

ADDENDUM No. 2

RFP No. 18-17

Third Party Administrator Services for Risk Management

Due Date: April 23, 2018 by 2:00 p.m. (local time)

The following changes, additions, and/or deletions shall be made to the Request for Proposal for Third Party Administrator Services for Risk Management, RFP No. 18-17, on which proposals will be received on/or before the date and time listed above.

The information contained herein shall take precedence over the original documents and all previous addenda (if any), and is appended thereto. **This Addendum includes two (2) pages.**

The Offeror is to acknowledge receipt of this Addendum No. 2, including all attachments in its Proposal by so indicating in the proposal that the addendum has been received. Proposals submitted without acknowledgement of receipt of this addendum may be considered non-conforming.

The following forms provided within the RFP Document must be included in submitted proposal:

- Attachment B – Declaration of Compliance Non-Discrimination Ordinance
- Attachment C - Living Wage Declaration of Compliance
- Attachment D - Vendor Conflict of Interest Disclosure Form

Proposals that fail to provide these completed forms listed above upon proposal opening will be rejected as non-responsive and will not be considered for award.

I. QUESTIONS AND ANSWERS

The following Questions have been received by the City. Responses are being provided in accordance with the terms of the RFP. Offerors are directed to take note in their review of the documents of the following questions and City responses as they affect work or details in other areas not specifically referenced here.

Question 1: Answer 16 in Addendum 1 regarding Auto states that "The work done primarily is auto physical damage and subrogation efforts" - I only see 1 auto physical damage claim listed in the provided loss runs. If we're going to price for a flat fee, we'd need to know how many claims required either comprehensive or collision related adjuster activity. Can we assume all Auto Property damage claims had this associated with each clam?

Answer 1: *The simple answer is no. Adjuster activity is exceedingly rare. For claimant vehicles, we rely on adjuster's reports from claimants' carriers. As we are self-insured and perform most of our own repairs, we do not require adjusters for our internal claims.*

Question 2: As there was no mention of takeover or run off claims and the provided loss run doesn't indicate how many open claims the city currently has, are we not going to be required to handle any open claims that are currently being handled by the incumbent TPA?

Answer 2: *Maybe. Our current agreement contains the language below. I assume that the City would select option 3, but this answer does not bind the City to do so. The number of open claims as of 3/31/18 was 24, which is typical. Our mean number of*

open claims since 2012 is 25.

Upon expiration of the term of the Agreement, the City shall be entitled to elect one of the following options:

- Require Consultant to return all open files at which time Consultant shall be entitled to payment for all services rendered up to that time, or*
- Require Consultant to handle and adjust to a conclusion all open claims on a Time and Expense basis at its then prevailing hourly rate and expense method of billing, or*
- Require Consultant to handle and adjust all open claims on a pre-agreed fee per open claimant for a period mutually agreed upon.*

Offerors are responsible for any conclusions that they may draw from the information contained in the Addendum.