



Department of Purchasing

100 N. Main Street, 2nd Floor
Suffolk, VA 23434
(757) 925-6762

May 5, 2020

To All Interested Parties:

**Subject: Addendum #3
Third Party Claims Administration, Workers' Compensation Excess Liability
Insurance Coverage and Related Services**

Please note the following response to questions received regarding the above Request for Proposal. All available information has been provided.

Question: We would like to inquire as to if there is an opportunity to respond to the TPA services portion only?

Answer: Yes

Question: Is Suffolk Public Schools looking only for offers that are insurance carriers with "TPA arms" so that claims administration and workers compensation coverage can be provided together?

Answer: No

Question: Is Suffolk Public Schools looking for, or allowing separate offers to respond for the separate services on this RFP (A TPA for TPA services and an excess insurer for the excess coverage?) **YES**
Is Suffolk Public Schools looking for TPAs to "partner" with an insurance carrier to provide the services of excess coverage?

Answer: Yes

CLARIFICATION: Suffolk Public Schools currently has an insurance carrier who writes the Excess WC and a separate TPA service who provides the administration of the Excess WC coverage – the carrier does not have a separate "TPA arm". Suffolk Public Schools is accepting offers combining both coverage and TPA services, as well as accepting offers for standalone Excess WC coverage and separate TPA services. However, once the decision is made on the Excess WC carrier and TPA service selected by Suffolk Public Schools, the TPA service will have to partner with the selected Excess WC carrier.

Question: Can you provide payments made during the following policy years and separated by reserve type (Indemnity, Medical, Expense)

- o 2017-2018 – **Attached**
- o 2018-2019 - **Attached**
- o 2019-3/1/2020 - **Attached**
- # of Medical Bills (non-pharmacy) processed in:
 - o 2017-2018 – **1,004**
 - o 2018-2019 - **937**
 - o 2019-3/1/2020 - **747**
- # of Pharmacy Bills processed in:
 - o 2017-2018 - **134**
 - o 2018-2019 - **134**
 - o 2019-3/1/2020 - **116**

Answer: See answers in bold

Question: Could you please provide claim handling fees for the past year for both indemnity and medical only claims?

Answer: Annual Flat Fee

Question: Could you please provide the following information regarding Suffolk Public Schools bill review program:

- a. Current price structure? – **Flat rate per year**
- b. And also, per year if available:

	7/1/2017 – 6/30/2018	7/1/2018 – 6/30/2019	7/1/2019 – 6/30/2020
Total Volume	1,004	937	752
Total Charges	\$503,905	\$530,941	\$506,532
Total Paid	\$334,294	\$336,302	\$222,500
PPO Savings	\$98,542	\$70,541	\$34,763
Total Savings	\$169,611 34%	\$194,620 37%	\$284,028 56%

Answer: In bold and in chart

Question: Please provide a copy of the current contract between Suffolk Public Schools and its current service provider.

Answer: Please see attached award letter

Question: Please provide the following data for each of the past three (3) completed fiscal years (2017, 2018 & 2019):

- a. Amount of Medical billed by providers - **Attached**

- b. Amount of Medical paid by SPS - **Attached**
- c. Amount saved on Medical bills submitted in each fiscal year - **Attached**
- d. Total Claim Handling fees paid to the current provider - **Attached**
- e. Total Managed Care Savings fees paid to the current provider - **Attached**
- f. Total Payroll for the SPS in each fiscal year – **Attached**
- g. Total Payroll for the SPS in each fiscal year:
 - 2017 - \$90,734,524 (Audited)**
 - 2018 - \$95,687,594 (Audited)**
 - 2019 - \$96,530,881 (Estimated)**

Question: Is SPS willing to consider different Self Insured Retention levels?

Answer: YES, in addition to current

Question: Please provide a full loss run for the past 10 years in Excel format to allow carriers to evaluate the risk.

Answer: Please see attached

Question: Please provide a current FTE or FTE equivalent count. (Specify the number of bus drivers)

Answer: Please see attached

Question: Please confirm that the bus drivers are employees of the Suffolk Public Schools and not contractors.

Answer: Confirmed, employees

Question: How many buses does the SPS operate?

Answer: Approximately 120

Question: The sentence beginning with “[u]pon this termination” and ending with “work under the agreement” appears to prevent the payment for services previously performed and outstanding and new claims which occur in that 90-day period. Can this please be clarified as to the SPS’s intent? Should the contract be terminated

Answer: SPS will pay for any services previously performed inside of that 90-day period cancellation period. Any services prior to cancelation would also be satisfied.

Question: this section states that the bidder cannot “knowingly employ an authorized alien”. Should this be “an unauthorized alien?”

Answer: Yes that is correct, we require you to follow Federal Immigration law in not hiring unauthorized aliens

Question: The RFP does not require that our employees perform the required work on SPS property, and it is highly unlikely that the employees working on the contract will have direct contact with SPS students. Given this, will the certifications be required of the successful bidder? Does SPS anticipate a need for direct contact between the successful bidder and its students?

Answer: Given that it is unlikely, there have been times that unlikely companies have had to come to our school buildings. This is further described in the attachment as having “direct contact with students” means being in the presence of students during regular school hours or during school-sponsored activities. This would mean that you cannot come into our buildings for any reason, including any meetings with the School Board or its assignees if this meeting is taking place in a school-sponsored event. In producing this form as a part of your submission, you keep us from having to fill it out later for any qualifying event, which seems to be rather broad in nature under state law.

Question: Contingent Fee Warranty This section appears to prevent the bidder from paying any fee or commission to its employees for obtaining the contract. Also, the RFP anticipates providing Excess WC Insurance quotes. It seems this section is designed to prevent the bidder from retaining a person or company to lobby or assist in obtaining the contract, not to prevent the paying of commissions by the bidder to its employees responsible for the successful bid, correct? Please clarify. Likewise, please let us know if it prevents an insurance producer who provides the successful Excess quote from receiving a commission from the insurance carrier

Answer: This is correct in stating that this is against lobbying for public contracts. This doesn't include a carrier from paying a producer/ agency or a producer/agency paying the carrier in order to produce coverage. The intent of this provision is to restrict such contingent fee arrangements that fall outside of those allowed under 10 U.S.C. 2306(b) and 41 U.S.C. 254(a) and protects against outside influences in the award of the contract.

Question: What is meant by “document attendance and participation of employees”?

Answer: If applicable, this standard term and condition speaks to the respondent having a responsibility to provide information regarding claims and produce documents that apply to their portion of the goods/services that are being provided. The intent here is that you can provide detailed information, upon request, to the School Board in the performance of the contract.

Question: We wanted to confirm whether or not there are any paper files involved with the historical data transfer and if so, approximately how much?

Answer: I have been advised that we have no paper files, at this point

IF PROPOSAL HAS ALREADY BEEN SUBMITTED, WE RESERVE THE RIGHT TO COLLECT SIGNATURES ON THIS ADDENDUM AFTER THE OPENING OF PROPOSALS

All received questions have been answered. If you have a question that was submitted by the deadline that was not answered, please send an email to anthonyhinds@spsk12.net with that question. If the question was not answered, then another addendum will be published to address the question. No new questions will be contemplated as the deadline has passed.

Please sign below to acknowledge receipt of the addendum and include with your proposal.

Addendum 3 Acknowledged:

Date _____

Sent by:

Anthony W. Hinds, CPPB
Purchasing Manager