



County of El Paso Purchasing Department
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ADDENDUM 3

To: All Interested Proposers

From: Linda Gonzalez, Inventory Bid Technician

Date: October 16, 2008

Subject: RFP# 08-150, (RFP) County's Workers' Compensation Third Party Administrator

The Purchasing Department received questions relating to the above referenced proposal;

1. In Section III Proposal Specifications, numbers 9 & 10
 9. Each TPA shall submit a list of PPO providers in the El Paso area.
 10. Indicate if the TPA owns or rents the PPO to be used

QUESTION: Please clarify if this needs to be provided as RFP #08-150 pertains to the County's Workers' Compensation Third Party Administration and does not include cost containment services.

This information does not need to be provided.

2. Page 2 "Proposal Schedule" in the box at the middle of the page "Please submit one (1) original copy and five (5) copies of your bid."

Page 4 "Request For Proposal" paragraph 3 states "Please provide five (5) copies of each proposal."

Page 6 "D Proposal Deadline" states "Those responding are requested to submit five (5) copies of the signed proposal....."

QUESTION: Please clarify the correct number of proposal responses required.

We are requesting five (5) copies and one (1) original.

3. In "Section III. Proposal Specifications" on page 8, and sub-section "In addition to normal services provided by a TPA, the following should also be included: " which is on page 9, item 7 "write all claim-related checks and provide monthly statements to reconcile all payments",

QUESTION: Does the County of El Paso prefer that any and all checks on their workers' compensation program be issued and mailed from El Paso?

NO, it means that all claim-related checks should be issued by the TPA it doesn't matter from where.

4. Page 1 "Notice To Interested Parties" "If the proposal totals more than \$100,000.00, the bidder shall furnish a certified cashiers check made payable to the County of El Paso or a good and sufficient bid bond in the amount of 5% of the total contract price, executed with a surety company authorized to do business in the State of Texas. The certified cashers check must be included with the proposal at the time of the opening."

and

Page 23, in the "Proposal Conditions" section, item 10 "RFP \$100,000.00 and over, the proposer shall furnish a certified cashiers check made payable to the County of El Paso or a good and sufficient bid bond in the amount of 5% of the total contract prices and execute with a surety company authorized to do business in the State of Texas. The bid bond must be included with the bid at the time of the opening."

QUESTION: If the estimated annual fees are under \$100,000 are we required to post a bid bond or cashier's check? Also, what are the terms for refunding the monies, if any.

Bid Bonds are not required if fees are under \$100,000. The County Purchasing Dept. will refund money due to a bidder in full.

5. Page 2 "Pricing Schedule" reflects "Total Cost" in the box under "Vendor must meet or exceed specifications".

QUESTION: Is the "Total Cost" requested in this RFP to cover an estimated one-year period, the total for the first 3 years or for the entire 6 year period?

The total cost would be for the first 3 years and would include cost per year for current claims and for take over claims.

6. Please define to us what is meant by "Bridge Cost for Run-Off Claims" .

Those are take over claims: claims still open and incurred prior to Dec. 1, 2008.

7. Of the County's approximately 130 open claims will you provide to us how many are indemnity claims and how many are medical only claims?

As Of 7-31-08:

Indemnity: 88

Medical Only: 34

8. Do you have any report only claims?

Yes but those are handled internally.

9. On page 10 of the RFP you do state that the County reserves the right to choose the Workers' Compensation Cost Containment Services Provider. We do offer those services and CAS would like to know if you wish to see pricing regarding our bill review services?

No, not at this time.

10. The RFP mentions the estimated takeover claims to be about 130. What is the breakdown of Lost Time and Medical Only takeover claims?

We anticipate those numbers to be the same as the numbers for open claims illustrated for questions #7.

11. Page 8 III question 4 indicated the TPA must have a local office. We do not have a local office but currently write the County of El Paso (auto), County of Hudspeth (WC), County of Reeves (WC), San Elizario ISD (property), and Socorro ISD (property) in your area and service those account from our Dallas office. Unfortunately, at this time we can not comply with the local office requirement. Will this disqualify TPS' proposal?

No, but the RFP requires to have local support.

12. Your loss history has you with about a 63% indemnity and 37% Medical only. This is totally opposite what we see most of the time. Do you have a program for first aid type claims that you do not report?

No.

13. On page 14 and 15 of the RFP which is the pricing grids, you use the term bridge for both new and take over. Is this a mistake, and should it not be included on page 14? Could you let us know just what you mean by Bridge Cost?

Yes that is a mistake please disregard this line item for both page 14 & page 15.

14. We would like to know the breakdown of medical only and indemnity that are listed as open claims in each of the 5 years you listed. This will make a big difference in the pricing for open claims.

As of 7-31-08 the breakdown is as follows:

2003/2004 Medical Only: 0 Indemnity: 3

2004/2005 Medical Only: 0 Indemnity: 3

2005/2006 Medical Only: 1 Indemnity: 5

2006/2007 Medical Only: 3 Indemnity: 17

10/1/08 – 7/31/08: Medical Only: 29 Indemnity: 56