

REQUEST FOR PROPOSALS FOR

**Third Party Administration (TPA) Services for the
Commission's Self-Insured Auto and General Liability Claims**

ISSUING OFFICE

**Pennsylvania Turnpike Commission
Department of Safety and Risk Management**

RFP NUMBER

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**REQUEST FOR PROPOSALS FOR
Third Party Administration (TPA) Services for Auto and General Liability Claims**

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PART I

GENERAL INFORMATION FOR PROPOSERS

I-1. Purpose. This request for proposals (RFP) provides interested Proposers with sufficient information to enable them to prepare and submit proposals for consideration by the Pennsylvania Turnpike Commission (Commission) to satisfy a need for Third Party Administration (TPA) Services for the investigation and adjusting of Commission's Automobile Liability and General Liability Claims.

I-2. Issuing Office. This RFP is issued for the Commission by:

Mailing Address:

Pennsylvania Turnpike Commission
Safety and Risk Management Department
P.O. Box 67676
Harrisburg, PA 17106-7676

Physical Address:

Pennsylvania Turnpike Commission
Safety and Risk Management Department
700 South Eisenhower Blvd.
Middletown, PA 17057

Contact:

Elizabeth J. Little
Claims Supervisor of Safety and Risk Management Department
Phone 717-986-9621
Fax 717-986-8785
E-Mail: elittle@paturnpike.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 desires to engage a qualified company to provide Third Party Administration (TPA) Services for the investigation and adjusting of claims incurred within the Commission's Self-Insured Automobile Liability and General Liability Program.

The Third Party Administrator (TPA) will manage each claim to insure tight loss control, adequate claim reserves, cost control, accurate loss payments and strict administrative expense supervision.

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 cost per claim contract. The Commission may in its sole discretion undertake negotiations with Proposers 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 Proposers.

I-7. Subcontracting. Any use of subcontractors by a Proposer must be identified in the proposal. During the contract period use of any subcontractors by the selected Proposer, that were not previously identified in the proposal, must be approved in advance in writing by the Commission.

A firm that responds to this solicitation as a prime may not be included as a designated subcontractor 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 subcontractor to more than one prime contractor responding to the project advertisement.

I-8. Incurring Costs. The Commission is not liable for any costs the Proposer incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of contract.

I-9. Question and Answer. Questions may be submitted in writing to clarify any points in the RFP which may not have been clearly understood. Written questions should be forwarded to **Elizabeth Little** at the Issuing Office address above. All questions must be received no later than **12:00 Noon, local time, January 7, 2008**, 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 Commission's website under the original RFP document. It is the responsibility of the Proposer to periodically check the website for any new information or addenda to the RFP.

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 ensure 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 **Contracts Administration Department, Attention Fran Furjanic**, on or before **12:00 Noon, local time, January 24, 2008**. 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, Proposers should submit a complete response to this RFP, using the format provided in PART II. Each proposal should be submitted in **seven (7)** copies to the Contracts Administration Department. No other distribution of proposals will be made by the Proposer. Each proposal page should be numbered for ease of reference. Proposals must be signed by an official authorized to bind the Proposer to its provisions and include the Proposer's Federal Identification Number. For this RFP, the proposal must remain valid for at least **ninety (90)** days. Moreover, the contents of the proposal of the selected Proposer will become contractual obligations if a contract is entered into.

Each and every Proposer 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 Proposer 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 Proposer 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 Proposer's ability to meet the requirements of the RFP.

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

I-15. Best and Final Offers. The Issuing Office reserves the right to conduct discussions with Proposers for the purpose of obtaining "best and final offers." To obtain best and final offers from Proposers, the Issuing Office may do one or more of the following: a) enter into pre-selection negotiations; b) schedule oral presentations; and c) request revised proposals. The Issuing Office will limit any discussions to responsible Proposers whose proposals the Issuing Office has determined to be reasonably susceptible of being selected for award.

I-16. Prime Proposer Responsibilities. The selected Proposer 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 Proposer 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

Proposers 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. Proposers whose proposals are not selected will be notified of the name of the selected Proposer and given the opportunity to be debriefed, at the Proposer's request. The Issuing Office will schedule the time and location of the debriefing. The Proposer will not be compared with other Proposers, other than the position of its proposal in relation to all other proposals.

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, Proposers 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 and will end three (3) years from that date. The Commission shall fix the Effective Date after the contract has been fully executed by the Proposer and by the Commission and all approvals required by Commission contracting procedures have been obtained.

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

- a. All information provided by, and representations made by, the Proposer in the proposal are material and important and will be relied upon by the Issuing Office in awarding the contract(s). Any misstatement, omission or misrepresentation 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 Proposer or potential Proposer.
- 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 Proposer or potential Proposer, 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 Proposer, the Proposer, 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 Proposer in its proposal.
- g. To the best of the knowledge of the person signing the proposal for the Proposer and except as otherwise disclosed by the Proposer in its proposal, the Proposer 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 Proposer that is owed to the Commonwealth.
- h. The Proposer is not currently under suspension or debarment by the Commonwealth, or any other state, or the federal government, and if the Proposer cannot certify, then it shall submit along with the proposal a written explanation of why such certification cannot be made.
- i. The Proposer 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 Proposer, 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 PROPOSERS

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-6 hereof; (ii) Cost Submittal, in response to Section II-7 hereof.

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

The Commission may make such investigations as deemed necessary to determine the ability of the Proposer to perform the work, and the Proposer shall furnish to the Issuing Office 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 Proposer fails to satisfy the Commission that such Proposer 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 **Auto and General Liability 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 **Auto and General Liability Third Party Administration (TPA) Services**. 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. M/W/DBE/ Participation. The Turnpike Commission is committed to the inclusion of disadvantaged, minority, and woman firms in contracting opportunities. Responding firms shall clearly identify DBE/MBE/WBE firms, expected to participate in this contract, in their Proposal. **If further information is desired concerning DBE/MBE/WBE participation**, direct inquiries to the Pennsylvania Turnpike Commission's Contracts Administration Department by calling (717) 939-9551 Ext. 4241.

II-7. Cost Submittal. The information requested in this section shall constitute your cost submittal. **The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, separate from the technical submittal.**

Proposers should **not** include any assumptions in their cost submittals. If the proposer includes assumptions in its cost submittal, the Issuing Office may reject the proposal. Proposers should direct in writing to the Issuing Office pursuant to Part I-9 of this RFP any questions about whether a cost or other component is included or applies. All Proposers will then have the benefit of the Issuing Office's written answer so that all proposals are submitted on the same basis.

All costs incurred by the Proposer, including annual administrative fee, direct labor, labor overhead, travel, supplies, materials, other direct costs, consultant/subcontractor costs, general overhead, fees or profit, issuing checks will be incorporated into **a per cost claim fee.**

Any costs not provided in the cost proposal will be assumed as no charge to the Commission.

The selected Proposer shall only perform work on this contract after the Effective Date is affixed and the fully-executed contract sent to the selected Proposer. The Commission shall issue a written Notice to Proceed to the selected Proposer authorizing the work to begin on a date which is on or after the Effective Date. The selected Proposer shall not start the performance of any work prior to the date set forth in the Notice of Proceed and the Commission shall not be liable to pay the selected Proposer for any service or work performed or expenses incurred before the date set forth in the Notice to Proceed. No Commission employee has the authority to verbally direct the commencement of any work under this Contract.

PART III

CRITERIA FOR SELECTION

III-1. Mandatory Responsiveness Requirements. To be eligible for selection, a proposal should be (a) timely received from a Proposer; (b) properly signed by the Proposer; 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 Proposer determined to be responsive and responsible in accordance with Commonwealth Procurement Code.

III-3. The following criteria will be used in evaluating each proposal:

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

b. Proposer Qualifications. This refers to the ability of the Proposer to meet the terms of the RFP, especially the time constraint and the quality, relevancy, and recency of studies and projects completed by the Proposer. This also includes the Proposer'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 Proposer. 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 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 Administrative (TPA) Service for the Pennsylvania Turnpike Commission's Self-Insured Auto and General Liability Claims Program.

b. Specific. The Third Party Administrator (TPA) will manage each claim to insure reduction of loss exposure, tight cost control, adequate claim reserves, accurate loss payments and strict administrative expense supervision.

IV-2. Nature and Scope of the Project. The Pennsylvania Turnpike Commission is seeking qualified organizations to provide nationwide third party administration (TPA) services for the investigation and adjusting of Commission's Self-Insured Automobile Liability and General Liability claims. Once a claim reaches litigation, the Commission will take over the claim.

IV-3. Requirements. The Third Party Administrator (TPA) will be responsible for adjusting approximately 250 to 300 liability claims per year. They will obtain records from the claimants, police, attorneys, insurance carriers, and various Commission departments, located, but not limited to, the Commonwealth of Pennsylvania, as needed for the determination of negligence and to insure the auto and general liability claims are resolved efficiently and fairly. A primary contact for all claims shall be provided to the Commission

IV-4. Tasks. The Third Party Administrator (TPA) will be required to:

- Provide acknowledgement of receipt of claim
- Initiate investigation within 24 hrs of receipt
- Review and evaluate all accident and loss reports
- Establish and monitor reserves
- Supervise and direct all field claim handling
- Respond to the requests and directions of the Pennsylvania Turnpike Commission's claims staff
- Gather supporting documentation
- Obtain written and oral statements from pertinent parties
- Evaluate losses for determination of negligence and validity of dollar amounts claimed
- Develop claim strategies and solutions
- Resolve claims efficiently and fairly
- Consult with the Pennsylvania Turnpike Commission's claims staff with respect to payment of any claim
- Make recommendation for payment of injury damage claims legally owed, obtain release, and deny others
- Issue drafts in payment of Third Party settlements and expenses at a bank of its choice
- Notify the Pennsylvania Turnpike Commission of any claim requiring litigation

- Maintain claim files for each reported claim throughout the life of the claim and to retain all closed files for a period of four (4) years following the closing of the file
- Provide an Initial Report, Interim (if necessary), and Final Report
- Designate an Account Executive charged with coordination of services and as a liaison with the Pennsylvania Turnpike Commission
- Monitor losses and make recommendations to the Pennsylvania Turnpike Commission to reduce loss exposure
- Provide a Loss Analysis Report
- Provide semi-annual loss runs with adequate information to assess claim activity by Commission.
- Communicate with claims staff via e-mail

IV-5. Reports and Project Control. The Proposer will provide an **Initial Preliminary Report**, an **Interim Report** (where necessary), and **Final Report** for each claim indicating reserves, description of incident, damaged property, preliminary investigation results, liability analysis, and a final report summarizing the results.

It will be the responsibility of the claims adjuster to provide updates during the course of the investigation to the Commission’s claims staff and to act as liaison between the Commission and the Claimant.

a. Initial Preliminary Report. This report will provide a summary of the claim investigation within thirty (30) days. It will include acknowledgement to the claimant, the investigation is underway, and information gathered from the PTC personnel involved, State Police, claimant, witnesses, and other pertinent parties. An assessment of liability will be provided and recommended resolution of claim, including suggested settlement or denial. If claim is denied, the denial letter should be attached.

b. Interim Reports. As necessary, interim reports will be provided for each claim lasting over three (3) months. The report shall included basic claim information and a summary of what has transpired to date, what is pending, and what actions will be taken. Problem Identification Report. An “as required” report, identifying problem areas. The report should describe the problem and its impact on the overall claim and on each affected task. It should list possible courses of action with advantages and disadvantages of each, and include Proposer’s recommendations with supporting rationale.

c. Final Report. The Proposer will be responsible in providing a final report to the Commission addressing, at a minimum, the following key areas:

(1) Summarize the claim investigation conducted with terminology that will be meaningful to Commission officials including findings, conclusions, and recommendations developed in each task that relates to resolution of the claim.

(2) Describe data collection, analysis of the data, and any other techniques used during the investigation of the claim.

(3) Include all supporting documentation (e.g. questionnaires, statements, appraisals, etc.) used in the collection of the data for the claim.

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

e. Problem Identification Report. An “as needed” report, identifying problem areas. The report should describe the problem and its impact on the overall loss exposure. It should list possible courses of action with advantages and disadvantages of each, and include Proposer recommendations with supporting rationale.

f. Final Termination Report. At 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.
- (2) The final report should provide detailed information as to the transfer of claims information to any subsequent TPA.