maintain close liaison with County Risk Management.
5. Meet with Departments and Risk Management as needed/requested. This entails anything from meetings to clarify specific issues or claims reviews.
6. Conform to the claims administration guidelines of the CSAC-Excess Insurance Authority that are in effect at any given point in time. The current specifications are included in Exhibit One.
7. Provide a variety of information with which the County can evaluate the current condition of its self-insurance plan. Information available should include, but not be limited to, injuries by departments, by type of injury, cause of injury, number of days lost on the claim, facility (facilities) where the injured worker was treated, costs of claims including indemnity, medical, and legal, diary reviews, plans of action.
8. County staff must have the ability to access all claims information in an ad hoc, on demand fashion that allows for real time, customized report creation/generation.

DEMOGRAPHICS

Currently, the County has about 6,900 employees providing the full range of local government services except fire suppression. The County encompasses about 6,000 square miles, much of it rural or mountainous. The great majority of the employees work in the Fresno metropolitan area, however many work in the outlying areas and do not necessarily look to Fresno for such services as medical care. The County has decentralized services in many outlying communities, to include Selma, Reedley, Kerman, Firebaugh and Coalinga.

STATISTICS AND CASELOAD

The County's reported workers compensation cases as of June 30, 2010, for the last eight years are shown below as reported by date of injury:

Fiscal Year	Number of Claims
2009/10	520
2008/09	625
2007/08	688
2006/07	701
2005/06	838
2004/05	955
2003/04	942
2002/03	1109

The open caseload count as of 08/31/10 is approximately 1215, of which 864 are open indemnity, 58 are classified as medical only, and 351 are stipulated files which may have both ongoing medical benefits and indemnity awards associated with the claims.

PROPOSAL SPECIFICATIONS

A. Third Party Administrator (TPA)

The County has a number of requirements that each bidder must be able to meet. Failure to indicate your ability to meet these specifications will result in disqualification of your proposal.

1. All claims, files, records, reports and supporting documentation related to Fresno County claims are the property of the County.
2. The administrator must maintain the following insurance coverages in limits specified:
 - a. Fidelity bond issued by an admitted California carrier with limits of not less than one hundred thousand dollars (\$100,000).
 - b. Errors and omissions insurance written by an admitted California carrier with limits of not less than One Million Dollars (\$1,000,000) per claims made and Three Million Dollars (\$3,000,000) annual aggregate.
 - c. General liability insurance issued by an admitted California carrier with limits of not less than One Million Dollars (\$1,000,000) per occurrence and a Two Million Dollars (\$2,000,000) annual aggregate.
 - d. Workers compensation insurance which meets the provisions of the California Labor Code underwritten by an admitted California carrier.
3. The TPA must maintain a claims office in the City of Fresno that houses the examining/adjusting team.
4. The TPA must conform to the claims administration guidelines of the CSAC-Excess Insurance Authority that are in effect at any given point in time. The current specifications are included in Exhibit One. Of particular importance are the sections dealing with case review and documentation, three point contact, resolution of claim, case closure, and staffing levels.
5. Examiner/adjuster assignments must be predicated by department affiliation as is currently in effect. Examiner/adjuster assignment must remain as static as possible in order to facilitate the growth of relationships between examiner/adjuster staff and County departmental staff.
6. Administration of all Fresno County claims must be performed under the management and supervision of an individual with an extensive examiner/adjuster background that possesses and maintains a current certificate to administer workers' compensation claims from the State of California. A certificate in Self-Insurance Plan administration is preferred.
7. All Examiners/Adjusters assigned to the County's account must possess and maintain a current certificate to administer workers' compensation claims in the State of California. A certificate in Self-Insurance Plan administration is preferred.
8. The TPA must prepare in a timely manner the information necessary to issue Federal form 1099 notices to vendors paid through the TPA and provide the information to the County Auditor/Controller-Treasurer/Tax Collector (ACTTC) in a form acceptable to the ACTTC.

9. The TPA must timely notify the County's excess carrier of all claims that meet the criteria contained in Exhibit 1 and future revisions of Exhibit 1.
10. The TPA shall within 90 days of a claim opening provide information to the County concerning all claims with subrogation potential. The TPA shall respond to the first request for information by acknowledging that the claim has been presented and providing a brief prognosis for the claim. The TPA shall respond to subsequent status requests by providing the current status of the claim and a printout of the payments made to date. Once the claim is closed, the TPA must forward copies of all bills paid along with a printout of the payments. The TPA must have the ability to provide an acceptable report to County Risk Management on a recurring and per request basis.
11. The TPA must prepare the Public Self-Insurer's Annual Report and transmit to the County for signature four weeks in advance of the deadline for submission to the State of California.
12. The TPA must coordinate all return to work related issues with Risk Management. These issues include the interactive process, which may involve Americans with Disabilities Act and Fair Employment and Housing Act matters.
13. The TPA must make available examiners and supervisors for participation in claims reviews with representatives of County Departments and Risk Management as scheduled/requested.
14. The TPA must be available to participate in quarterly training of departmental staff with regard to issues associated with Workers' Compensation.
15. The County is concerned that subsidiary services necessary to effectively administer the case are thorough and fairly priced. Selection of vendors to perform investigation, legal services, or any other frequently used service not part of this RFP is subject to approval by the County. If the TPA performs any of the proposed ancillary services in-house a current listing of services contemplated and prices are required for the award of these services to be considered. Billings for ancillary services will be submitted to and paid by TPA from the associated claim.
16. The County will contact references given by the bidders. Please include a list of clients from which you would be willing to have the County seek information. If possible, include one or more public entity clients.
17. The County requires statistical information to analyze its workers compensation program for cost containment and actuarial purposes. The TPA shall have data support/reporting capabilities that provide recurring monthly and/or quarterly claims reports, an ability to provide graphs of claims data, at a minimum, by department. These reports should include the ability to feature types of injuries, causes of injuries, costs per claim, etc. It is preferable that the TPA has a means of archiving recurring reports in a location accessible to County Risk Management Staff.
18. The data support/reporting offered by the TPA must allow County staff to access all claims information in an ad hoc, on demand fashion that permits real time, customized report creation/generation.

The following list is a sample of the type of loss run information the County will require on an automatic, recurring basis. Other reports may be required periodically.

- a. Year end loss runs for open and closed claims to include each past year in consecutive order for each year as of the most recent year-end date. Your program should have the ability to capture this information at anytime during the year. This loss run must include the claim number, the date of the loss, date reported, cause of loss, type of loss, description of loss, body part affected (this item should have the ability to be updated if other body parts are later added), department and division, reserved, paid, future and total amounts incurred. TD, PD and 4850 benefits should be captured in this report.
- b. Provider summaries to include individual claims, number of visits, visit intervals and dollars amounts.
- c. Expense loss runs, which should have the ability to separate legal expenses, investigative expenses, medical legal expenses, and other expenses.
- d. Incurred claims run on monthly or quarterly basis showing new claims filed within a specified time period.
- e. Open claims run showing all claims open as of a specified date.
- f. The ability to track return to work/modified duty savings.
- g. The ability to facilitate accurate and timely reporting and tracking for all claimants meeting mandatory Medicare reporting requirements per Medicare Secondary Payer and related statutes. The reporting requirements include proper reporting to Medicare and in providing associated data to the County.

The reporting requirements discussed above, and any other reporting requirements that may be required/developed, shall have the capacity for provision of all information in an Excel spreadsheet format.

19. The TPA must provide County Risk Management Staff the ability to access the TPA claim system and reporting system.
20. The TPA must provide to County staff in each department the ability to access and input information for completion of the Form 5020 into an online system. This system must generate a hardcopy of the form as well as populate the TPA's claim system database.
21. The County maintains a checking account at a local bank with which to pay all workers compensation-related costs. The account was initiated with funds from the Risk Management Fund and is replenished regularly upon presentation by the TPA of proof of issuance of checks. The TPA will be required to work with the County's office of the ACTTC and Risk Management staff for accounting, bank reconciliation, and to provide electronic data to the bank in support of our Positive Pay system.
22. The TPA must maintain its own checking account for paying self-imposed penalties and any other fees or charges that are the responsibility of the administrator. The TPA must provide monthly reports to track penalty payment activities.

23. The TPA must provide reporting and tracking services to the County that comply with the requirements of Medicare Section 111 Mandatory Reporting requirements.

B. Medical Provider Network (MPN)

1. The County has established and wishes to continue utilizing a Medical Provider Network (MPN).
2. The vendor selected will be expected to either administer the current MPN while working to improve it or to develop, establish, and attain State approval of a new custom MPN which meets all the needs of the County. There must be a specific contact designated who will act as the representative responsible for administering the Medical Provider Network.
3. The County will have final approval of the providers to be included in the MPN.

C. Utilization Review (UR)

1. Utilization Review is necessary in considering the efficacy of various medical procedures during the claim process. The County's philosophy is that basic medical issues should be resolved at the lowest possible level and UR is only necessary in circumstances where complicated medical issues are involved.
2. The TPA shall be responsible for evaluating situations that may require and/or benefit from referral to either an internal/affiliated UR activity or non-affiliated UR vendor. In FY 09/10 there were 319 UR referrals made. It is expected that experienced adjusters will make most first line UR decisions and defer to formal UR assessment when an appropriate medical expertise is needed or when required by statute.
3. UR is intended to be a mechanism for ensuring appropriate treatment is rendered to County employees while maximizing cost effectiveness.
4. Reporting must be provided on a recurring manner that shows what level UR decisions are made as well as assignment of costs to these activities as well as efficacy of referrals relative to provision of services to injured employees, good claim management principals, and cost impacts.
5. The successful bidder will be responsible for reimbursing County for any additional savings identified and verified by the Medical Management Consultant.

D. Bill Review

1. Bill Review is currently performed on all billings related to the administration of the County's workers' compensation program. The TPA shall be responsible for providing billing information to either an internal/affiliated Bill Review activity or non-affiliated Bill Review vendor. In FY 09/10 there were 16,379 Bill Review referrals made.
2. Bill Review is primarily a function intended to ensure payment of medical billings at the State mandated Official Medical Fee Schedule (OMFS) rate. Vendor-negotiated network savings below the OMFS are also a benefit of the Bill Review process.

3. It is expected that savings will be realized from a combination of the charging of an appropriate administrative fee for activities related to the Bill Review process, the payment of the appropriate OMFS rate for services, and negotiated network fee savings below the OMFS.
4. Reporting must be provided on a recurring basis that indicates savings and that savings have been maximized for all billings.
5. The successful bidder will be responsible for reimbursing County for any additional savings identified and verified by the Medical Management Consultant.

E. Medical Management Consulting

1. We are seeking responses from consultants who have knowledge and proven experience in providing consulting services for self-insured workers' compensation managed care programs (medical bill review, UR and Case Management services).
2. Consultation will entail evaluation of bill review, UR and Case Management cost effectiveness and savings.
3. The successful bidder shall have no affiliations with or provide consulting services to third party administrators, managed care vendors, insurance carriers and claims management software vendors. The ultimate goal is to have a disinterested third party review cost savings provided by the ancillary service providers for the specified services and ensure all savings opportunities are realized.
4. Bidders for this service must be able to accept remuneration as a percentage savings found and recovered in excess of that achieved by the ancillary service provider(s).

VENDOR PROPOSAL

A. General

The following points of inquiry should be addressed for each proposed primary/ancillary service described above for which a bid is being submitted. While the points of inquiry below are not exhaustive, include in your proposal your approach to meeting the County's needs in each of the following areas:

1. Describe the extent of the computer programs you use and the information available from those programs.
2. Include any proposals you would make for savings in any area which you believe would be effective for an employer the size of Fresno County.
3. What summary claim reports do you provide and how frequently? Is report creation accessible to County Risk Management staff?
4. Describe the computer software and hardware you would propose to use in the administration of County claims. Is it readily accessible to County Risk Management staff?
5. Do you have an existing office in Fresno that can manage the County's claims?
6. List all of your company's similar service contracts that either expired or were terminated within the last twenty-four months.
7. Describe the proposed location for your operation under this proposal. If your operation will not be located in Fresno, describe how you would accommodate regular meetings with the County.

B. Third Party Administrator (TPA)

The following points of inquiry apply specifically to the TPA services. They should be addressed in a manner that is inclusive of integration with internal/affiliated non-affiliated ancillary service providers where appropriate. While the points of inquiry below are not exhaustive, include in your proposal your approach to meeting the County's needs in each of the following areas:

1. Describe the services you propose to provide the County. Describe in sufficient detail so that the County can determine what occurs during the life of a claim that is processed in your claims management system. It is important to demonstrate a proactive case closure system for existing and future claims.
2. How will you maintain communications with County Risk Management staff and the supervisors of injured employees?
3. How will you communicate with injured employees and how frequently?
4. How will you assist the County to meet its legal requirements to educate employees about the workers compensation systems?
5. How will you assist County Risk Management staff to stay current on the legal requirements and the trends in case management in the workers compensation arena?

6. How will you keep the Risk Management Division updated on the financial trends exhibited by the County's plan?
7. Are you able to prepare claims information required by the County's consulting actuary and excess insurance carrier?
8. Do you have ongoing relationships with medical providers in the Fresno area, which will provide the timeliness and objectivity of reporting required for the effective administration of benefits?
9. Do you have existing relationships with the workers compensation legal community in Fresno so as to enable you to assist in selection of the most effective attorney to handle each litigated case?
10. Do you have existing relationships with the workers compensation investigator community in Fresno so as to enable you to assist in selection of the most effective investigative firm to handle each case requiring such a referral?
11. Please advise of your proposed take-over fee which would be charged to facilitate your assumption of control and data conversion of existing files claims management.
12. Please outline in detail the staffing levels you will have in place to administer this account including how staff members will be assigned files. Staffing levels must at a minimum comply with Exhibit 1 standards. Assignments must be department specific.
13. Describe how you plan to provide staffing for the County account should you be awarded the TPA contract. This point should be answered from the perspective that the County will insist on experienced, dedicated adjusters being assigned to manage the body of claims in existence and that will occur in the future.
14. Please set forth your criteria for referring cases for MCM.
15. Please set forth your criteria for making UR referrals.
16. Describe your criteria for referring cases for investigative services.
17. Describe your criteria for referring cases for legal defense services.
18. Describe how you will provide services related to Medicare Section 111 Mandatory Reporting requirements.
19. If you are not awarded all of the services bid for in a "bundled" manner, describe your ability to work with other ancillary providers in an integrated manner that maximizes effective claims management for the County.

C. Medical Provider Network (MPN)

While the points of inquiry below are not exhaustive, include in your proposal your approach to meeting the County's needs in each of the following areas:

1. Do you have ongoing relationships with medical providers in the Fresno area, which will provide the timeliness and objectivity of reporting required for the effective administration of benefits?

2. Provide a list of contracted providers within Fresno County by type of facility or specialty and describe your selection procedures for physicians and ancillary providers.

D. Utilization Review (UR)

While the points of inquiry below are not exhaustive, include in your proposal your approach to meeting the County's needs in each of the following areas:

1. Describe your methodology in handling referrals, meeting mandated timelines for decisions, handling peer review and appeals, and communicating UR issues with all parties.
2. Set forth your proposed criteria for determining the types of issues that should be referred for UR while ensuring statutory compliance and maximizing cost effectiveness.

E. Bill Review

While the points of inquiry below are not exhaustive, include in your proposal your approach to meeting the County's needs in each of the following areas:

1. Medical bill review is currently required on every billing processed by the TPA. The County has found this to be cost-effective. Describe your process for receipt and assessing bills for review. It is important to gain an insight into your administrative process to ensure confidence in accuracy of payments compatible with OMFS.
2. Do you have a PPO or similar type network that provides discounted pricing for services below OMFS?
3. Describe your methods for researching and prepping our legal and claims staff for defending bill review recommendations at MSC and Lien Hearings.
4. Are you able to provide an appropriate annual administrative fee for services commensurate with true administrative costs and an acceptable profit margin as opposed to the traditional "percent of savings" or "per line" fee arrangement? Inability to comply with this provision will result in bids being considered non-conforming.

F. Medical Management Consulting

1. Describe your firm's experience and qualifications to perform services related to administering and monitoring services (i.e., designing service protocols for managed care providers; developing reports to measure the performance of managed care providers, etc.).
2. Describe your firm's experience and qualifications to perform services related to auditing of medical bill review, PPO, UR and case management fees for accuracy of billing.
3. Describe your firm's experience and qualifications to perform services related to providing on-going consultative advice on the cost, structure and effectiveness of managed care services.
4. Describe your ability to perform services under a percent of new savings identified and recovered pricing model. This point should be expanded upon in the Cost Proposal Section below.

COST PROPOSAL

The award of a contract will be based on several factors including the contract fee for administration of workers compensation claims and/or ancillary services as described above. These administration and/or ancillary services costs should include consideration of all aspects related to the service(s) being bid on. Please present the costs you propose to charge as follows:

1. State the amount you will charge to accomplish the work specified in your proposal. **All pricing must be provided on an annual, flat rate basis** with detail provided to indicate how the rate was promulgated. Details on how the bidder came to the flat rate price are necessary in order to properly evaluate the efficacy of the bid and compare with other bids. If bidding on more than one service, please provide pricing that indicates whether or not there is a different cost if services are provided in a "bundled" versus an "unbundled" manner, with a cost assigned to each service being bid on. ***Pricing that is provided in a manner other than annual flat rate pricing will be considered non-responsive and the bidder will be disqualified from further consideration.*** The only exception to this parameter will be for the Medical Management Consultant, which shall be required to provide services on a percentage of actual additional savings identified and recovered basis.
2. The County wishes to maintain and integrate all claims into its current statistical base. This will require converting the data from the data system of the present administrator to your data system. Please indicate if there is a charge to convert loss data for all incurred claims, both open and closed files and the amount of that charge.
3. Indicate costs of separate ancillary services your company is able to provide. Please provide pricing in a "bundled" format that would incorporate all proposed services and in an "unbundled" format where pricing is broken down by type of service and each service may stand on its own should the County elect to utilize more than one vendor or separate vendors for separate services.
4. Please provide detailed explanations as to how each pricing element was calculated for each service being bid.

PROPOSAL CONTENT REQUIREMENTS

Bidders are requested to submit their proposals in a binder (one that allows for easy removal of pages) with index tabs separating the sections identified. Each page should be numbered.

Merely offering to meet the specifications is insufficient and will not be accepted. Each bidder shall submit a complete proposal with all information requested. Supportive material may be attached as appendices. All pages, including the appendices, must be numbered.

The content and sequence of the proposals will be as follows:

- I. PROPOSAL IDENTIFICATION SHEET (as provided)
- II. COVER LETTER: A one-page cover letter and introduction including the company name and address of the bidder and the name, address and telephone number of the person or persons to be used for contact and who will be authorized to make representations for the bidder.

Whether the bidder is an individual, partnership or corporation shall also be stated. It will be signed by the individual, partner, or an officer or agent of the corporation authorized to bind the corporation, depending upon the legal nature of the bidder. A corporation submitting a proposal may be required before the contract is finally awarded to furnish a certificate as to its corporate existence, and satisfactory evidence as to the officer or officers authorized to execute the contract on behalf of the corporation.
- III. TABLE OF CONTENTS
- IV. CONFLICT OF INTEREST STATEMENT: The Contractor may become involved in situations where conflict of interest could occur due to individual or organizational activities that occur within the County. In this section the bidder should address the potential, if any, for conflict of interest and indicate plans, if applicable, to address potential conflict of interest. This section will be reviewed by County Counsel for compliance with conflict of interest as part of the review process. The Contractor shall comply with all federal, state and local conflict of interest laws, statutes and regulations.
- V. TRADE SECRET ACKNOWLEDGMENT:
 - A. Sign and return.
- VI. EXCEPTIONS: This portion of the proposal will note any exceptions to the RFP's specifications, requirements and conditions taken by the bidder. If exceptions are not noted, the County will assume that the bidder's proposals meet those requirements. The exceptions shall be noted as follows:
 - A. Exceptions to "General conditions"
 - B. Exceptions to "General Requirements."
 - C. Exceptions to "Specific Terms and Conditions."
 - D. Exceptions to "Workers Compensation Administration – Service Description/ Scope of Work".
 - E. Exceptions to "Proposal Content Requirements."
 - F. Other-All other exceptions to any part of this RFP.

VII. VENDOR COMPANY DATA: This section should include:

- A. A narrative which demonstrates the vendor's basic familiarity or experience with problems associated with this service/project.
- B. Descriptions of any similar or related contracts under which the bidder has provided services.
- C. Descriptions of the qualifications of the individual(s) providing the services.
- D. Any material (including letters of support or endorsement) indicative of the bidder's capability.
- E. A brief description of the bidder's current operations, and ability to provide the services.
- F. Reference List (form provided).

VIII. SCOPE OF WORK:

Bidders are to use this section to describe the essence of their proposal.

This section should be formatted as follows:

- A. A general discussion of your understanding of the project, the scope of work proposed and a summary of the features of your proposal.
- B. A detailed description of your proposal as it relates to each item listed under the section of this RFP entitled "Workers Compensation Administration – Service Description/Scope of Work", subheadings: Specifications (items 1 through 12), Existing Conditions (items 1 through 3), and Proposal Content (items 1 through 15). Bidder's response should be stated in the same order as stated in the RFP. Each description should begin with a restatement of the item that it is addressing. Bidders must explain their approach and method of satisfying each of the listed items.
- C. A complete description of any alternative solutions or approaches to accomplishing the desired results.
- D. When reports or other documentation are to be a part of the proposal a sample of each must be submitted. Reports should be referenced in this section and submitted under the heading entitled "REPORTS."
- E. Additional material may be submitted with the proposal as appendices. Any additional descriptive material that is used in support of any information in your proposal must be referenced by the appropriate paragraph(s) and page number(s).

Any proposal attachments, documents, letters and materials submitted by the vendor shall be binding and included as a part of the final contract should your bid be selected.

IX. COST PROPOSAL: Submit as instructed under the "Cost Proposal" section of this RFP. Include **flat rate fees** for **all** services, materials, equipment, etc. offered under the proposal.

AWARD CRITERIA

COST

- A. As submitted under the "COST PROPOSAL" section.

CAPABILITY AND QUALIFICATIONS

- A. Do the service descriptions address all the areas identified in the RFP? Will the proposed services comply with RFP requirement and satisfy County's needs? To what degree will this be accomplished?
- B. Does the bidder demonstrate knowledge or awareness of the problems associated with providing the services proposed and knowledge of laws, regulations, statutes and effective operating principles required to provide this service?
- C. The amount of demonstrated experience in providing the services desired in a California County.
- D. The track record of the bidder as supported by the references provided and from other sources as determined by the County.
- E. The degree to which services can be provided locally in compliance with bid specifications.

MANAGEMENT PLAN

- A. Is the organizational plan and management structure adequate and appropriate for overseeing the proposed services?

EXHIBIT ONE

WORKERS COMPENSATION

CLAIMS ADMINISTRATION STANDARDS

WORKERS COMPENSATION CLAIMS ADMINISTRATION STANDARDS

WORKERS' COMPENSATION CLAIMS ADMINISTRATION GUIDELINES

The following Guidelines have been adopted by the CSAC Excess Insurance Authority (hereinafter The Authority or the EIA) in accordance with Article 18(b) of the CSAC Excess Insurance Authority Joint Powers Agreement. It is the intent of these Guidelines to comply with all applicable Labor Code and California Code of Regulations Sections. In the event that there exists a conflict between the Guidelines, the Labor Code or the Code of Regulations, the most stringent requirement shall apply.

I. CLAIM HANDLING - ADMINISTRATIVE

A. Case Load

1. On or after July 1, 2007, the claims examiner assigned to the Member shall handle a targeted caseload of 150 but not to exceed 175 indemnity claims. This caseload shall include future medical cases with every 2 future medical cases counted as 1 indemnity case.
2. Supervisory personnel should not handle a caseload, although they may handle specific issues.

B. Case Review and Documentation

1. Documentation should reflect any significant developments in the file and include a plan of action. The examiner should review the file at intervals not to exceed 45 calendar days. Future medical files should be reviewed at intervals not to exceed 90 calendar days. The supervisor shall monitor activity on indemnity files at intervals not to exceed 120 calendar days. Future medical files shall be reviewed by the supervisor at intervals not to exceed 180 calendar days. An accomplishment level of 95% shall be considered acceptable.
2. File contents shall comply with Code of Regulations Sections 10101, 10101.1 and 15400, and be kept in a neat and orderly fashion. An accomplishment level of 95% shall be considered acceptable.
3. All medical-only cases shall be reviewed for potential closure or transfer to an indemnity examiner within 90 calendar days following

claim file creation. An accomplishment level of 95% shall be considered acceptable.

C. Communication

1. Telephone Inquiries
Return calls shall be made within 1 working day of the original telephone inquiry. All documentation shall reflect these efforts. An accomplishment level of 95% shall be considered acceptable.
2. Incoming Correspondence
All correspondence received shall be clearly stamped with the date of receipt. An accomplishment level of 95% shall be considered acceptable.
3. Return Correspondence
All correspondence requiring a written response shall have such response completed and transmitted within 5 working days of receipt. An accomplishment level of 95% shall be considered acceptable.

D. Fiscal Handling

1. Fiscal handling for indemnity benefits on active cases shall be balanced with appropriate file documentation on a semi-annual basis to verify that statutory benefits are paid appropriately. Balancing is defined as, "an accounting of the periods and amounts due in comparison with what was actually paid". An accomplishment level of 95% shall be considered acceptable.
2. In cases of multiple losses with the same person, payments shall be made on the appropriate claim file.

II. CLAIM CREATION

A. Three Point Contact

Three point contact shall be conducted with the injured worker, employer representative and treating physician within 3 working days of receipt of the claim by the third party administrator or self administered entity. If a nurse case manager is assigned to the claim, initial physician contact may be conducted by either the claims examiner or the nurse case manager. In the event a party is non-responsive, there should be evidence of at least three documented attempts to reach the individual. Medical-only claims shall have this three point contact requirement as well. An accomplishment level of 95% shall be considered acceptable.

B. Compensability

1. The initial compensability determination (accept claim, deny claim or delay acceptance pending the results of additional investigation) and the reasons for such a determination shall be made and documented in the file within 14 calendar days of the filing of the claim with the employer. In the event the claim is not received by the third party administrator or self administered entity within 14 calendar days of the filing of the claim with the employer, the third party administrator or self administered entity shall make the initial compensability determination within 7 calendar days of receipt of the claim. An accomplishment level of 100% shall be considered acceptable.
2. Delay of benefit letters shall be mailed in compliance with the Division of Workers' Compensation (DWC) guidelines. In the event the employer does not provide notice of lost time to the third party administrator or self administered entity timely to comply with DWC guidelines, the third party administrator or self administered entity shall mail the benefit letters within 7 calendar days of notification. An accomplishment level of 100% shall be considered acceptable.
3. The final compensability determination shall be made by the claims examiner or supervisor within 90 calendar days of employer receipt of the claim form. An accomplishment level of 100% shall be considered acceptable.

C. Reserves

1. Using the information available at claim file set up, an initial reserve shall be established at the most probable case value. An accomplishment level of 95% shall be considered acceptable.
2. The initial reserve shall be electronically posted to the claim within 14 calendar days of receipt of the claim. An accomplishment level of 95% shall be considered acceptable.

III. CLAIM HANDLING – TECHNICAL

A. Payments

1. Initial Temporary and Permanent Disability Indemnity Payment
 - a. The initial indemnity payment shall be issued to the injured worker within 14 calendar days of knowledge of the injury and disability. In the event the third party administrator or self administered entity is not notified of the injury and disability within 14 calendar days of the employer's knowledge, the third party administrator or self administered entity shall make

payment within 7 calendar days of notification. Initial permanent disability payments shall be issued within 14 calendar days after the date of last payment of temporary disability. This shall not apply with salary continuation. An accomplishment level of 100% shall be considered acceptable.

- b. The properly completed DWC Benefit Notice shall be mailed to the employee within 14 calendar days of the first day of disability. In the event the third party administrator or self administered entity is not notified of the first day of disability until after 14 calendar days, the DWC Benefit Notice shall be mailed within 7 calendar days of notification. An accomplishment level of 100% shall be considered acceptable.
 - c. Self imposed penalty shall be paid on late payments in accordance with Section III. A. 7 of this document. An accomplishment level of 100% shall be considered acceptable.
 - d. Overpayments shall be identified and reimbursed timely where appropriate. The third party administrator or self administered entity shall request reimbursement of overpaid funds from the party that received the funds. If necessary, a credit shall be sought as part of any resolution of the claim. An accomplishment level of 95% shall be considered acceptable.
2. Subsequent Temporary and Permanent Disability Payments
 - a. Eligibility for indemnity payments subsequent to the first payment shall be verified, except for established long-term disability. An accomplishment level of 100% shall be considered acceptable.
 - b. Self imposed penalty shall be paid on late payments in accordance with Section III.A.7 of this document. An accomplishment level of 100% shall be considered acceptable.
3. Final Temporary and Permanent Disability Payments
 - a. All final indemnity payments shall be issued timely and the appropriate DWC benefit notices sent. An accomplishment level of 100% shall be considered acceptable.
 - b. Self imposed penalty shall be paid on late payments in accordance with Section III.A.7 of this document. An accomplishment level of 100% shall be considered acceptable.

4. Award Payments

- a. Payments on undisputed Awards, Commutations, or Compromise and Releases shall be issued within 10 calendar days following receipt of the appropriate document. An accomplishment level of 95% shall be considered acceptable.
- b. For all excess reportable claims, copies of all Awards shall be provided to the Authority at time of payment. An accomplishment level of 95% shall be considered acceptable.

5. Medical Payments

- a. Medical treatment billings (physician, pharmacy, hospital, physiotherapist, etc.) shall be reviewed for correctness, approved for payment and paid within 60 working days of receipt. An accomplishment level of 100% shall be considered acceptable.
- b. The medical provider must be notified in writing within 30 working days of receipt of an itemized bill if a medical bill is contested, denied or incomplete. An accomplishment level of 100% shall be considered acceptable.
- c. A bill review process should be utilized whenever possible. There should be participation in a PPO and/or MPN whenever possible.

6. Injured Worker Reimbursement Expense

- a. Reimbursements to injured workers shall be issued within 15 working days of the receipt of the claim for reimbursement. An accomplishment level of 95% shall be considered acceptable.
- b. Advance travel expense payments shall be issued to the injured worker 10 working days prior to the anticipated date of travel. An accomplishment level of 95% shall be considered acceptable.

7. Penalties

- a. Penalties shall be coded so as to be identified as a penalty payment. An accomplishment level of 100% shall be considered acceptable
- b. If the Member utilizes a third party administrator, the Member shall be advised of the assessment of any penalty for delayed payment and the reason thereof, and the administrator's plans for payment of such penalty, on a monthly basis. An accomplishment level of 95% shall be considered acceptable.

- c. If the Member utilizes a third party administrator, the Member, in their contract with the administrator, shall specify who is responsible for specific penalties.

B. Medical Treatment

1. Each Member shall have in place a Utilization Review process. An accomplishment level of 100% shall be considered acceptable.
2. Disputes regarding spine surgery shall be resolved using the process set forth in Labor Code Section 4062(b). An accomplishment level of 100% shall be considered acceptable.
3. Nurse case managers shall be utilized where appropriate. An accomplishment level of 95% shall be considered acceptable.
4. If enrolled in a Medical Provider Network, the network shall be utilized whenever appropriate.

C. Apportionment

1. Investigation into the existence of apportionment shall be documented. An accomplishment level of 100% shall be considered acceptable.
2. If potential apportionment is identified, all efforts to reduce exposure shall be pursued. An accomplishment level of 100% shall be considered acceptable.

D. Disability Management

1. The third party administrator or self administered entity shall work proactively to obtain work restrictions and/or a release to full duty on all cases. The TPA or self-administered entity shall notify a designated Member representative immediately upon receipt of temporary work restrictions or a release to full duty, and work closely with the Member to establish a return to work as soon as possible. An accomplishment level of 95% shall be considered acceptable.
2. The third party administrator or self administered entity shall notify a designated Member representative immediately upon receipt of an employee's permanent work restrictions so that the Member can determine the availability of alternative, modified or regular work. An accomplishment level of 100% shall be considered acceptable.
3. If there is no response within 20 calendar days, the third party administrator or self administered entity shall follow up with the designated Member representative. An accomplishment level of 100% shall be considered acceptable.

4. Members shall have in place a process for complying with laws preventing disability discrimination, including Government Code Section 12926.1 which requires an interactive process with the injured worker when addressing a return to work with permanent work restrictions.
5. Third party administrators or self administered claims professional shall cooperate with members to the fullest extent, in providing medical and other information the member deems necessary for the member to meet its obligations under federal and state disability laws.

E. Vocational Rehabilitation/Supplemental Job Displacement Benefits

1. Vocational Rehabilitation – Dates of injury prior to 1/1/04: Benefits pursuant to Labor Code Section 139.5 shall be timely provided. An accomplishment level of 100% shall be considered acceptable.
2. Supplemental Job Displacement Benefits – Dates of injury 1/1/04 and after: Benefits pursuant to Labor Code Section 4658.5 shall be timely provided. An accomplishment level of 100% shall be considered acceptable.
3. The third party administrator or self administered entity shall secure the prompt conclusion of vocational rehabilitation/SJDB and settle where appropriate. An accomplishment level of 95% shall be considered acceptable.

F. Reserving

1. Reserves shall be reviewed at regular diary and at time of any significant event, e.g., surgery, P&S/MMI, return to work, etc., and adjusted accordingly. This review shall be documented in the file regardless of whether a reserve change was made. An accomplishment level of 95% shall be considered acceptable.
2. Indemnity reserves shall reflect actual temporary disability indemnity exposure with 4850 differential listed separately. An accomplishment level of 100% shall be considered acceptable.
3. Permanent disability indemnity exposure shall include life pension reserve if appropriate. An accomplishment level of 100% shall be considered acceptable.
4. Future medical claims shall be reserved in compliance with SIP regulation 15300 allowing adjustment for reductions in the approved medical fee schedule, undisputed utilization review, medically

documented non-recurring treatment costs and medically documented reductions in life expectancy. An accomplishment level of 100% shall be considered acceptable.

G. Resolution of Claim

1. Within 10 working days of receiving medical information indicating that a claim can be finalized, the claims examiner shall take appropriate action to finalize the claim. An accomplishment level of 95% shall be considered acceptable.
2. Settlement value shall be documented appropriately utilizing all relevant information. An accomplishment level of 95% shall be considered acceptable.

H. Settlement Authority

1. No agreement shall be authorized involving liability, or potential liability, of the Authority without the advance written consent of the Authority. An accomplishment level of 100% shall be considered acceptable.
2. The third party administrator shall obtain the Member's authorization on all settlements or stipulations in excess of the settlement authority provided in any provision of the individual contract between the Member and the claims administrator. An accomplishment level of 100% shall be considered acceptable.

IV. LITIGATED CASES

The third party administrator or self administered entity shall establish written guidelines for the handling of litigated cases. The guidelines should, at a minimum, include the points below, which may be adopted and incorporated by reference as "the guidelines".

A. Defense of Litigated Claims

1. The third party administrator or self administered entity shall promptly initiate investigation of issues identified as material to potential litigation. The Member shall be alerted to the need for in-house investigation, or the need for a contract investigator who is acceptable to the Member. The Member shall be kept informed on the scope and results of investigations. An accomplishment level of 95% shall be considered acceptable.
2. The third party administrator or self administered entity shall, in consultation with the Member, assign defense counsel from a list approved by the Member. (Note: If a Member is a County, to comply

with Government Code Section 25203, the Member's list should be approved by a two-thirds vote of the governing board.) An accomplishment level of 95% shall be considered acceptable.

3. Settlement proposals directed to the Member shall be forwarded by the third party administrator, self administered entity or defense counsel in a concise and clear written form with a reasoned recommendation. Settlement proposals shall be presented to the Member as directed so as to insure receipt in sufficient time to process the proposal. An accomplishment level of 95% shall be considered acceptable.
4. Knowledgeable Member personnel shall be involved in the preparation for medical examinations and trial, when appropriate or deemed necessary by the Member so that all material evidence and witnesses are utilized to obtain a favorable result for the defense. An accomplishment level of 95% shall be considered acceptable.
5. The third party administrator or self administered entity shall comply with any reporting requirement of the Member. An accomplishment level of 95% shall be considered acceptable.

B. Subrogation

1. In all cases where a third party (other than a Member employee or agent) is responsible for the injury to the employee, attempts to obtain information regarding the identity of the responsible party shall be made within 14 calendar days of recognition of subrogation potential. Once identified, the third party shall be contacted within 14 calendar days with notification of the Member's right to subrogation and the recovery of certain claim expenses. If the third party is a governmental entity, a claim shall be filed with the governing board (or State Board of Control as to State entities) within 6 months of the injury or notice of the injury. An accomplishment level of 95% shall be considered acceptable.
2. Periodic contact shall be made with the responsible party and/or insurer to provide notification of the amount of the estimated recovery to which the Member shall be entitled. An accomplishment level of 95% shall be considered acceptable.
3. The file shall be monitored to determine the need to file a complaint in civil court in order to preserve the statute of limitations. An accomplishment level of 95% shall be considered acceptable.
4. If the injured worker brings a civil action against the party responsible for the injury, the claims administrator shall consult with the Member

about the value of the subrogation claim and other considerations. Upon Member authorization, subrogation counsel shall be assigned to file a Lien or a Complaint in Intervention in the civil action. An accomplishment level of 95% shall be considered acceptable.

5. Whenever practical, the claims administrator shall aggressively pursue recovery in any subrogation claim. They should attempt to maximize the recovery for benefits paid, and assert a credit against the injured worker's net recovery for future benefit payments. An accomplishment level of 95% shall be considered acceptable.

V. EXCESS COVERAGE

- A. Claims meeting the definition of reportable excess workers' compensation claims as defined by the Memorandum of Coverage Conditions Section shall be reported to the Authority within 5 working days of the day on which it is known the criterion is met. Utilize the Excess Workers' Compensation First Report Form available through the EIA website. An accomplishment level of 100% shall be considered acceptable.
- B. Subsequent reports shall be transmitted to the Authority on a quarterly basis on indemnity claims and on a semi-annual basis on future medical claims sooner if claim activity warrants, or at such other intervals as requested by the Authority, in accordance with Underwriting and Claims Administration Standards. Utilize the Excess Workers' Compensation Status Report Form available through the EIA website, or a comparable form to be approved by the Authority. An accomplishment level of 95% shall be considered acceptable.
- C. Reimbursement requests should be submitted in accordance with the Authority's reporting and reimbursement procedures on a quarterly or semi-annual basis depending on claims payment activity. Utilize the Excess Workers' Compensation Claim Reporting and Reimbursement Procedures available through the EIA website. An accomplishment level of 95% shall be considered acceptable.
- D. A closing report with a copy of any settlement documents not previously sent shall be sent to the Authority. An accomplishment level of 95% shall be considered acceptable.

COUNTY OF FRESNO

ADDENDUM NUMBER: ONE (1)

RFP NUMBER: 961-4891

CLAIMS ADMINISTRATION AND ANCILLARY SERVICES WORKERS COMPENSATION

December 8, 2010

PURCHASING USE

JEB

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IMPORTANT: SUBMIT PROPOSAL IN SEALED PACKAGE WITH PROPOSAL NUMBER, CLOSING DATE AND BUYER'S NAME MARKED CLEARLY ON THE OUTSIDE TO:

COUNTY OF FRESNO, Purchasing
4525 EAST HAMILTON AVENUE, 2nd Floor
FRESNO, CA 93702-4599

CLOSING DATE OF PROPOSAL WILL BE AT 2:00 P.M., ON DECEMBER 29, 2010.

PROPOSALS WILL BE CONSIDERED LATE WHEN THE OFFICIAL PURCHASING TIME CLOCK READS 2:00 P.M.

Proposals will be opened and publicly read at that time. All proposal information will be available for review after contract award.

Clarification of specifications is to be directed to: **Patricia Flaherty, phone (559) 456-7110,**
e-mail CountyPurchasing@co.fresno.ca.us, FAX (559) 456-7831.

NOTE THE FOLLOWING AND ATTACHED ADDITIONS, DELETIONS AND/OR CHANGES TO THE REQUIREMENTS OF REQUEST FOR PROPOSAL NUMBER: 961-4891 AND INCLUDE THEM IN YOUR RESPONSE. PLEASE SIGN AND RETURN THIS ADDENDUM WITH YOUR PROPOSAL.

- **The following pages are questions and/or clarifications resulting from the Vendor's Conference, held on December 2, 2010.**

ACKNOWLEDGMENT OF ADDENDUM NUMBER ONE (1) TO RFP 961-4891

COMPANY NAME: _____
(PRINT)

SIGNATURE: _____

NAME & TITLE: _____
(PRINT)

The "Proposal Content Requirements" pages that was included in the original RFP format (2 pages) will be replaced. Attached to this Addendum are the correct & current "Proposal Content Requirements" pages (3 pages).

1. What are the statistics for bill review for the last year broken down into inpatient and outpatient categories? PPO savings?

We are not able to break down the Utilization Review statistics as requested. The PPO savings for the Fiscal Year 2009-2010 was \$243,225.07.

2. What were the prior costs for ancillary services for Fiscal year 2007?

\$400,000

3. What are the current Third Party Administrator staffing numbers?

Currently there is one program manager, seven adjusters, two assistants, and one receptionist.

4. Who manages the closed files; how many closed files and where are they stored?

There are 13,763 files that are currently managed by the Third Party Administrator and kept in storage.

5. How many cases were sent to Utilization Review? How many were sent for peer review?

There were 319 Utilization Review referrals that were made in the 2009-10 fiscal year. We do not have information at this time to indicate how many peer review referrals were made in the last fiscal year.

6. Does the County of Fresno currently have a Salary Continuation Program?

Yes, the County of Fresno currently has an integration program for all employees that chose this option and have more than 10 hours of leave on the books. See attached for summary.

7. How many claims reviews are currently performed?

Claims reviews are scheduled bi-weekly for the Sheriff Department, while six other departments have quarterly claims reviews.

8. Does this RFP include Medical Case Management Services?

Nurse Case Management (a.k.a. Medical Case Management) was provided by EK Health and the contract is being extended for two (2) more years.

9. Usually, the MPN provider the County uses has fees that are charged back to the file, and normally to medical. Their MPN fee is sometimes a percentage of the provider bill, so when the medical bill is paid, another payment goes to Wellcomp. Is it possible that there are payments to Wellcomp being paid off the file?

No additional fees are being charged to the file for MPN. It is part of the flat rate fee.

10. Who is current Bill Review, UR and NCM vendor?

Bill Review and Utilization Review-Via TPA Agreement with York
Nurse Case Management-EK Health

11. Annual bill review cost?

Bill Review, Utilization Review, and MPN all paid flat rate fee through York Agreement. In FY 09-10 the combined annual flat fee for these services was \$420,000.

12. Do you pay a PPO access fees? If yes, what is it?

No

13. How many bills were pharmacy?

Unknown

14. How many UR's were done at the adjuster level?

Unknown

15. How many UR referrals per year?

See RFP Page 28, Proposal Specifications Section C (2), Utilization Review (319 in FY 09-10)

16. What did you pay in UR fees last year?

Please see response number 2 above.

17. # Peer reviews per year?

Unknown

18. Peer review cost last year?

Please see response number 2 above.

19. What did you pay out in medical last year?

In FY 09-10 \$4,739,631.95 was paid in medical.

20. Can you provide an annual report or loss runs or give a claims breakdown by Indemnity, Medical Only and future Medical

See RFP Page 24 for figures as of 8/31/10.

21. What is your litigation rate?

Unknown

22. Are the files being driven/managed to closure?

Yes

23. Closing ratio?

Unknown

24. Do you feel the current TPA is accepting and denying the proper injuries?

Yes

ADDENDUM NO. One (1)
REQUEST FOR PROPOSAL NUMBER: 961-4891
May 18, 2011

Page 4

25. Who is Excess carrier?

CSAC-EIA

26. What are your current issues if any?

None

27. Why are you going out to bid?

Contract is expiring and County policy requires an RFP process.

There will be oral interviews that will take place once all bids have been reviewed, estimated mid to late January.

Award Criteria page included with item "F" added to CAPABILITY AND QUALIFICATIONS section.

PROPOSAL CONTENT REQUIREMENTS

It is important that the vendor submit his/her proposal in accordance with the format and instructions provided under this section. Doing so will facilitate the evaluation of the proposal. It will limit the possibility of a poor rating due to the omission or mis-categorization of the requested information. Responding in the requested format will enhance the evaluation team's item by item comparison of each proposal item. The vendor's proposal may be placed at a disadvantage if submitted in a format other than that identified below.

Bidders are requested to submit their proposals in a binder (one that allows for easy removal of pages) with index tabs separating the sections identified. Each page should be numbered.

Each binder is to be clearly marked on the cover with the proposal name, number, closing date, "Original" or "Copy", and bidder's name.

Merely offering to meet the specifications is insufficient and will not be accepted. Each bidder shall submit a complete proposal with all information requested. Supportive material may be attached as appendices. All pages, including the appendices, must be numbered.

Vendors are instructed not to submit confidential, proprietary and related information within the request for proposal. If you are submitting trade secrets, it must be submitted in a separate binder clearly marked "TRADE SECRETS", see Trade Secret Acknowledgement section.

The content and sequence of the proposals will be as follows:

- I. RFP PAGE 1 AND ADDENDUM PAGE 1 (IF APPLICABLE) completed and signed by participating individual or agency.
- II. PROPOSAL IDENTIFICATION SHEET (as provided)
- III. COVER LETTER: A one-page cover letter and introduction including the company name and address of the bidder and the name, address and telephone number of the person or persons to be used for contact and who will be authorized to make representations for the bidder.
 - A. Whether the bidder is an individual, partnership or corporation shall also be stated. It will be signed by the individual, partner, or an officer or agent of the corporation authorized to bind the corporation, depending upon the legal nature of the bidder. A corporation submitting a proposal may be required before the contract is finally awarded to furnish a certificate as to its corporate existence, and satisfactory evidence as to the officer or officers authorized to execute the contract on behalf of the corporation.
- IV. TABLE OF CONTENTS
- V. CONFLICT OF INTEREST STATEMENT: The Contractor may become involved in situations where conflict of interest could occur due to individual or organizational activities that occur within the County. In this section the bidder should address the

potential, if any, for conflict of interest and indicate plans, if applicable, to address potential conflict of interest. This section will be reviewed by County Counsel for compliance with conflict of interest as part of the review process. The Contractor shall comply with all federal, state and local conflict of interest laws, statutes and regulations.

VI. TRADE SECRET, PARTICIPATION ACKNOWLEDGMENT AND REFERENCES:

A. Sign where required.

VII. CERTIFICATION – DISCLOSURE – CRIMINAL HISTORY & CIVIL ACTIONS

VIII. EXCEPTIONS: This portion of the proposal will note any exceptions to the requirements and conditions taken by the bidder. If exceptions are not noted, the County will assume that the bidder's proposals meet those requirements. The exceptions shall be noted as follows:

- A. Exceptions to General Conditions.
- B. Exceptions to General Requirements.
- C. Exceptions to Specific Terms and Conditions.
- D. Exceptions to Scope of Work.
- E. Exceptions to Proposal Content Requirements.
- F. Exceptions to any other part of this RFP.

IX. VENDOR COMPANY DATA: This section should include:

- A. A narrative which demonstrates the vendor's basic familiarity or experience with problems associated with this service/project.
- B. Descriptions of any similar or related contracts under which the bidder has provided services.
- C. Descriptions of the qualifications of the individual(s) providing the services.
- D. Any material (including letters of support or endorsement) indicative of the bidder's capability.
- E. A brief description of the bidder's current operations, and ability to provide the services.
- F. Copies of the audited Financial Statements for the last three (3) years for the agency or program that will be providing the service(s) proposed. If audited statements are not available, compiled or reviewed statements will be accepted with copies of three years of corresponding federal tax returns. This information is to be provided after the RFP closes, if requested. **Do not provide with your proposal.**

- G. Describe all contracts that have been terminated within the last five (5) years:
1. Agency contract with
 2. Date of original contract
 3. Reason for termination
 4. Contact person and telephone number for agency
- H. Describe all lawsuit(s) or legal action(s) that are currently pending; and any lawsuit(s) or legal action(s) that have been resolved within the last five (5) years:
1. Location filed, name of court and docket number
 2. Nature of the lawsuit or legal action
- I. Describe any payment problems that you have had with the County within the past three (3) years:
1. Funding source
 2. Date(s) and amount(s)
 3. Resolution
 4. Impact to financial viability of organization.

X. SCOPE OF WORK:

- A. Bidders are to use this section to describe the essence of their proposal.
- B. This section should be formatted as follows:
1. A general discussion of your understanding of the project, the Scope of Work proposed and a summary of the features of your proposal.
 2. A detailed description of your proposal as it relates to each item listed under the "Scope of Work" section of this RFP. Bidder's response should be stated in the same order as are the "Scope of Work" items. Each description should begin with a restatement of the "Scope of Work" item that it is addressing. Bidders must explain their approach and method of satisfying each of the listed items.
- C. When reports or other documentation are to be a part of the proposal a sample of each must be submitted. Reports should be referenced in this section and submitted in a separate section entitled "REPORTS."
- D. A complete description of any alternative solutions or approaches to accomplishing the desired results.

- XI. COST PROPOSAL:** Submit as instructed under the "COST PROPOSAL" section of this RFP. Include **flat rate fees** for **all** services, materials, equipment, etc., offered under the proposal.

Important Information Regarding the County Integration Program

Program Overview

If you file a Workers' Compensation Claim, and are off work for three days, you may be entitled to temporary disability benefits. Generally, temporary disability pays you two-thirds of your average weekly wage. The County's Integration Program allows you the opportunity to supplement your income using your accumulated leave balances in order to maintain your full salary. **There are several advantages to participating in the Integration Program:**

- **As long as you have an adequate balance of leave time, you will continue on paid status and will receive your customary salary.**
- **While on paid status, The County will continue to make contributions for retirement and health insurance and you will continue to accrue leave time.**
- **Once you have exhausted your leave time, The County may continue to pay the employee portion of your health insurance for 15 pay periods. (See Management Directive 250 for details)**

Unless you choose not to participate in the Integration Program by so indicating on the enclosed form, it will be presumed that you are participating in the program. **Keep in mind that if you choose not to participate, you will not be considered to be on paid status, and you will not be eligible for the benefits outlined above. Furthermore, the decision not to participate in the Integration Program is binding and you may not change at a later date.**

Participating in the Program

If you are participating in the Integration Program, your temporary disability check, which is issued by The County's claims administrator, will be forwarded to you by payroll. The check will be stamped and a self-addressed envelope will be included. **You must endorse the check and return it to payroll in the envelope provided.** Once your temporary disability check is received by payroll, the check will be used to reimburse your annual leave.

If you choose not to participate in the Integration Program you must complete the enclosed form and forward it to the **Auditor-Controller Attn: Payroll Stop 5.** Again, the choice not to participate in the Integration Program is final and careful consideration should be given prior to deciding not to participate.

If you have questions concerning the Integration Program please contact Linda Hayworth or Berta Mims in Risk Management at 600-1850.

AWARD CRITERIA

COST

- A. As submitted under the "COST PROPOSAL" section.

CAPABILITY AND QUALIFICATIONS

- A. Do the service descriptions address all the areas identified in the RFP? Will the proposed services comply with RFP requirement and satisfy County's needs? To what degree will this be accomplished?
- B. Does the bidder demonstrate knowledge or awareness of the problems associated with providing the services proposed and knowledge of laws, regulations, statutes and effective operating principles required to provide this service?
- C. The amount of demonstrated experience in providing the services desired in a California County.
- D. The track record of the bidder as supported by the references provided and from other sources as determined by the County.
- E. The degree to which services can be provided locally in compliance with bid specifications.
- F. **It is essential that bidder present a detailed description of their ability to provide ad hoc, on-demand live reporting access capacity for County staff.**

MANAGEMENT PLAN

- A. Is the organizational plan and management structure adequate and appropriate for overseeing the proposed services?



David Donn Consulting, Inc.

Workers' Compensation Managed Care Advisory

Response to the County of Fresno Request for Proposal
Number 961-4891

Claims Administration and Ancillary Services – Workers' Compensation
(response to Medical Management Consulting section only)

Submitted December 29, 2010

David Donn Consulting, Inc. is an independent consulting company.

COUNTY OF FRESNO REQUEST FOR PROPOSAL

NUMBER: 961-4891

CLAIMS ADMINISTRATION AND ANCILLARY SERVICES – WORKERS' COMPENSATION

November 15, 2010

ORG/Requisition: 89250100/ 8921100008 PURCHASING USE JEB G:\RISKMGMT\GBORBOA\CONTRACTS\RISKCONTRA
CTS\WCREFP1011\VENORPROPOSALS\DAVID DONN
IMPORTANT: SUBMIT PROPOSAL IN SEALED PACKAGE WITH PROPOSAL NUMBER, CLOSING DATE AND BUYER'S NAME
MARKED CLEARLY ON THE OUTSIDE TO:

COUNTY OF FRESNO, Purchasing
4525 EAST HAMILTON AVENUE, 2nd Floor
FRESNO, CA 93702-4599

CLOSING DATE OF BID WILL BE AT 2:00 P.M., ON DECEMBER 29, 2010.

PROPOSALS WILL BE CONSIDERED LATE WHEN THE OFFICIAL PURCHASING TIME CLOCK READS 2:00
Proposals will be opened and publicly read at that time. All proposal information will be available for review

**Clarifications of specifications are to be directed to: Patricia Flaherty, phone (559) 456-7110,
e-mail CountyPurchasing@co.fresno.ca.us, fax (559) 456-7831.**

**GENERAL CONDITIONS: See "County Of Fresno Purchasing Standard Instructions And Conditions For
Request For Proposals (RFP'S) and Requests for Quotations (RFQ'S)" attached. Check County of Fresno
Purchasing's Open Solicitations website at <http://www2.co.fresno.ca.us/0440/Bidshome2.asp> for RFQ/RFP**

BIDDER TO COMPLETE

UNDERSIGNED AGREES TO FURNISH THE COMMODITY OR SERVICE STIPULATED IN THE ATTACHED
PROPOSAL SCHEDULE AT THE PRICES AND TERMS STATED, SUBJECT TO THE "COUNTY OF FRESNO
PURCHASING STANDARD INSTRUCTIONS AND CONDITIONS FOR REQUEST FOR PROPOSALS (RFP'S) AND
REQUESTS FOR QUOTATIONS (RFQ'S)" ATTACHED.

Except as noted on individual items, the following will apply to all items in the Proposal Schedule.

1. Complete delivery will be made NA calendar days after receipt of Order.
2. A cash NA % NA days will apply.

DAVID DONN CONSULTING, INC
COMPANY

1388 SUTTER ST, SUITE 503
ADDRESS

SAN FRANCISCO
CITY

CA 94109
STATE ZIP CODE

(415) 409-3009
TELEPHONE NUMBER

(415) 409-3667
FACSIMILE NUMBER

corsborn@ddcinc.net
E-MAIL ADDRESS

SIGNED BY

Court Orsborn
PRINT NAME

Vice President
TITLE

COUNTY OF FRESNO

ADDENDUM NUMBER: ONE (1)

RFP NUMBER: 961-4891

CLAIMS ADMINISTRATION AND ANCILLARY SERVICES - WORKERS' COMPENSATION

December 8, 2010

PURCHASING USE

JEB

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IMPORTANT: SUBMIT PROPOSAL IN SEALED PACKAGE WITH PROPOSAL NUMBER, CLOSING DATE AND BUYER'S NAME MARKED CLEARLY ON THE OUTSIDE TO:

COUNTY OF FRESNO, Purchasing
4525 EAST HAMILTON AVENUE, 2nd Floor
FRESNO, CA 93702-4599

CLOSING DATE OF PROPOSAL WILL BE AT 2:00 P.M., ON DECEMBER 29, 2010.

PROPOSALS WILL BE CONSIDERED LATE WHEN THE OFFICIAL PURCHASING TIME CLOCK READS 2:00 P.M.

Proposals will be opened and publicly read at that time. All proposal information will be available for review after contract

Clarification of specifications is to be directed to: **Patricia Flaherty, phone (559) 456-7110,**
e-mail CountyPurchasing@co.fresno.ca.us, FAX (559) 456-7831.

NOTE THE FOLLOWING AND ATTACHED ADDITIONS, DELETIONS AND/OR CHANGES TO THE REQUIREMENTS OF REQUEST FOR PROPOSAL NUMBER: 961-4891 AND INCLUDE THEM IN YOUR RESPONSE. PLEASE SIGN AND RETURN THIS ADDENDUM WITH YOUR PROPOSAL.

- **The following pages are questions and/or clarifications resulting from the Vendor's Conference, held on December 2, 2010.**

ACKNOWLEDGMENT OF ADDENDUM NUMBER ONE (1) TO RFP 961-4891

COMPANY NAME: David Donn Consulting, Inc.
(PRINT)

SIGNATURE: _____

NAME & TITLE: Court Orsborn, Vice President
(PRINT)

PROPOSAL IDENTIFICATION SHEET

RESPONDENT TO COMPLETE AND RETURN WITH PROPOSAL

Our proposal is attached and identified as: David Donn Consulting, Inc.
Response to the County of Fresno Request for Proposal Number 961-4891
Claims Administration and Ancillary Services – Workers' Compensation

The undersigned agrees to furnish the service stipulated at the prices and terms stated in the cost proposal.

Work services will commence within 1 calendar days after signing of the final contract.

Company: David Donn Consulting, Inc

Address: 1388 Sutter Street, Suite 503

San Francisco, CA

Zip: 94109

Signed by: _____

Court Orsborn

Print Name

Vice President

Print Title

(415) 409-3009

Telephone

(415) 409-3667

Fax Number

corsborn@ddcinc.net

E-mail Address

Date: 12/28/10

December 28, 2010

Patricia Flaherty
Senior Buyer
County of Fresno Purchasing
4525 E. Hamilton Avenue, 2nd Floor
Fresno, CA 93702

Court Orsborn
Vice President
David Donn Consulting, Inc.
1388 Sutter Street, Suite 503
San Francisco, CA 94109
(415) 409-3009

Dear Patricia,

On behalf of David Donn Consulting (DDC), I am pleased as the contact and representative for DDC to present our proposal for workers' compensation medical management consulting.

DDC is a specialized advisory firm that advises only on workers' compensation medical management, and provides these services only to self-insured workers' compensation payers (municipal/government entities, corporations and hybrid organizations such as JPAs). We are an independent firm, meaning we have no financial affiliations with workers' compensation managed care vendors. Therefore, our interests are aligned solely with those of our clients: the payers. DDC is an S-corporation.

In our 8 years of operation, we have introduced standards for performance measurement, reporting, and product quality to an industry where no agreed standards had previously existed. In that respect, we are a pioneering oversight organization and advocate for the payer. Through the renovation, optimization and ongoing management of over 40 client programs, we've established unmatched expertise when it comes to the financial and operational optimization of program performance. I hope that as you review our proposal, we are able to provide you with a good understanding of the unique value and strength of our services.

Once again, thank you very much for your time in reviewing our offering. We look forward to hearing from you.

Best regards,

Court L. Orsborn
Vice President

Table of Contents

Section 1 – RFP Page 1 and Addendum Page 1

Section 2 – Proposal Identification Sheet

Section 3 – Cover Letter

Section 4 – Table of Contents

Section 5 – Conflict of Interest Statement

Section 6 – Trade Secret, Participation Acknowledgment and References

Section 7 – Certification, Disclosure, Criminal History and Civil Actions

Section 8 – Exceptions

Section 9 – Vendor Company Data

Section 10 – Scope of Work

Section 11 – Cost Proposal

Conflict of Interest Statement

DDC knows of no existing or potential conflicts of interest.

TRADE SECRET ACKNOWLEDGEMENT

I have read and understand the above "Trade Secret Acknowledgement."

I understand that the County of Fresno has no responsibility for protecting information submitted as a trade secret if it is not delivered in a separate binder plainly marked "Trade Secret."

Enter company name on appropriate line:

David Donn Consulting, Inc. has submitted information identified as Trade
(Company Name) Secrets in a separate marked binder.**

_____ has **not** submitted information identified as Trade
(Company Name) Secrets.

ACKNOWLEDGED BY:

Signature		(415) 409-3009	
Telephone			
Court Orsborn, Vice President		12/28/10	
Print Name and Title		Date	
1388 Sutter Street, Suite 503			
Address			
San Francisco		CA	94109
City		State	Zip

****Bidders brief statement that clearly sets out the reasons for confidentiality in conforming with the California Government Code definition.**

DDC has listed in our Trade Secrets binder information and processes that are known only to certain individuals within a commercial concern. These processes and information have significant commercial value and do give DDC a business advantage relative to competitors.

PARTICIPATION

The County of Fresno is a member of the Central Valley Purchasing Group. This group consists of Fresno, Kern, Kings, and Tulare Counties and all governmental, tax supported agencies within these counties.

Whenever possible, these and other tax supported agencies co-op (piggyback) on contracts put in place by one of the other agencies.

Any agency choosing to avail itself of this opportunity, will make purchases in their own name, make payment directly to the contractor, be liable to the contractor and vice versa, per the terms of the original contract, all the while holding the County of Fresno harmless. If awarded this contract, please indicate whether you would extend the same terms and conditions to all tax supported agencies within this group as you are proposing to extend to Fresno County.

☐

Yes, we will extend contract terms and conditions to all qualified agencies within the Central Valley Purchasing Group and other tax supported agencies.

☐

No, we will not extend contract terms to any agency other than the County of Fresno.

(Authorized Signature)

Court Orsborn, Vice President

Title

*** Note: This form/information is not rated or ranked in evaluating proposal.**

VENDOR MUST COMPLETE AND RETURN WITH REQUEST FOR PROPOSAL

Firm: David Donn Consulting, Inc.

REFERENCE LIST

Provide a list of at least five (5) customers for whom you have recently provided similar services. Be sure to include all requested information.

Reference Name: Alameda Contra Costa Transit Contact: Shelley Fogel
Address: 1600 Franklin Street
City: Oakland State CA Zip: 94612
Phone No.: (51) 891-4805 Date: On-going
Service Provided: Bill review, utilization review and case management program evaluation and
Ongoing program oversight
MPN vendor selection (RFP) and implementation, TPA RFP advisory

Reference Name: CSAC EIA Contact: Kathy McLean
Address: 75 Iron Point Circle, Suite 200
City: Folsom State CA Zip: 95630
Phone No.: (91) 850-7300 Date: On-going
Service Provided: Bill review, utilization review and case management program evaluation and
Ongoing program oversight
Bill review, utilization review and case management vendor selection

Reference Name: Long Beach Unified School Contact: John Aube
Address: 1515 Hughes Way
City: Long Beach State CA Zip: 90810
Phone No.: (56) 997-8235 Date: On-going
Service Provided: Bill review, utilization review and case management vendor selection was
Ongoing program oversight
PBM vendor selection (RFP) and implementation

Reference Name: Raley's Family of Fine Stores Contact: Mark Field
Address: 681 West Capital Ave
City: Sacramento State CA Zip: 95605
Phone No.: (91) 373-6214 Date: On-going
Service Provided: Bill review, utilization review and case management vendor selection was
Ongoing program oversight

Reference Name: Sutter Health Contact: Dan Nicholson
Address: 1014 W North Market Blvd, Suite 40
City: Sacramento State CA Zip: 95816
Phone No.: (91) 561-6519 Date:
Service Provided: Bill review, utilization review and case management vendor selection
Ongoing program oversight
PBM vendor selection (RFP) and implementation

Failure to provide a list of at least five (5) customers may be cause for rejection of this RFP.

CERTIFICATION

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it, its owners, officers, corporate managers and partners:
- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Signature:

Date: 12/28/10

Court Orsborn, Vice
President

(Printed Name & Title)

David Donn Consulting, Inc.

(Name of Agency or Company)

Exceptions

DDC notes no exceptions to RFP specifications, requirements or conditions.

Vendor Company Data

A. General

1. Describe the extent of the computer programs you use and the information available from those programs.

David Donn Consulting, Inc. (DDC) employs standard third-party software (i.e. Microsoft Office) in the advisory services we provide. No proprietary software is required or employed in the delivery of our services.

2. Include any proposals you would make for savings in any area which you believe would be effective for an employer the size of Fresno County.

DDC's advisory services allow Fresno County to increase the financial performance of bill review, utilization review and case management services, as well as reduce the fees charged for these services by third-party vendors. Please refer to the information provided in *F. Medical Management Consulting* and *Scope of Work* for detailed explanations of the areas where DDC's services provide financial benefit to Fresno County.

3. What summary claim reports do you provide and how frequently? Is report creation accessible to County Risk Management staff?

Not applicable

4. Describe the computer software and hardware you would propose to use in the administration of County claims. Is it readily accessible to County Risk Management staff?

Not applicable

5. Do you have an existing office in Fresno that can manage the County's claims?

Not applicable

6. List all of your company's similar service contracts that either expired or were terminated within the last twenty-four months.

Safeway (contract terminated May 2010), County of Merced (contract expired June 2010), California Self-Insurers' Security Fund (contract terminated effective Jan 2011).

7. Describe the proposed location for your operation under this proposal. If your operation will not be located in Fresno, describe how you would accommodate regular meetings with the County.

Our office and operations are located in San Francisco, CA. We are easily able to accommodate telephonic or in-person meetings and interaction with the County as needed.

F. Medical Management Consulting

1. Describe your firm's experience and qualifications to perform services related to administering and monitoring services (i.e., designing service protocols for managed care providers; developing reports to measure the performance of managed care providers, etc.).

DDC was founded in 2002 as a specialized workers' compensation managed care advisory firm, founded by David Donn, previously a Vice President of a nationally-recognized managed care service provider. Since its inception, DDC has administered and monitored 36 ongoing workers' compensation managed care programs. All of DDC's administration and monitoring programs have included the full suite of "Repricing" services – medical bill review, PPO, specialty bill review, and ancillary services (i.e. Pharmacy Benefits Management, Durable Medical Equipment). 16 have included "Medical Management" services – utilization review, telephonic/field case management.

In the course of managing these programs, we have identified both the elements critical to optimizing program performance (financial and operational) and the majority of problems that may arise in any managed care service line. To achieve optimal program performance, DDC has developed a comprehensive set of financial, operational, reporting and account management standards that it installs and ongoingly oversees on behalf of our clients. A partial list of some of the primary components contained in our proprietary standards is listed in the Trade Secrets binder.

In terms of managed care provider reporting and performance measurement, DDC has created a set of reporting standards that we apply to all client programs and which allows us to standardize, measure and compare performance in an industry that otherwise has no set standard for performance reporting. For example, one bill review vendor may include denied partial duplicate billings in its savings figures, while another may not. Without any standard for calculating savings, clients cannot truly assess or compare the financial performance of their vendors. DDC is not only the expert, but the pioneer of standardized performance measures in the workers' compensation managed care industry.

As stated above, we have also seen and corrected a wide range of problems and errors that can occur in managed care programs, and have developed approaches for addressing such problems. Additionally, when new problems arise that we have not yet experienced, these problems generally share characteristics with problems we have addressed before, and therefore we are able to quickly formulate an approach to address these issues as well. As an example of a typical program issue we see on client programs: Repricing services will often not perform at optimal levels, with vendors misreviewing specific medical bills and recommending that medical providers be paid more

than appropriate amounts. DDC addresses this issue by looking at review results for individual medical bills, targeting “outlier” payment recommendations, and independently re-reviewing those bills with potential overpayments. As another example, utilization review services may also suffer from excessive volume, with too many treatment requests being referred to utilization review and thus excessive utilization review fees being incurred. DDC monitors specific performance metrics to identify the excessive use of utilization review, and when excess usage is identified we conference with the managed care company and the claims administrator jointly to refine the referral criteria of the utilization review plan. A partial list of typical problems occurring on managed care programs, and our approach to resolving these problems, is listed in the Trade Secrets binder.

2. Describe your firm’s experience and qualifications to perform services related to auditing of medical bill review, PPO, UR and case management fees for accuracy of billing.

Please see our responses to question #1 above. Our experience and qualifications in administering and monitoring overall managed care programs are also the same expertise required to audit medical bill review, PPO, UR and case management fees. Please also refer to our second response to question #1 in the Trade Secrets binder. Finally, we have provided an additional summary of our audit process in the Trade Secrets binder.

3. Describe your firm’s experience and qualifications to perform services related to providing on-going consultative advice on the cost, structure and effectiveness of managed care services.

DDC is a fully independent firm – we take no financial remuneration from any direct provider of workers’ compensation managed care services. We also maintain a strict confidentiality policy in that we never provide a service provider’s information to any other direct provider of managed care services. Because of DDC’s corporate independence and confidentiality policy, every managed care service provider that has worked with DDC has agreed to provide their own extensive proprietary information to DDC regarding their respective organizations and service offerings. Therefore, DDC has comprehensive knowledge and access to what are the most competitive rates and service structures for each managed care service line. And since we are financially aligned only with the client, we are not impeded from objectively sharing our opinions with the client as to what is in the best interest of the client.

Similarly, DDC has worked with every major national managed care service provider and many prominent regional service providers. Our access to data as an independent firm, coupled with our ongoing working experience on client programs, has allowed DDC to develop an extensive and nuanced

understanding of the service lines, resources, and approaches of all of the most prominent managed care service providers.

4. Describe your ability to perform services under a percent of new savings identified and recovered pricing model. This point should be expanded upon in the Cost Proposal Section below.

We are fully able to perform services under this pricing model. Our proposed fee structure is detailed in the Cost Proposal section of our proposal.

Vendor Company Data

- A. Narrative demonstrating DDC's basic familiarity/experience with problems associated with this service/project.

Please see our response to Vendor Company Data, section F. Medical Management Consulting, questions 1 and 2, as well as the further information provided in response to those questions in our Trade Secrets binder.

- B. Description of similar/related contracts under which DDC has provided services.

In terms of running and managing RFPs, over the course of 20+ engagements to select, implement and ongoingly oversee workers' compensation managed care programs for our clients, we have thoroughly evaluated most prominent regional and national workers' compensation vendors in terms of the following aspects of their services:

- corporate resources
- overall service offerings
- financial/operational performance
- software systems
- personnel
- reporting capabilities and protocols
- TPA data interface capabilities

More broadly, we also manage all aspects of these programs, including:

- Vendor evaluation and selection (detailed above)
- Representation on all business issues related to vendor contracting
- Vendor program implementation (account setup, EDI interface with TPA, transition and data download from outgoing vendors, program rollout with client personnel)
- Ongoing program management
- Changes to service structure (i.e. modification of PPO lineup, addition of new services such as pharmacy benefits management or new radiology/diagnostics/durable medical equipment vendors)

- Oversight of vendor changes (i.e. software transitions, personnel changes, acquisitions)

DDC has provided these services to a wide range of municipal/government and corporate organizations. Roughly half of our engagements have been for municipal/government entities, including cities, counties, school districts, university systems, transit authorities and quasi-municipal JPAs.

Due to this diverse client base, we have performed vendor selections, program evaluations, and program administration/monitoring working within a similarly wide range of organizational protocols. For example, we have worked with a variety of protocols for RFP procedure (scoring, selection committee composition, and priorities for considerations and selection of winning bidders) as well as a variety of client-specific financial/operational priorities (pricing arrangements with preferred vendors, unique operational priorities or procedures, unique challenges faced with the client's employee or medical provider base).

C. Description of the qualifications of individuals providing services.

DDC's services will be directly provided by the following individuals:

David Donn, President. An industry veteran and acknowledged expert in his field, Mr. Donn is the former Vice President of Employer and Occupational Services Group (EOS), the former workers' compensation managed care subsidiary of Health Net, which is now part of Coventry Health Care, one of the largest health care companies in the country. At EOS, he implemented practical solutions to clients' cost control needs and structured innovative cost containment programs that increased clients' savings while reducing their costs. In addition, he designed, directed and executed all business development initiatives for the company's western region.

Mr. Donn is a frequent speaker at various industry conferences and their chapter affiliations for RIMS, PARMA, CMTA and the Industrial Claims Association. Notable keynote speeches by Mr. Donn include the 2004 "Best and Brightest/Hot Topic Educational Forum" for the California Coalition on Workers' Compensation (CCWC) and "Transforming Knowledge into Action & Action into Profitability" at the 2009 Michigan Self-Insurers' Association (MSIA) Spring Conference. Most recently Mr. Donn was featured at the Missouri Self-Insurers Association 2009 Annual Conference and the prestigious 2010 National Council of Self-Insurers Annual Conference. His cutting-edge strategies and practical advice to CFOs, Directors of Risk Management and Workers' Compensation, and Claims and Finance professionals on the subject of workers' compensation managed care and cost containment services have made him an industry favorite.

Prior to entering the managed care industry, Mr. Donn worked in London as a bond trader for Morgan Grenfell, one of Britain's leading international investment

banks and as a stock analyst for a San Francisco, California investment management firm.

Mr. Donn was the youngest board member of The Institute on Aging, a non-profit organization created to provide alternative care arrangements to the frail elderly; a supporting member of the San Francisco Museum of Modern Art and the Fine Arts Museums of San Francisco and its professional group, ArtPoint.

Mr. Donn holds a degree in finance from New York University's Stern School of Business and has taught practical economics, finance and investments at the prestigious Lowell High School in San Francisco as part of the Junior Achievement program for the Bay Area. He currently resides in San Francisco, CA, with his wife Sarah.

Court Orsborn, Vice President. Mr. Orsborn joined DDC in 2002 and has 8 years of experience evaluating workers' compensation managed care programs and overseeing the operation of these programs. Highly respected within the industry for his expert knowledge, attention to detail and professionalism, he is responsible for the research, development and implementation of cutting edge services and strategies, managing the development and maintenance of DDC's managed care database tracking service provider product and performance data, industry-wide performance trends, and current market pricing averages. Mr Orsborn's quantitative aptitude has been a critical factor in being able to assess the true performance of managed care providers across all services and products.

Mr. Orsborn is a former financial analyst whose prior experience includes a position with the healthcare and higher education group of Standard & Poor's Public Finance Division, where he covered the healthcare, public housing, and higher education sectors. Prior to joining DDC, he was Manager of Business Development for VenuePoint, LLC, a provider of business applications for media and entertainment companies. At VenuePoint, Mr. Orsborn was responsible for the development and maintenance of business relationships and product development, and designed internal tracking methods for monitoring customer usage, product performance, and business-to-business market behavior.

Mr. Orsborn has provided market analysis, financial analysis, and strategy consulting to a variety of technology and financial service companies including H&R Block; Morphozys, a wireless applications and enterprise information security company; and Ameba Ventures, an early stage venture capital fund providing seed capital for technology start-ups. He brings a broad understanding of financial and market analysis to his managed care research and counsel at DDC.

Mr. Orsborn holds a degree in business from University of California, Berkeley. He resides in San Francisco, CA.

Michael Hsiao, Senior Associate. Mr. Hsiao joined DDC in 2004 and has 6 years of experience overseeing the operation of these programs. Highly regarded by clients for his acute attention to detail, Mr. Hsiao is primarily responsible for managing the enforcement of DDC program specifications to optimize financial and operational performance on DDC client programs. He also manages the analysis and presentation of client program results.

Prior to DDC, Mr. Hsiao interned at Merrill Lynch, where he served as a research analyst and project coordinator for a Senior Vice President of asset management. As a research analyst, Mr. Hsiao was responsible for maintaining clientele databases and researching investment opportunities. Upon promotion to project coordinator, Mr. Hsiao took on additional responsibilities including conducting interviews for potential internship candidates and coordinating internship recruiting procedures and marketing projects.

Mr. Hsiao holds a degree from the University of California, Berkeley, with a double major in Economics and Interdisciplinary Studies (focus in International Relations). He currently resides in San Francisco, CA.

D. Material (including letters of support or endorsement) indicative of the bidder's capability.

Provided in Trade Secrets binder.

E. A brief description of the bidder's current operations and ability to provide the services.

DDC is headquartered in San Francisco, CA. As is typically most convenient for our clients, we perform our services from our office, and handle most interaction with clients and their vendors either via email or telephone. The analytical component of our services is also typically performed at our offices. Therefore, while we are available for onsite work as needed by clients, most of our services are performed remotely and do not require extensive client time resource commitments.

In terms of ability to provide services, we hope to have addressed this question in the other responses contained in this proposal. In terms of resource availability, DDC has the capacity to perform all services with the personnel listed above in response to question C.

F. Audited financial statements.

Not provided as indicated in RFP.

G. All contracts terminated in last 5 years.

California Joint Powers Authority (contract terminated April 2008), Safeway (contract terminated May 2010), California Self-Insurers' Security Fund (contract terminated effective Jan 2011).

- H. All lawsuits/legal actions that are currently pending/have been resolved within the last 5 years.

None.

- I. Any payment problems experienced between DDC and the County within the past 3 years.

None.

Scope of Work

As DDC understands it, Fresno County wishes to install ongoing high-level performance benchmarks and apply monitoring oversight to its workers' compensation managed care program that will serve to continually maximize program performance. Prior to the installation of such benchmarks and oversight, the County may also wish to engage assistance with the evaluation, selection and implementation of vendor(s) ideally suited to provide such optimal service to the County. DDC's core service offering addresses both of these service components (program oversight and vendor selection). We have provide a summary of the scope of both services, however we understand that the County may not require vendor selection services. At the County's discretion, this service is available to either be engaged or removed from the service package we provide.

Vendor Selection. Within the context of County directives, DDC will manage a competitive bid of any or all of the service lines incorporated in the County's managed care program. As appropriate under County procedures, DDC will develop bid documentation, including as appropriate a comprehensive RFP questionnaire, scoring procedure and worksheets, and final candidate evaluation summaries. DDC will also coordinate with the County in all necessary bid planning processes. DDC will provide full support to the County on all candidate interaction, including candidate question responses and finalist onsite interviews. As appropriate under County procedures, DDC will evaluate, score, and rank all service provider bid submissions based on the agreed scoring methodology. Based on final scores and final County approval, DDC will implement a new program under vendor(s) best-suited to achieve maximum financial and operational performance for the County. Upon the selection of winning vendor(s), DDC will recommend financially effective negotiating strategies for service rates, provide contractual advice, and negotiate final contractual terms and conditions.¹ DDC will oversee the full implementation process and launch of the new program.

Program Administration, Monitoring and Oversight. For the duration of the medical management consulting contract and its extensions thereof awarded under this RFP, DDC will evaluate program performance, provide monthly program performance reviews to the County, identify areas of program underperformance, and coordinate implementation of any necessary program enhancements or corrections. A specific list of the program components and issues overseen by DDC's monitoring process is listed in our Trade Secrets binder.

Reports. A sample of a DDC program monitoring report is contained in our Trade Secrets binder. Our reports are fully customizable and can be modified to contain any additional information required by the County. If required by the County, on demand access to all DDC reports can also be provided.

¹ Contract negotiation and execution covers the negotiation of price, performance, and operational terms specific to the actual services provided under the negotiated service agreement. DDC does not provide legal counsel.

Please note: We did not see any specific Medical Management Consulting Scope of Work items listed in the RFP, and therefore did not reference such items in our Scope of Work response.

Cost Proposal

DDC agrees that compensation paid pursuant to a service agreement would be our sole source of compensation related to the County's account. DDC does not accept contributions, gifts, in-kind compensation, or other types of compensation beyond those fees officially contracted with its clients.

Fees for program administration, monitoring and oversight services. DDC's fee proposal, in compliance with the percentage rate required by the County, is 25% of the financial improvements achieved through DDC services. This fee covers all such services listed in our proposal and Trade Secrets binder, with the exception of vendor selection services. Financial improvements will be calculated using a methodology that is fully acceptable and approved by the County and would be finalized in discussion with the County, however financial improvement typically will include the following components:

- recaptured managed care fee overcharges
- improvement to managed care service fees
- improvement to bill review savings

Fees for vendor selection services. If the County elects to engage DDC to provide the vendor selection services described in Scope of Work, DDC's fee proposal is the contingency fee equivalent of \$75,000, to be paid solely out of financial improvements achieved through DDC services. Therefore, DDC would be paid the remaining 75% of financial improvement achieved through DDC services until the \$75,000 fee is paid. Thereafter, DDC would only be paid the 25% of improvement fee applicable to administration, monitoring and oversight services.

SELF-DEALING TRANSACTION DISCLOSURE FORM

In order to conduct business with the County of Fresno (hereinafter referred to as "County"), members of a contractor's board of directors (hereinafter referred to as "County Contractor"), must disclose any self-dealing transactions that they are a party to while providing goods, performing services, or both for the County. A self-dealing transaction is defined below:

"A self-dealing transaction means a transaction to which the corporation is a party and in which one or more of its directors has a material financial interest"

The definition above will be utilized for purposes of completing this disclosure form.


INSTRUCTIONS

- (1) Enter board member's name, job title (if applicable), and date this disclosure is being made.
- (2) Enter the board member's company/agency name and address.
- (3) Describe in detail the nature of the self-dealing transaction that is being disclosed to the County. At a minimum, include a description of the following:
 - a. The name of the agency/company with which the corporation has the transaction; and
 - b. The nature of the material financial interest in the Corporation's transaction that the board member has.
- (4) Describe in detail why the self-dealing transaction is appropriate based on applicable provisions of the Corporations Code.
- (5) Form must be signed by the board member that is involved in the self-dealing transaction described in Sections (3) and (4).

(1) Company Board Member Information:			
Name:		Date:	
Job Title:			
(2) Company/Agency Name and Address:			
(3) Disclosure (Please describe the nature of the self-dealing transaction you are a party to):			
(4) Explain why this self-dealing transaction is consistent with the requirements of Corporations Code 5233 (a):			
(5) Authorized Signature			
Signature		Date:	

CERTIFICATE OF DELIVERY OF DOCUMENT

I am employed by the County of Fresno as a Deputy Clerk of the Board of Supervisors. On September 27, 2011 I delivered a copy of Agreement No. 11-605 (Item No. 27) to the Chairman of the Fresno County Board of Supervisors.


Kelley McCreary
Deputy Clerk