

**REQUEST FOR PROPOSALS FOR**

**Workers' Compensation Third Party Administrator (TPA)  
for the Commission's Self-Insured Workers' Compensation Program**

**ISSUING OFFICE**

**Pennsylvania Turnpike Commission  
Safety & Risk Management Department**

**05-115-3254**

**DATE OF ISSUANCE**

**AUGUST 25, 2005**

**REQUEST FOR PROPOSALS FOR**  
**Workers' Compensation Third Party Administrator (TPA)**  
**for the Commission's Self-Insured Workers' Compensation Program**

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## PART I

### GENERAL INFORMATION FOR CONTRACTORS

**I-1. Purpose.** This request for proposals (RFP) provides interested contractors with sufficient information to enable them to prepare and submit proposals for consideration by the Pennsylvania Turnpike Commission (Commission) to satisfy a need for a **Workers' Compensation Third Party Administrator (TPA) for the Commission's Self-Insured Workers' Compensation Program.**

**I-2. Issuing Office.** This RFP is issued for the Commission by the **Safety and Risk Management Department, Patricia A. Raskauskas, Workers' Compensation Manager, P. O. Box 67676, Harrisburg, PA 17106-7676, (717) 939-9551 ext. 3233; Fax (717) 986-8785; e-mail address: praskaus@paturndpike.com.** The Issuing Office is the sole point of contact in the Commission for this RFP.

**I-3. Scope.** This RFP contains instructions governing the proposals to be submitted and the material to be included therein; a description of the service to be provided; requirements which must be met to be eligible for consideration; general evaluation criteria; and other requirements to be met by each proposal.

**I-4. Problem Statement.** The Pennsylvania Turnpike Commission is seeking qualified organizations to provide Third Party Administrative Services (TPA) for our Self-Insured Workers' Compensation Program.

**I-5. Type of Contract.** It is proposed that if a contract is entered into as a result of this RFP, it will be a Fixed Fee Contract and will contain the Standard Contract Terms and Conditions shown in Appendix A. The Commission may in its sole discretion undertake negotiations with contractors whose proposals as to price and other factors show them to be qualified, responsible, and capable of performing the work.

**I-6. Rejection of Proposals.** The Commission reserves the right to reject any and all proposals received as a result of this request, or to negotiate separately with competing contractors.

**I-7. Subcontracting.** Any use of subcontractors by a contractor must be identified in the quote. During the contract period use of any subcontractors by the selected contractor, that were not previously identified in the quote, must be approved in writing by the Commission prior to any work being done.

A firm that responds to this solicitation as a prime may not be included as a designated sub consultant to another firm that responds to the same solicitation. **Multiple responses under any of the foregoing situations may cause the rejection of all responses of the firm or firms involved.** This does not preclude a firm from being set forth as a designated sub consultant to more than one prime consultant responding to the project advertisement.

**I-8. Incurring Costs.** The Commission is not liable for any costs incurred by contractors prior to issuance of a contract.

**I-9. Pre-proposal Conference.** There will not be a pre-proposal conference for this RFP. **Questions should be forwarded to the Issuing Office no later than 12:00 Noon, Monday, September 12, 2005 to ensure sufficient analysis can be made before an answer is supplied.** All questions and written answers will be issued as an addendum to and become part of this RFP.

**I-10. Addenda to the RFP.** If it becomes necessary to revise any part of this RFP before the proposal response date, addenda will be posted to the web site under the original RFP document.

The Commission may revise a published advertisement. If the Commission revises a published advertisement less than ten days before the RFP due date, the due date will be extended to maintain the minimum ten-day advertisement duration if the revision alters the project scope or selection criteria. Firms are responsible to monitor advertisements/addenda to assure the submitted proposal complies with any changes in the published advertisement.

**I-11. Response.** To be considered, proposals must be delivered to the Pennsylvania Turnpike Commission's Contract Administration Department, Attention George Hatalowich, on or before **12:00 Noon, Friday, September 30, 2005. The Pennsylvania Turnpike Commission is located at 700 South Eisenhower Blvd., Middletown, PA 17057.** Please note that use of **U.S. Mail delivery** does not **guarantee** delivery to this address by the above-listed time for submission. Proposers **mailing proposals should allow sufficient delivery time to ensure timely receipt of their proposals.** If the Commission office location to which proposals are to be delivered is closed on the proposal response date due to inclement weather, natural disaster, or any other cause, the deadline for submission shall be automatically extended until the next Commission business day on which the office is open. Unless the proposers are otherwise notified by the Commission, the time for submission of proposals shall remain the same.

**I-12. Proposals.** To be considered, contractors should submit a complete response to this RFP, using the format provided in PART II. Each proposal should be submitted in **nine (9)** copies to the Contract Administration Department. No other distribution of proposals will be made by the contractor. Each proposal page should be numbered for ease of reference. Proposals must be signed by an official authorized to bind the contractor to its provisions and include the contractor's Federal Identification Number. For this RFP, the proposal must remain valid for at least **sixty (60)** days. Moreover, the contents of the proposal of the selected contractor will become contractual obligations if a contract is entered into.

Each and every contractor submitting a proposal specifically waives any right to withdraw or modify it, except as hereinafter provided. Proposals may be withdrawn by written or telefax notice received at the Commission's address for proposal delivery prior to the exact hour and date specified for proposal receipt. However, if the contractor chooses to attempt to provide such written notice by telefax transmission, the Commission shall not be responsible or liable for errors in telefax transmission. A proposal may also be withdrawn in person by a contractor or its authorized representative, provided its identity is made known and it signs a receipt for the proposal, but only if the withdrawal is made prior to the exact hour and date set for proposal receipt. A proposal may only be modified by the submission of a new sealed proposal or submission of a sealed modification which complies with the requirements of this RFP.

**I-13. Economy of Preparation.** Proposals should be prepared simply and economically, providing a straightforward, concise description of the contractor's ability to meet the requirements of the RFP.

**I-14. Discussions for Clarification.** Contractors who submit proposals may be required to make an oral or written clarification of their proposals to the Commission to ensure thorough mutual understanding and contractor responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification.

**I-15. Best and Final Offers.** To obtain best and final offers from contractors whose proposals are determined by the Commission, in its sole discretion, to be reasonably susceptible of being selected for award, the Commission may (a) enter into discussions; (b) schedule oral presentations; and (c) request revised proposals.

**I-16. Prime Contractor Responsibilities.** The selected contractor will be required to assume responsibility for all services offered in its proposal whether or not it produces them. Further, the Commission will consider the selected contractor to be the sole point of contact with regard to contractual matters.

**I-17. Proposal Contents.** Proposals will be held in confidence and will not be revealed or discussed with competitors, unless disclosure is required to be made (i) under the provisions of any Commonwealth or United States statute or regulation; or (ii) by rule or order of any court of competent jurisdiction. If a contract is executed, however, the successful proposal submitted in response to this RFP shall be subject to disclosure. All material submitted with the proposal becomes the property of the Pennsylvania Turnpike Commission and may be returned only at the Commission's option. Proposals submitted to the Commission may be reviewed and evaluated by any person other than competing contractors at the discretion of the Commission. The Commission has the right to use any or all ideas presented in any proposal. Selection or rejection of the proposal does not affect this right.

**I-18. Debriefing Conferences.** Contractors whose proposals are not selected will be notified of the name of the selected contractor and will be given the opportunity to be debriefed, at the Contractor's request. The Issuing Office will schedule the time and location of the debriefing. The contractor will not be compared with other contractors, other than the position of its proposal in relation to all other proposals for each criterion for selection.

**I-19. News Releases.** News releases pertaining to this project will not be made without prior Commission approval, and then only in coordination with the Issuing Office.

**I-20. Commission Participation.** Unless specifically noted in this section, contractors must provide all services to complete the identified work.

**I-21. Cost Submittal.** The cost submittal shall be placed in a separately sealed envelope within the sealed proposal and kept separate from the technical submittal. **Failure to meet this requirement may result in disqualification of the proposal.**

**I-22. Term of Contract.** The term of the contract will commence on the Effective Date (as defined below) and will end after three (3) years with options to renew for two (2) additional one –year periods. The Commission shall fix the Effective Date after the contract has been fully executed by the Contractor and by the Commission and all approvals required by Commission contracting procedures have been obtained.

**I-23. Contractor's Representations and Authorizations.** Each contractor by submitting its proposal understands, represents, and acknowledges that:

- a. All information provided by, and representations made by, the contractor in the proposal are material and important and will be relied upon by the Issuing Office in awarding the contract(s). Any misstatement shall be treated as fraudulent concealment from the Issuing Office of the true facts relating to the submission of this proposal. A misrepresentation shall be punishable under 18 Pa. C.S. 4904.
- b. The price(s) and amount of this proposal have been arrived at independently and without consultation, communication or agreement with any other contractor or potential contractor.
- c. Neither the price(s) nor the amount of the proposal, and neither the approximate price(s) nor the approximate amount of this proposal, have been disclosed to any other firm or person who is a contractor or potential contractor, and they will not be disclosed on or before the proposal submission deadline specified in the cover letter to this RFP.
- d. No attempt has been made or will be made to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- e. The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- f. To the best knowledge of the person signing the proposal for the contractor, the contractor, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as disclosed by the contractor in its proposal.
- g. To the best of the knowledge of the person signing the proposal for the contractor and except as otherwise disclosed by the contractor in its proposal, the contractor has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the contractor that is owed to the Commonwealth.
- h. The contractor is not currently under suspension or debarment by the Commonwealth, or any other state, or the federal government, and if the contractor cannot certify, then it shall submit along with the proposal a written explanation of why such certification cannot be made.
- i. The contractor has not, under separate contract with the Issuing Office, made any recommendations to the Issuing Office concerning the need for the services described in the proposal or the specifications for the services described in the proposal.

- j. Each contractor, by submitting its proposal, authorizes all Commonwealth agencies to release to the Commission information related to liabilities to the Commonwealth including, but not limited to, taxes, unemployment compensation, and workers' compensation liabilities.

## PART II

### INFORMATION REQUIRED FROM CONTRACTORS

Contractor proposals must be submitted in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal. Each proposal shall consist of two (2) separately sealed submittals. The submittals are as follows: (i) Technical Submittal, in response to Sections II-1 through II-8 hereof; (ii) Cost Submittal, in response to Section II-9 hereof.

The Commission reserves the right to request additional information which, in the Commission's opinion, is necessary to assure that the contractor's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the contract.

The Commission may make such investigations as deemed necessary to determine the ability of the contractor to perform the work, and the contractor shall furnish to the Commission all such information and data for this purpose as requested by the Commission. The Commission reserves the right to reject any proposal if the evidence submitted by, or investigation of, such contractor fails to satisfy the Commission that such contractor is properly qualified to carry out the obligations of the agreement and to complete the work specified.

**II-1. Statement of the Problem.** State in succinct terms your understanding of the problem presented or the service required by this RFP.

**II-2. Management Summary.** Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided.

**II-3. Work Plan.** Describe in narrative form your technical plan for accomplishing the work. Use the task descriptions in Part IV of this RFP as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained. Indicate the number of personhours allocated to each task.

**II-4. Prior Experience.** Include experience in **Workers' Compensation Third Party Administration (TPA) Services**. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company. Studies or projects referred to should be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

**II-5. Personnel.** Include the number, and names where practicable, of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work. Show where these personnel will be physically located during the time they are engaged in the work. Include through a resume or similar document education and experience in **Workers' Compensation Third Party (TPA) Services and bill repricing in accordance with the Act**. Indicate the responsibilities each will have in this project and how long each has been with your company. Identify subcontractors you intend to use and the services they will perform.

**II-6. Training.** If appropriate, indicate recommended training of Commission personnel. Include the personnel to be trained, the number to be trained, duration of the program, place of training, curricula, training materials to be used, number and frequency of sessions, and number and level of instructors.

**II-7. Objections and Additions to Standard Contract Terms and Conditions.** Contractor will identify which, if any, of the terms and conditions contained in Appendix A it objects to and what additional terms and conditions contractor requires. Contractor's failure to object or to request additions will result in its waiving its right to do so later, but the Commission may consider late objections and additional requests if it is in the best interest of the Commission to do so.

**II-8. MWDBE/SERB Participation.** Prime Contractors are encouraged to utilize SERB vendor participation in their proposed solution. The Commission, however, will not be applying any additional advantage to contractors, who submit proposals, who are either qualified SERB vendors or who utilize a SERB vendor as a subcontractor for this RFP.

**II-9. Cost Submittal.** The information requested in this section shall constitute your cost submittal. **This portion of the proposal should be bound and sealed separately from the remainder of the proposal.** The total cost you are proposing must be broken down into the following components:

- a. **Direct Labor Costs.** Itemize so as to show the following for each category of personnel with a different rate per hour:
  - (1) Category: e.g., partner, project manager, analyst, senior auditor, research associate.
  - (2) Estimated hours.
  - (3) Rate per hour.
  - (4) Total cost for each category and for all direct labor costs.
- b. **Labor Overhead.** Specify what is included and rate used.
- c. **Travel and Subsistence.** Itemize transportation, lodging and meals per diem costs separately.
- d. **Consultant Costs.** Itemize as in (a) above.
- e. **Subcontract Costs.** Itemize as in (a) above.
- f. **Cost of Supplies and Materials.** Itemize.
- g. **Other Direct Costs.** Itemize.
- h. **General Overhead Costs.** Specify what is included and rate used.
- i. **Fee.** Fixed fee.
- j. **Total Cost.**

**Only work satisfactorily performed after execution of a written contract, after the contractor's receipt of a notice to proceed from the Commission and after the contract term has begun will be reimbursed.**

## PART III

### CRITERIA FOR SELECTION

**III-1. Mandatory Responsiveness Requirements.** To be eligible for selection, a proposal should be (a) timely received from a contractor; (b) properly signed by the contractor; and (c) formatted such that all cost data is kept separate from and not included in the Technical Submittal.

**III-2.** Proposals will be reviewed and evaluated by a committee of qualified personnel selected by the Commission. This committee will recommend for selection the proposal that most closely meets the requirements of the RFP and satisfies Commission needs. Award will only be made to a contractor determined to be responsible in accordance with Commonwealth Management Directive 215.9, Contractor Responsibility Program.

**III-3.** The following areas of consideration will be used in making the selection:

**a. Understanding the Problem.** This refers to the contractor's understanding of the Commission needs that generated the RFP, of the Commission's objectives in asking for the services or undertaking the study, and of the nature and scope of the work involved.

**b. Contractor Qualifications.** This refers to the ability of the contractor to meet the terms of the RFP, especially the time constraint and the quality, relevancy, and recency of studies and projects completed by the contractor. This also includes the contractor's financial ability to undertake a project of this size.

**c. Personnel Qualifications.** This refers to the competence of professional personnel who would be assigned to the job by the contractor. Qualifications of professional personnel will be measured by experience and education, with particular reference to experience on studies/services similar to that described in the RFP. Particular emphasis is placed on the qualifications of the project manager.

**d. Soundness of Approach.** Emphasis here is on the techniques for collecting and analyzing data, sequence and relationships of major steps, and methods for managing the study/service. Of equal importance is whether the technical approach is completely responsive to all written specifications and requirements contained in the RFP and if it appears to meet Commission objectives.

**e. Cost.** While this area may be weighted heavily, it will not normally be the deciding factor in the selection process. The Commission reserves the right to select a proposal based upon all the factors listed above, and will not necessarily choose the firm offering the best price. The Commission will select the firm with the proposal that best meets its needs, at the sole discretion of the Commission.

## PART IV

### WORK STATEMENT

#### IV-1. Objectives.

a. **General.** The Pennsylvania Turnpike Commission is seeking a company to perform the functions of a Third Party Administrator (TPA) for the Pennsylvania Turnpike Commission's Self-Insured Workers' Compensation Program.

b. **Specific.** The TPA will review all Self-Insured Report of Claim Forms submitted in which the dates of injury fall during the term of the agreement; the TPA will establish and maintain estimated reserve figures for each claim file and to consult with the Self-Insured with respect to payment of any case; the TPA will furnish all claim forms necessary for proper claims administration and maintain claim files for each reported claim throughout the life of the claim and to retain all closed files for a period of three (3) years following the closing of the file. The TPA will obtain from any prior TPA who was acting on behalf of the Self-Insured claim information &/or files to avoid any gaps in payments and payment history. As soon as reasonably practicable following the end of each month, the TPA will provide the Self-Insured with reports that include the total number of claims reported to the TPA the preceding month, the total amounts paid by the TPA during the preceding month and a breakdown of said totals. The TPA will transmit weekly to the Self-Insured a list of all medical and indemnity benefits and allocated expenses to be paid, the total of which represents the amount that the Self-Insured shall immediately make available in its Workers' Compensation Account for payment at the end of the month. The TPA will issue drafts in payment of benefits and allocated expenses at a bank of its choice. The TPA will notify the Self-Insured of any cases that may involve the Self-Insured's excess insurance carrier and provide documentation so the Self-Insured may request reimbursements in accordance with the excess insurance coverage. The TPA shall notify the Self-Insured and seek approval for any claim requiring litigation. The TPA will provide bill repricing services on medical invoices in accordance with the Act prior to payment of medical expenses associated with the claim. The TPA will also provide the Self-Insured with access to their computer system to permit the Self-Insured the ability to view the claim. The TPA will also respond to the requests and direction of the Self-Insured's Workers' Compensation Manager.

**IV-2. Nature and Scope of the Project.** The TPA will establish claims that occur within the scope of employment in the State of Pennsylvania and in accordance with the Workers' Compensation Act.

**IV-3. Requirements.** The TPA will respond to claims in accordance with the time constraints of the Pennsylvania Workers' Compensation Act.

**IV-4. Reports and Project Control.** The TPA will provide to the Self-Insured monthly and annual reports as to the claim reserves, amounts paid and outstanding reserve funds. The TPA will also provide reports that will permit the Self-Insured to respond to Annual Report of Compensation Paid in a given Calendar Year (LIBC-680) and the Application for Renewal of Self-Insurance (LIBC-366R).

a. **Task Plan.** A work plan for each task that identifies the work elements of each task, the resources assigned to the task, and the time allotted to each element and the deliverable items to be produced. Where appropriate, a PERT or GANTT chart display should be used to show project, task, and time relationship.

**b. Status Report.** A semi-annual progress report covering activities, problems, and recommendations; the report should be keyed to the work plan developed by the contractor in its proposal, as amended or approved by the Commission.

**c. Final Report.** At the termination of the contract, the TPA should provide a final report addressing at a minimum the following key areas:

- (1) Summary. A status of the open and closed claims to include reserves and amounts paid.
- (2) The specific number of open and closed claims.
- (3) The final report should provide detailed information as to the transfer of claims information to any subsequent TPA.

**Appendix A**

**AGREEMENT**

This **AGREEMENT** is made this \_\_\_\_\_ day of \_\_\_\_\_, 2005, between the **Pennsylvania Turnpike Commission** (“**COMMISSION**”), an instrumentality of the Commonwealth of Pennsylvania, with principal offices at Middletown, Pennsylvania (mailing address: P. O. Box 67676, Harrisburg, PA 17106-7676; physical address: 700 Eisenhower Blvd, Middletown, PA 17057),

**AND**

\_\_\_\_\_ (“**CONTRACTOR**”), [insert the legal status of **CONTRACTOR** such as a **Pennsylvania** (or foreign) corporation (or partnership, LLC, LLP, etc.)], with its principal office at [insert address]

**WITNESSETH:**

**WHEREAS**, the **COMMISSION** desires to . . . [describe the specific PTC purposes, goals, assumptions, underlying facts, or contractor's representations that are the basis of the bargain, etc.]

**WHEREAS**, by Act No. 211 of the General Assembly of the Commonwealth of Pennsylvania, approved May 21, 1937, and its amendments, the **COMMISSION** is authorized and empowered to enter into a contract with **CONTRACTOR**;

**WHEREAS**, the **COMMISSION** desires to retain the services of **CONTRACTOR** upon the following terms; and

**NOW, THEREFORE**, in consideration of these mutual covenants, and intending to be legally bound, the parties agree as follows:

## Definitions

[This section is for terms that have a special meaning for this agreement or that are used in a way different from everyday or common usage.]

## Contractor's Scope of Work

[There should be a document that specifies what we expect from the Contractor (such as deliverables; schedules and deadlines; representations or warranties; conditions or covenants; location of the work; use of specific persons; standards of performance; insurance requirements). This document must be made part of the Agreement (either as an exhibit which is attached or by referring to it in the Agreement without attaching it)].

The **CONTRACTOR** will perform the work described in [identify the document/RFP#] dated [date], titled [title] and the **CONTRACTOR'S** proposal dated [date]. This document is [SELECT ONE: attached as Exhibit \_ and made a part of this Agreement **OR** made part of this Agreement by reference].

## Commission's Responsibilities

The **COMMISSION** shall furnish the **CONTRACTOR** access to key personnel, relevant documents, and adequate workspace for completing the work.

## Compensation

For the work, services, and material as defined in this Agreement, the **CONTRACTOR** shall be paid \_\_\_\_\_ and \_\_\_/100 DOLLARS (\$\_\_\_\_\_). [Specify whether the compensation method is hourly, cost reimbursement, lump sum, etc.]

## Duration of Agreement [and Renewal]

The term of this Agreement is [term]. The term may be extended for [number] additional years by a writing signed by both parties.

## Termination

Either party may terminate this agreement at any time upon thirty- (30) calendar days written notice. If this notice is given, the **CONTRACTOR** shall be paid only for the services already rendered upon the date of the notice and for the services rendered to the date of termination, subject to all provisions of this agreement. The notice will be effective on the date of receipt. The right to cancel may be exercised as to the entire project, or as to any particular phase or phases, part or parts, and upon one or upon several occasions, but any termination may not be revoked except upon written consent of the parties through a supplemental agreement to this agreement.

### Assignment and Delegation

The **CONTRACTOR** may not transfer, assign, or delegate any terms of this contract, in whole or in part, without prior written permission from the **COMMISSION**.

The **CONTRACTOR** shall not engage the services of any person or persons now employed by the Commission except with the **COMMISSION**'s approval.

### Governing Law

This agreement will be interpreted according to the laws of the Commonwealth of Pennsylvania.

### Observance of Laws

The **CONTRACTOR** agrees to observe all relevant federal, state, and local laws and to obtain in its name all necessary permits and licenses.

### Work for Hire

Except for hardware, third party licensed software, and software previously developed by **CONTRACTOR**, all Deliverables, including but not limited to source code, software, specifications, plans, designs and engineering, drawings, data, information or other written, recorded, photographic, or visual materials, trademarks, service marks, copyrights or other Deliverables produced by **CONTRACTOR** or any supplier in the performance of the contract shall be deemed "Work Product". All Work Product shall be considered services for hire. Accordingly, except as set forth earlier in this paragraph, all Work Product shall be the exclusive property of the **COMMISSION**.

The **CONTRACTOR** agrees to notify the **COMMISSION** in writing before using any of **CONTRACTOR**'s previously developed software for services provided under this Agreement. The **CONTRACTOR** and the **COMMISSION** will honor all applicable preexisting licenses, copyrights, trademarks, service marks, and patents. If as part of an expense item under this Agreement, the **CONTRACTOR** purchases the right to any license, the agreements for the use or ownership of such license will be placed in the name of the **COMMISSION** along with all other rights and obligations. In addition, the **CONTRACTOR** will mark all Turnpike content or previously unprotected work product designated by the **COMMISSION** with a notice as follows: "Pennsylvania Turnpike Commission, (Year)".

### Audit/Retention of Records

**CONTRACTOR** and its subcontractors shall maintain books and records related to performance of this contract or subcontract and necessary to support amounts charged to the **COMMISSION** in accordance with applicable law, terms and conditions of this contract, and generally accepted accounting practice. **CONTRACTOR** shall maintain these books and records for a minimum of three (3) years after the completion of the contract, final payment, or completion of any contract, audit or litigation, whichever is later. All books and records shall be available for review or audit by the **COMMISSION**, its representatives, and other governmental entities with monitoring authority upon reasonable notice and during normal business hours. **CONTRACTOR** agrees to cooperate fully with any such review or audit. If any audit indicates overpayment to **CONTRACTOR**, or subcontractor, the **COMMISSION** shall adjust

future or final payments otherwise due. If no payments are due and owing to **CONTRACTOR**, or if the overpayment exceeds the amount otherwise due, **CONTRACTOR** shall immediately refund all amounts which may be due to the **COMMISSION**. Failure to maintain the books and records required by this Section shall establish a presumption in favor of the **COMMISSION** for the recovery of any funds paid by the **COMMISSION** under the contract for which adequate books and records are not available to support the purported disbursement.

#### Dispute Resolution

All questions or disputes regarding any matter involving this contract or its breach shall be referred to the Board of Claims as provided in 72 P.S. § 4651. If the Board of Claims either refuses or lacks jurisdiction, these questions or disputes shall proceed as provided in 42 C.S.A. § 7301 et seq. (Statutory Arbitration). The panel of arbitrators will consist of a representative of each of the parties and a third party chosen by the representatives, or if the representatives are unable to choose, by the American Arbitration Association.

#### Indemnification

The **CONTRACTOR** shall be responsible for all damage to life and property due to negligence or other tortious acts, errors, and omissions arising from or related to the work of this Agreement. The **CONTRACTOR** shall indemnify and hold harmless the **COMMISSION**, the **COMMISSION's** officers, and the **COMMISSION's** employees from any claim or liability of any type or nature arising from or related to the work of the **CONTRACTOR** or that of the **CONTRACTOR's** employees or subcontractors or the presence of these persons or individuals on the **COMMISSION's** premises.

#### Contractor Provisions

The Contractor Integrity and Contractor Responsibility Provisions are attached as an exhibit and made a part of this agreement.

#### Entire Agreement

This Agreement, together with any writings either attached as exhibits or incorporated by reference, constitutes the entire understanding between the parties and there are no other oral or extrinsic understandings of any kind between the parties.

#### Modification

This agreement may be modified only by a writing signed by both parties.

**IN WITNESS WHEREOF**, the **Pennsylvania Turnpike Commission** and **[Contractor's Name]** have executed this Agreement by their duly authorized officers and affixed their respective official and corporate seals on the date written above.

ATTEST:

PENNSYLVANIA TURNPIKE COMMISSION

\_\_\_\_\_  
Ann Louise Edmunds  
Assistant Secretary-Treasurer

\_\_\_\_\_  
Mitchell Rubin  
Chairman

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Albert C. Peters II  
Assistant Chief Counsel

ATTEST:

**[CONTRACTOR'S NAME]**

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Federal Tax ID. No. \_\_\_\_\_

Workers' Compensation Third Party Administrator (TPA) for the Commission's Self-Insured Workers' Compensation Program RFP #05-115-3254

Questions and Responses

Following are the responses to questions submitted in response to the above referenced RFP as of Monday, September 12, 2005 at 12:00 Noon. All of the questions have been listed verbatim, as received by the Pennsylvania Turnpike Commission.

Below is a letter that must be signed by the Contractor and returned with your proposal. Failure to meet this requirement may result in rejection of your proposal.

1. How many claims do you anticipate to be transferred?

Answer: 130 –135 open claims and approximately 3600 closed claims.

2. How many of the claims to be transferred are lost time and how many are medical only?

Answer: 35-40 lost time and 97-100 are medical only.

3. How many cases are currently in litigation?

Answer: 30

4. What is the number of incident claims that would be transferred?

Answer: 0

5. What has the PTC paid out annually for claims over the past three (3) years?

Answer: 2002 - \$2,346,999. 2003 - \$2,795,823. 2004 - \$2,579,087.

6. Is the TPA expected to advance the funding to the chosen bank for checks to be cut and how many checks are issued yearly?

Answer: The TPA will issue about 5,800 to 6,000 checks per year and the funds to make payments will be transferred on a weekly basis after the check register is reviewed and approved by the PTC Workers' Compensation Manager.

7. Are all lost time claims required to have a recorded statement?

Answer: No. The PTC Workers' Compensation Manager will handle the investigation of the claim and no investigation is required of the TPA.

8. Is there a posted panel of medical providers across the state?

Answer: Yes, a panel has been posted in each of the 5 districts across the state and we request the injured employee sign an Acknowledgement Form when reporting the incident.

9. Who determines when medical case management, surveillance, vocational rehabilitation or litigation is necessary?

Answer: The PTC Workers' Compensation Manager will make that determination and assignment.

10. Do you have a preferred list of vendors or do you leave that up to the TPA?

Answer: The PTC does not have a list of preferred vendors and the selection of vendors to use for medical case management, surveillance, etc. will be determined and assigned by the PTC Workers' Compensation Manager.

11. Please clarify the goals of the task plan identified in Sec. IV-4, a. Is the intent to procure a monthly financial summary of the claims experience or are you seeking a "mission statement" type summary from the TPA?

Answer: The task plan from the TPA would be to provide the PTC with information as to the type of financial reports they can generate on a monthly and annual basis.

12. Is the current contract on a fixed fee or dollar amount per type of claim and should the cost submittal be priced out over the life of the contract or on an annual basis?

Answer: The RFP requested the contract be set-up on an annual "fixed fee" basis and should be submitted as the fee per contract year.

September 12, 2005

Dear Vendor;

**Please make note of the enclosed Addendum No. 1 to “Workers’ Compensation Third Party Administrator (TPA) for the Commission’s Self-Insured Workers’ Compensation Program” RFP #05-115-3254**

This letter must be signed and returned with your proposal to verify receipt of the Addendum.

If you have any questions, you may telephone Gail Reed at 717-939-9551, extension 4283.

Sincerely,

George M. Hatalowich  
Manager, Contract Administration

This letter must be signed below by the Contractor and returned with your proposal. Failure to meet this requirement may result in rejection of your proposal.

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Contractor’s Signature