

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

Risk Management Department

RFP NUMBER

15-10260-5133

DATE OF ISSUANCE

January 12, 2015

REQUEST FOR PROPOSALS FOR

15-10260-5133

TABLE OF CONTENTS

Part I	- GENERAL INFORMATION FOR PROPOSERS	page 1
Part II	- INFORMATION REQUIRED FROM PROPOSERS	page 7
Part III	- CRITERIA FOR SELECTION	page 10
Part IV	- WORK STATEMENT	page 12

APPENDIX A – PROPOSAL COVER SHEET

APPENDIX B – INSURANCE SPECIFICATION

APPENDIX C – DIVERSE BUSINESS (DB) REQUIREMENTS

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 Risk Management Department.

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 Administration (TPA) Services for the investigation and adjusting of the Commission's Self-Insured Automobile Liability and General Liability 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 an annual fixed fee 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, which 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. Questions and Answers. Written questions may be submitted to clarify any points in the RFP which may not have been clearly understood. Written questions should be submitted by email to RFP-Q@paturndpike.com with **RFP 15-10260-5133** in the Subject Line to be received no later than **2:00 PM local time on Tuesday, January 27, 2015**. All questions and written answers will be posted to the website 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: Wanda Metzger, on or before **2:00 PM local time on Thursday, February 19, 2015**. The Pennsylvania Turnpike Commission is located at 700 South Eisenhower Boulevard, Middletown, PA 17057 (Street address). Our mailing Address is P. O. Box 67676, Harrisburg, PA 17106.

Please note that use of U.S. Mail, FedEx, UPS, or other delivery method, does not guarantee delivery to the Contracts Administration Department 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 five (5) hard copies of the Technical Submittal, two (2) hard copies of the Diverse Business (DB) participation submittal, and five(5) hard copies of the Cost Submittal. In addition to the hard copies of the proposal, two complete and exact copies of the entire proposal (Technical, Cost and DB submittals, along with all requested documents) on CD-ROM or Flash Drive in Microsoft Office or Microsoft Office-compatible format. The electronic copy must be a mirror image of the hard copy. Proposer should ensure that there is no costing information in the technical submittal. The CD or Flash drive should clearly identify the Proposer and include the name and version number of the virus scanning software that was used to scan the CD or Flash drive before it was submitted. The Proposer shall present the proposal to the Contracts Administration Department only. No other distribution of proposals will be made by the Proposer. Each proposal page should be numbered for ease of reference.

An official authorized to bind the Proposer to its provisions must sign the proposal. If the official signs the Proposal Cover Sheet (Appendix A to this RFP) and the Proposal Cover Sheet is attached to the proposal, the requirement will be met. For this RFP, the proposal must remain valid for at least 120 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 fax notice (fax number (717) 986-8714) received at the Commission's address for proposal delivery prior to the exact hour and date specified for proposal receipt.

Overnight Delivery Address:
Contracts Administration Department
Attn: Wanda Metzger
PA Turnpike Commission
700 South Eisenhower Blvd.
Middletown, PA 17057

US Mail Delivery Address:
Contracts Administration Department
Attn: Wanda Metzger
PA Turnpike Commission
P.O. Box 67676
Harrisburg, PA 17106

However, if the Proposer chooses to attempt to provide such written notice by fax transmission, the Commission shall not be responsible or liable for errors in fax transmission. A proposal may also be withdrawn in person by a Proposer or its authorized representative, provided his/her identity is made known and he/she 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 solicitation.

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 through the Contract Administration Department to ensure thorough mutual understanding and Proposer responsiveness to the solicitation requirements. The Issuing Office through the Contract Administration Department 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. 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.

In accordance with the Pennsylvania Right-to-Know Law (RTKL), 65 P.S. § 67.707 (Production of Certain Records), Proposers shall identify any and all portions of their Proposal that contains confidential proprietary information or is protected by a trade secret. Proposals shall include a written

statement signed by a representative of the company/firm identifying the specific portion(s) of the Proposal that contains the trade secret or confidential proprietary information.

Proposers should note that “trade secrets” and “confidential proprietary information” are exempt from access under Section 708(b)(11) of the RTKL. Section 102 defines both “trade secrets” and “confidential proprietary information” as follows:

Confidential proprietary information: Commercial or financial information received by an agency: (1) which is privileged or confidential; **and** (2) the disclosure of which would cause substantial harm to the competitive position of the person that submitted the information.

Trade secret: Information, including a formula, drawing, pattern, compilation, including a customer list, program, device, method, technique or process that: (1) derives independent economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use; **and** (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The term includes data processing software by an agency under a licensing agreement prohibiting disclosure.

65 P.S. §67.102 (emphasis added).

The Office of Open Records has determined that a third party must establish a trade secret based upon factors established by the appellate courts, which include the following:

- the extent to which the information is known outside of his business;
- the extent to which the information is known by employees and others in the business;
- the extent of measures taken to guard the secrecy of the information;
- the value of the information to his business and to competitors;
- the amount of effort or money expended in developing the information; and
- the ease of difficulty with which the information could be properly acquired or duplicated by others.

See Crum v. Bridgestone/Firestone North Amer. Tire., 907 A.2d 578, 585 (Pa. Super. 2006).

The Office of Open Records also notes that with regard to “confidential proprietary information the standard is equally high and may only be established when the party asserting protection shows that the information at issue is either ‘commercial’ or ‘financial’ and is privileged or confidential, and the disclosure **would** cause substantial competitive harm.” (emphasis in original).

For more information regarding the RTKL, visit the Office of Open Records’ website at www.openrecords.state.pa.us.

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.

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.

I-22. Term of Contract. The term of the contract will commence on the Effective Date (as defined below) and will be for three (3) years from that date with options of up to two (2) one-year contract extensions. 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. 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 response section of 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.

I-24. Indemnification. The Proposer shall be responsible for, and shall indemnify, defend, and hold harmless the Commission and its Commissioners, officers, employees, and agents from any claim, liability, damages, losses, causes of action, and expenses, including reasonable attorneys' fees, arising from damage to life or bodily injury or real or tangible personal property caused by the negligence or other tortious acts, errors, and omissions of Proposer, its employees, or its subcontractors while engaged in performing the work of this Agreement or while present on the Commission's premises, and for breach of this Agreement regarding the use or nondisclosure of proprietary and confidential information where it is determined that Proposer is responsible for any use of such information not permitted by this Agreement. The indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Contractor or its subcontractors under Workmen's Compensation Acts, Disability Benefits Acts, or other Employee Benefit Act.

I-25. Insurance. Proposer will comply with the Insurance requirements as described in Appendix B - Insurance Specification.

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. All cost data relating to this proposal and all Diverse Business cost data should be kept separate from and not included in the Technical Submittal. Each proposal shall consist of three separately sealed submittals:

1. Technical Submittal, which shall be a response to RFP **Part II, Section II-1, A to G**;
2. Diverse Business Participation Submittal, in response to RFP **Part II, Section II-1 H**; and
3. Cost Submittal, in response to RFP **Part II, Section II-2**.

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 Technical Submittal.

A. Proposal Cover Sheet (See Appendix A)

Show the name of your firm, Federal I.D. number, address, name of contact person, contact person's email and telephone number date and the subject: Third Party Administration (TPA) Services for the Commission's Self-Insured Auto and General Liability Claims, RFP 15-10260-5133. Appendix A must be signed by an individual who is authorized to negotiate terms, render binding decisions and commit your firm's resources. In addition it is required that all information requested in Appendix A be provided including information pertaining to location of office performing the work, contact information, listing of all Pennsylvania offices and total number of Pennsylvania employees, and location of company headquarters.

B. Executive Summary

Summarize your understanding of our organization, your understanding of the work to be done and make a positive commitment to perform the work necessary. This section should summarize the key points of your submittal. (Limit to two pages.)

C. Table of Contents

Include a clear identification of the material by section and by page number.

D. Firm Overview

Provide a brief history and description of your firm's business organization and its Auto and General Liability Third Party Administration (TPA) service expertise and experience as it relates to the requirements discussed in Part IV of this RFP. Include the location of offices and the number and types of Adjusters, consultants or other relevant professional staff in each office. Discuss your firm's presence in and commitment to the Commonwealth of Pennsylvania. Include a discussion of the specific expertise and services that distinguish your firm.

E. Personnel

Provide the names, proposed roles, background and experience, current professional licenses, office location and availability of the consulting personnel that would perform the Adjusting services as described in Section IV of this RFP. Specifically identify the primary person(s) who will be responsible for managing the relationship with the Commission during this endeavor. Proposer must submit a current resume for all proposed staff listing relevant experience and applicable professional affiliations.

F. Relevant Experience and Expertise

Provide a narrative statement regarding your Auto and General Liability Third Party Administration (TPA) services expertise and experience as it relates to Part IV of this RFP. Additionally include a statement regarding your understanding of the requirements as outlined in this RFP and your ability to provide Auto and General Liability Third Party Administration (TPA) services in accordance with the same.

Describe your firm's experience in providing similar Auto and General Liability Third Party Administration (TPA) services to other clients, especially other governmental entities and/or similar public/private sector transportation organizations. Describe the business practices that enable you to complete these tasks in an efficient, timely and, at times, expeditious manner.

Provide a list of three references of clients for which your firm has performed similar work, as described in this RFP, within the past three years.

Include a statement regarding any other specialized Auto and General Liability Third Party Administration (TPA) services your firm may offer.

G. Approach

Describe in narrative form your technical plan for accomplishing the work. Use the task descriptions in Part IV-4 of this RFP as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained

Provide a description of all of the deliverables that you will provide including samples and at a minimum, a table of contents for each deliverable.

Provide relevant samples of deliverables from similar projects that your firm was primarily responsible for producing.

H. **Diverse Business (DB) Requirements (Appendix C).** The Commission's Diverse Business (DB) Requirements for this procurement and a resulting contract are identified in Appendix C. There is no minimum participation level (MPL) for DBs established for this contract. However, the utilization of DBs are encouraged and will be considered as a criteria in the evaluation of proposals and may be considered as a factor in the Commission's selection of a firm for this contract.

The proposer must include in its DB participation submittal that it meets the requirements set forth in the Commission's DB Requirements - Appendix C. In addition, the DB participation submittal shall indicate the amount of DB participation incurred in the proposal in terms of dollars committed or percentage of total contract amount.

II-2 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 AND ON A CD-ROM, 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, Questions and Answers 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.

1. The costs you are proposing should be an annual fixed fee and include the costs of field claims handling for up to 300 claims per year, exclusive of Property and Auto Appraisal Fees, and Police Report Fees. The contract is a life of claim contract.
2. In addition to the annual fixed fee costs for up to 300 claims per year, please provide a per claim fee for any claims in excess of the stipulated 300.

The Contractor shall only perform work on the 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 Contractor 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 Contractor 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 the Contract.

PART III

CRITERIA FOR SELECTION

III-1. Mandatory Responsiveness Requirements. To be eligible for selection, a proposal shall be (a) timely received from a Proposer; and (b) properly signed by the Proposer.

III-2. Technical Nonconforming Proposals. The two (2) Mandatory Responsiveness Requirements set forth in Section III-1 above (a&b) are the only RFP requirements that the Commission will consider to be non-waivable. The Issuing Office reserves the right, in its sole discretion, to (1) waive any other technical or immaterial nonconformities in the proposal, (2) allow the Proposer to cure the nonconformity, or (3) consider the nonconformity in the evaluation of the proposal.

III-3. Proposal Evaluation. Proposals will be reviewed, evaluated, and rated by a Technical Evaluation Team (TET) of qualified personnel based on the evaluation criteria listed below. The TET will present the evaluations to the Professional Services Procurement Committee (PSPC). The PSPC will review the TET's evaluation and provide the Commission with the firm(s) determined to be highly recommended for this assignment.

The Commission will select the most highly qualified firm for the assignment or the firm whose proposal is determined to be most advantageous to the Commission by considering the TET's evaluation and the PSPC's determination as to each firm's rating. In making the PSPC's determination and the Commission's decision, additional selection factors may be considered taking into account the estimated value, scope, complexity and professional nature of the services to be rendered and any other relevant circumstances. Additional selection factors may include, when applicable, the following: geographic location and proximity of the firm, firm's Pennsylvania presence or utilization of Pennsylvania employees for the assignment; equitable distribution of work; diversity inclusion; and any other relevant factors as determined as appropriate by the Commission.

Award will only be made to a Proposer determined to be responsive and responsible in accordance with Commonwealth Management Directive 215.9, Contractor Responsibility Program.

III-4. Evaluation Criteria. The following criteria will be used, in order of relative importance from the highest to the lowest, in evaluating each proposal:

1. Proposer and Personnel Qualifications and Experience

- a. Proposer's relevant experience and expertise in conducting Third Party Administration (TPA) Services for the investigation and adjusting of Commission's Automobile Liability and General Liability Claims as it relates to the requirements discussed in Part IV of this RFP.
- b. Qualifications, experience and competency of professional personnel who will be assigned to the contract by the Proposer including tenure with firm, length of time in the industry and type of experience.
- c. Financial ability of the Proposer to undertake a project of this size.
- d. Response of references if the Commission elects to solicit them.

2. Approach

- a.** Understanding of the Commission's needs and scope of work.
- b.** Soundness of proposed approach, methodology, and deliverables for conducting Third Party Administration (TPA) Services for the investigation and adjusting of Commission's Automobile Liability and General Liability Claims as it relates to the requirements discussed in Part IV of this RFP.
- c.** Quality, completeness and applicability of sample deliverables provided.
- d.** Responsiveness, organization, and clarity of Proposal.

3. 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.

- 4. Commitment to Diversity and Inclusion.** This refers to the inclusion of DB firms, as described in Part II-1H. Participation may be measured in terms of total dollars committed or percentage of total contract amount to certified DB firms.

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 Commission's Self-Insured Automobile Liability and General Liability Program. Five year average number of claims is 18 Auto Liability and 137 General Liability claims per year. Five year average life of claim is 158 days for Auto Liability and 128 days for General Liability.

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 the Commission's Self-Insured Automobile Liability and General Liability claims. If a claim reaches litigation, the Commission will resume the handling of the claim.

IV-3. Requirements. The Third Party Administrator (TPA) will be responsible for the adjusting of approximately 300 liability claims per year. The Third Party Administrator (TPA) 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 timely, 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 an acknowledgement of receipt of claim
- Initiate an investigation within 24 hours of receipt of the claim
- Contact the claimant within 24 hours of receipt of the claim
- Review and evaluate all accident and loss reports
- Establish and monitor loss reserves
- Supervise and direct all field claim handling
- Respond to the requests and directions of the Commission's claims staff
- Gather supporting documentation
- Obtain written and/or recorded statements from pertinent parties when necessary and transcribe recorded statements when requested
- Evaluate losses for determination of negligence and validity of damage amounts
- Develop claim strategies and solutions
- Resolve all claims efficiently, fairly and timely
- Consult with the Commission's claims staff with respect to payment of any claim

- Make recommendations for payment of injury damage claims legally owed, obtain release and deny those not legally owed
- Establish a bank account, at a mutually agreeable bank, through which all claims will be paid.
- Provide copies of monthly bank statements for that account.
- Issue drafts in payment of Third Party settlements and expenses.
- Provide a copy of each draft written.
- Notify the Commission of any claim requiring litigation
- Provide the Commission with a monthly payment log listing all drafts issued and remaining account balance
- Provide the Commission with required reports on a monthly basis
- Maintain claim files for each reported claim throughout the life of the claim and retain all closed files for a period of four (4) years following the closing of the file
- Provide an initial report within 30 days of assignment, interim report(s) (if needed) every 30 days and closing report
- Designate an Account Executive charged with coordination of services and as a liaison with the Commission
- Monitor losses and make recommendations to the Commission to reduce loss exposure
- Provide loss analysis reports which should provide an analysis of claims to date, broken down by Auto Liability, General Liability, Property Damage and Bodily Injury. The reports would include claim data including but not limited to reserves, payments and status. This report should be provided quarterly.
- Provide additional analysis as may be required.
- Provide semi-annual loss runs with adequate information to assess claim activity
- Attend semi-annual claims review meetings
- Communicate with claims staff via e-mail

IV-5. Reports and Project Control. The Third Party Administrator (TPA) will provide an acknowledgement of claim, and Initial Preliminary Report, an Interim Report (where necessary), and a Final report for each claim indicating reserves, description of incident, damaged property, investigative results, liability analysis and recommendations.

It will be the responsibility of the Third Party Administrator 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. Acknowledgement of claim.** The TPA will provide an acknowledgement of claim within 24 hours of receipt of the claim listing the TPA's claim number, Commission's claim number, claimant and type of claim.
- b. Initial Preliminary Report.** The TPA will furnish an Initial Preliminary Report within thirty (30) days of the receipt of the claim. This report will provide a summary of the claim investigation and include recommended reserves, a description of the accident/incident including the specific location and time, claimant information, description of investigation performed to date, liability discussion and assessment and recommendations on future handling of the claim.

- c. **Interim Report.** For any claim remaining open after thirty (30) days, the TPA will furnish an Interim report for each subsequent thirty (30) day period. The Interim Report will follow the same format as the Initial Preliminary Report and will serve to update the Commission on the investigation/settlement.

- d. **Final Report.** The TPA will provide a final report upon the settlement and closing of each claim. The closing report will at minimum include a summary of the claim investigation conducted including, findings, conclusions, and recommendations developed in each phase of the claim. The report will describe all data collected and any other techniques used during the investigation. Copies of all supporting documentation are to be included in this report.

- e. **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.

**APPENDIX A – PROPOSAL COVER SHEET
 Pennsylvania Turnpike Commission**

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

RFP# 15-10260-5133

Enclosed in three separately sealed submittals is the proposal for the Proposer identified below for the above referenced RFP:

Proposer Information:	
Proposer Name	
Proposer Mailing Address	
Proposer Website	
Proposer Contact Person/Title	
Contact Person’s Phone Number	
Contact Person’s Fax Number	
Contact Person’s Email Address	
Proposer Federal ID Number	
Location of Headquarters	
Location of Office(s) Performing the Work	
Listing of all Pennsylvania Offices and Total Number of Pennsylvania Employees	

Submittals Enclosed and Separately Sealed:

<input type="checkbox"/> Technical Submittal <input type="checkbox"/> Diverse Business Participation Submittal <input type="checkbox"/> Cost Submittal
Signature
Signature of an official authorized to bind the Proposer to the provisions contained in the Proposer’s proposal: _____
Print Name
Title

FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM WITH THE PROPOSAL MAY RESULT IN THE REJECTION OF THE PROPOSAL.

Insurance Requirements

PROFESSIONAL SERVICE CONTRACTS

A. General Insurance Requirements

1. The Professional Services shall not commence until the Professional Service Contractor has obtained, at their own expense, all of the insurance as required hereunder and such insurance has been approved by the Commission; nor shall the Professional Service Contractor allow any Subcontractor or any Sub-Subcontractor or any tier (hereinafter referred to collectively as "Subcontractor") to commence work on any Commission projects until all insurance required of the Subcontractor has been so obtained and approved by the Professional Service Contractor. Approval of insurance required of the Professional Service Contractor will be granted only after submission to the Commission, original certificates of insurance signed by the representatives of the insurers or, at the Commission's request, certified copies of the required insurance policies. Certificates of insurance shall be provided to the Commission, evidencing the coverage listed below, ten days prior to the start of work of this Project and thereafter upon renewal or replacement of each coverage. The required coverage shall not include any exclusions or endorsements, which are not acceptable to the Commission. Failure of the Commission to demand such certificate or other evidence of full compliance with these insurance requirements or failure of the Commission to identify a deficiency from evidence that is provided shall not be construed as a waiver of the Professional Service Contractor's obligation to maintain such insurance. With respect to insurance maintained after final payment in compliance with a requirement below, an additional certificate(s) evidencing such coverage shall be provided to the Commission with final application for payment and thereafter upon renewal or replacement of such insurance until the expiration of the time period for which such insurance must be maintained.
2. The Professional Service Contractor shall require all Subcontractors to maintain during the term of the Contract Insurance of the type and in the minimum amounts as described below and required of the Professional Service Contractor. Any obligations imposed upon the Professional Service Contractor as part of this contract shall be so imposed upon any and all Subcontractors as well.
3. All insurance required herein, with the exception of the Professional / Errors and Omissions Liability Insurance shall be written on an "occurrence" basis and not a "claims-made" basis. For Professional Liability "claims-made" coverage:
 - a. The retroactive date must be on or prior to the start of work under this contract; and
 - b. The Professional Service Contractor must purchase "tail coverage/an extended reporting period" or maintain coverage for a period of three years subsequent to the completion of their work / final payment.

Appendix B

4. The Commission, its commissioners, agents, servants, employees and representatives shall be named as additional insured on the Professional Service Contractor's liability insurance program (except Workers Compensation and Professional Liability policies) for ongoing operations and completed operations on a primary noncontributory basis. Coverage to include ongoing and completed operations using ISO Endorsements CG 2010 and CG 2037, or their equivalents. Each of the Additional Insured's respective members, employees, agents and representatives shall also be afforded coverage as an Additional Insured. Coverage should be provided for a period of three years subsequent to the completion of work/final payment. The Commission reserves the right to require the Professional Service Contractor to name other parties as additional insured's as required by the Commission. There shall be no "Insured versus Insured Exclusion" on any policies; all policies will provide for "cross liability coverage".
5. All insurance policies required hereunder shall be endorsed to provide that the policy is not subject to cancellation, non-renewal, or material reduction in coverage until thirty (30) days prior written notice has been given to the Commission. In the event of cancellation or non-renewal of coverage(s), it is the Professional Service Contractor's responsibility to replace coverage to comply with the Contract requirements so there is no lapse of coverage for any time period. In the event the insurance carriers will not issue or endorse their policy(s) to comply with the above it is the responsibility of the Professional Service Contractor to report any notice of cancellation or non-renewal at least thirty (30) days prior to the effective date of this notice.
6. No acceptance and/or approval of any insurance by the Commission shall be construed as relieving or excusing the Professional Service Contractor or the Professional Service Contractor's Surety (if applicable) from any liability or obligation imposed upon either or both of them by provisions of this Contract.
7. Any deductibles or self-insured retention's (SIR) of (\$10,000) or greater shall be disclosed by the Professional Service Contractor, and are subject to Commission's written approval. Any deductible or retention amounts elected by the Professional Service Contractor or imposed by the Professional Service Contractor's insurer(s) shall be the sole responsibility of the Professional Service Contractor. In the event any policy includes an SIR, the Professional Service Contractor is responsible for payment within the SIR of their policy(ies) and the Additional Insured requirements specified herein shall be offered within the SIR amount(s).
8. All insurance companies shall have an AM Best's rating of at least "A-, Class VIII" or better and be permitted to do business in the State of Pennsylvania.
9. There shall be no liability upon the Commission, public officials, their employees, their authorized representatives, or agents either personally or as officials of the Commission in carrying out any of the provisions of the Contract nor in exercising

Appendix B

any power or authority granted to them by or within the scope of the Contract, it being understood that in all such matters they act solely as agents and representatives of the Commission.

10. Waiver of Rights of Recovery and Waiver of Rights of Subrogation:

- a. The Professional Service Contractor waives all rights of recovery against the Commission and all the additional insured's for loss or damage covered by any of the insurance maintained by the Professional Service Contractor.
- b. If any of the policies of insurance required under this contract require an endorsement to provide for the waiver of subrogation, then the named insured of such policies will cause them to be so endorsed.

11. Any type of insurance or any increase in limits of liability not described above which the Professional Service Contractor requires for its own protection or on account of statute shall be its own responsibility and at its own expense.

12. The amount of insurance provided in the aforementioned insurance coverages, shall not be construed to be a limitation of the liability on the part of the Professional Service Contractor.

13. Professional Service Contractor shall promptly notify the Commission and the appropriate insurance company(ies) in writing of any accident(s) as well as any claim, suit or process received by the insured Professional Service Contractor arising in the course of operations under the contract. The Professional Service Contractor shall forward such documents received to his insurance company(ies), as soon as practicable, or as required by its insurance policy(ies).

B. Professional Service Contractor Liability Insurance Requirements

- The Professional Service Contractor shall purchase the following insurance coverage's for the minimum limits specified below or required by law.
 - **Commercial General Liability** insurance for bodily injury, personal injury, and property damage including loss of use, etc. with minimum limits of:
 - \$1,000,000 each occurrence;
 - \$1,000,000 personal and advertising injury;
 - \$2,000,000 general aggregate; and
 - \$2,000,000 products/completed operation aggregate.

This insurance shall include coverage for all of the following

- Coverage is to be provided on ISO CG 00 01 12 07 or an equivalent form ("Occurrence Form") including Premises - Operations, Independent

Appendix B

Contractors, Products/Completed Operations, Broad Form Property Damage, Contractual Liability, and Personal Injury and Advertising Injury;

- General aggregate limit applying on a per project basis;
 - Products/Completed Operations Coverage must be maintained for a period of at least three (3) years after final payment / completion of work (including coverage for the Additional Insureds as set forth in these Insurance Requirements);
 - No Exclusions for development, construction, building conversion, etc with respect to the project's location and / or where the work is to be completed by the Professional Service Contractor;
 - Coverage for "Resulting Damage";
 - No sexual abuse or molestation exclusion;
 - No amendment to the definition of an "Insured Contract"; and
 - The definition of an "Insured Contract" must be amended to provide coverage for all work on or within 50 feet of a railroad. A stand alone Railroad Protective Liability policy may be required based on the scope of this project.
- **Business Auto Liability** insurance with a minimum combined single limit of \$1,000,000 per accident and including, but not limited to, coverage for all of the following:
 - Liability arising out of the ownership, maintenance or use of any auto;
 - Auto non-ownership and hired car coverage
 - Contractual Liability Coverage (including Liability for Employee Injury assumed under a Contract as provided in the standard ISO policy form)
 - For Professional Service Contractors involved in the transportation of hazardous material, include the following endorsements: MCS-90 and ISO-9948
 - **Workers' Compensation** insurance with statutory benefits as required by any state or federal law, including standard "other states" coverage; **employer's liability** insurance with minimum limits of:
 - \$1,000,000 each accident for bodily injury by accident;
 - \$1,000,000 each employee for bodily injury by disease; and
 - \$1,000,000 policy limit for bodily injury by disease.
 1. United States Longshore & Harbor Workers Act Coverage, where applicable;
 2. Maritime Coverage under the Jones Act, where applicable;
 3. Federal Employers Liability Act (FELA) coverage, where applicable;
 4. Includes Sole Proprietorships and Officers of a Corporation who will be performing the work; and

Appendix B

5. Where applicable, if the Professional Service Contractor is lending or leasing its employees to the Commission for the work under this contract (e.g. crane rental with operator), it is the Professional Service Contractor's responsibility to provide the Workers Compensation and Employer's Liability coverage and to have their policy endorsed with the proper Alternate Employer Endorsement.

- **Professional Liability:** Professional Service Contractors (such as, but not limited to Architects, Engineers, Attorneys, Financial Advisors, Marketing Professionals, Physicians and Risk Management Consultants) shall provide professional liability and/or malpractice insurance with minimum limits of \$5,000,000. The definition of "covered services" shall include the services required in the scope of this contract.
- **Umbrella Liability or Excess Liability** insurance with minimum limits of:
 - \$5,000,000 per occurrence;
 - \$5,000,000 aggregate for other than products/completed operations and auto liability; and
 - \$5,000,000 products/completed operations aggregate.

Policy to apply on a Following Form basis of the Commercial General Liability, Commercial Automobile Liability and Employers Liability Coverage.

- **Crime**
 - Include the Employee Theft and Theft, Disappearance and Destruction coverage parts.
 - The Employee Theft Coverage part shall include the Clients' Property Endorsement (ISO Form CR 04 01, or its equivalent).
 - Minimum Limits of Liability: \$1,000,000 Per Occurrence
- **Privacy Liability**
 - Professional Service Contractor shall maintain coverage for third party liability arising out of breach of privacy, inclusive of confidential and proprietary business information, HIPAA violations and other breaches of personally identifiable information and/or protected health information that may arise from their work with this contract.
 - Minimum Limits of Liability: \$1,000,000 Per Claim / \$1,000,000 Aggregate
 - Privacy Breach Notification and Credit Monitoring: \$250,000 Per Occurrence

APPENDIX C

Pennsylvania Turnpike Commission DIVERSE BUSINESS (DB) REQUIREMENTS

Diverse Business Participation. The Commission is committed to Diverse Business (DB) participation on competitive contracting opportunities. Firms or entities that have not previously performed work or provided services to the Commission are encouraged to respond to the solicitations. RFPs may include DB participation as part of the criteria for the evaluation of proposals, and the Commission may consider DB participation as a selection factor.

Minimum Participation Level (MPL). The minimum participation level (MPL) for the inclusion of DBs will be established in the RFP/advertisement as a percentage.

(a) General Requirements. Section 303 of Title 74 of the Pennsylvania Consolidated Statutes, 74 Pa.C.S. § 303, requires proposer on contracts funded pursuant to the provisions of Title 74 (Transportation) and 75 (Vehicle Code) administered and issued by the Commission to make Good Faith Efforts to solicit subconsultants that are Diverse Businesses (DBs) as defined in Section 303. The DB requirements of Section 303 apply to this contract.

Section 303 requires proposers to make Good Faith Efforts, as described below, to solicit subconsultants that are DBs during the proposal process to maximize participation of DBs in competitive contracting opportunities.

The Commission is committed to participation by DBs and will enforce the requirements of Section 303 and this section. Failure to make Good Faith Efforts and demonstrate such Good Faith Efforts in the solicitation of subconsultants may result in the proposer being declared ineligible for the contract.

Proposers shall document and submit to the Commission all Good Faith Efforts, as described in this section, to solicit subconsultants that are DBs during the solicitation process.

Proposers are encouraged to utilize and give consideration to consultants offering to utilize DBs in the selection and award of contracts.

Proposers shall not discriminate on the basis of gender, race, creed or color in the award and performance of contracts in accordance with 62 Pa.C.S. §3701.

Failure to comply with the requirements of Section 303 or this specification may result in the imposition of sanctions as appropriate under section 531 of the Procurement Code, 62 Pa.C.S. § 531 relating to debarment and suspension.

The Commission's Director of the Office of Diversity and Inclusion, or designee, is designated the Responsible Official who shall supervise the DB program and ensure that the Commission complies with the DB program.

(b) Definitions. The following definitions apply to terms used in this specification:

1. Disadvantaged Business – A business that is owned or controlled by a majority of persons, not limited to members of minority groups, who are subject to racial, social, ethnic prejudice or cultural bias.

2. Diverse Business – A disadvantaged business, minority-owned or women-owned business or service-disabled veteran-owned or veteran-owned small business that has been certified by a third-party certifying organization.

3. Minority-owned Business – A business owned and controlled by a majority of individuals who are African Americans, Hispanic Americans, Native Americans, Asian Americans, Alaskans or Pacific Islanders.

4. Professional Services – An industry of infrequent, technical or unique functions performed by independent contractors or consultants whose occupation is the rendering of the services, including: (1) design professional services as defined in 62 Pa.C.S. § 901 (relating to definitions); (2) legal services; (3) advertising or public relations services; (4) accounting, auditing or actuarial services; (5) security consultant services; (6) computer and information technology services; and (7) insurance underwriting services.

5. Pro Forma Effort-The act of completing a form or document identifying efforts to solicit DBs for a project in order to satisfy criteria with little or no expectation that the DBs contacted or identified will perform any of the work.

6. Service-Disabled Veteran-Owned Small Business – A business in the United States which is independently owned and controlled by a service-disabled veteran(s), not dominant in its field of operation, and employs 100 or fewer employees.

7. Subconsultant- Any individual, partnership, firm, or corporation entering into a contract with the prime consultant for work under the contract, including those providing professional and other services.

8. Third-party Certifying Organization – An organization that certifies a small business, minority-owned business, women-owned business or veteran-owned small business as a diverse business. The term includes: (1) the National Minority Supplier Development Council; (2) the Women’s Business Development Enterprise National Council; (3) the Small Business Administration; (4) The Department of Veteran Affairs; (5) the Pennsylvania Unified Certification Program.

9. Veteran-owned Small Business –A small business owned and controlled by a veteran or veterans.

10. Women-Owned Business – A business owned and controlled by a majority of individuals who are women.

(c) Actions Required by Proposer during the procurement/consultant selection phase

1. Submission Requirements – Consultant Responsiveness.

- a. **Minimum Participation Level (MPL) Documentation** - If the documentation submitted with the proposal demonstrates that the proposer has identified DBs sufficient to meet the MPL established for this contract, the proposer will be deemed to have satisfied the DB requirement during this phase. The proposer is required to provide the business name and business address of each DB and supporting documentation that includes proof of certification.

If the consultant’s proposal demonstrates the consultant’s inability to meet the MPL established for this contract, the proposer shall demonstrate Good Faith Efforts with its proposal. Failure to submit the required documentation demonstrating Good Faith Efforts as further described below with the proposal may result in a rejection of the proposal.

- b. If no MPL has been established for this contract, the proposer is required to either provide a statement of intent that it will self-perform 100% of the work for the agreement, or demonstrate Good Faith Efforts to solicit subconsultants that are DBs. In either case documentation shall be provided with the proposal.

Failure to submit the required information identified above with the proposal may result in a rejection of the proposal.

2. Good Faith Effort Requirements: The documentation of Good Faith Efforts must include the business name and business address of each DB considered. Supporting documentation must also include proof of certification and any explanation of Good Faith Efforts the proposer would like the Commission to consider. Any services to be performed by a DB are required to be readily identifiable to the agreement. Good Faith efforts are demonstrated by seeking out DB participation in the project given all relevant circumstances. The Commission requires the proposer to demonstrate more than Pro Forma Efforts. Evidence of Good Faith Efforts includes, but is not limited to:

- a. Consultant solicits through all reasonable and available means the interest of all certified DBs with the capacity to perform the scope of work set forth in the agreement.
- b. The proposer must provide written notification at least 5 business days before proposals are due to allow the DBs to respond to the solicitation.
- c. The proposer must determine with certainty if DBs are interested by taking appropriate steps to follow up initial solicitations.
- d. The proposer must make efforts to select portions of the work to be performed by DBs to include, where appropriate, breaking out contract work into economically feasible units to facilitate DB participation;
- e. It is the proposer's responsibility to make a portion of the work available to DBs and, to select those portions of the work, so as to facilitate DB participation.
- f. The proposer shall provide evidence of such negotiations that include the names, addresses, and telephone numbers of DBs considered; A description of the information provided regarding the required work and services for the work selected for subconsultants; and evidence as to why additional agreements could not be reached for DBs to perform the work.
- g. Proposers cannot reject or withhold solicitation of DBs as being unqualified without sound reasons based on a thorough investigation of their capabilities.
- h. The DB's standing within its industry, membership in specific groups, organizations or associations and political or social affiliations (for example union v. non-union employee status) are not legitimate causes for the rejection or non-solicitation of proposals in the proposer's efforts to meet the Good Faith Efforts requirement.
- i. Efforts to assist interested DBs in obtaining bonding, lines of credit or insurance.

3. Actions Taken by the Commission. As part of the proposal review process, the Commission will review the submissions to determine whether the proposer has complied with Section 303 and this requirement in the selection of DB subconsultants. The Commission will determine whether the proposer has either met the MPL or provided acceptable documentation as noted above. The Commission reserves the right to contact proposers for clarification during the review and negotiation process.

If the Commission determines that the proposer has failed to either meet the MPL or provide acceptable documentation as noted above, the proposal may be rejected.

(d) Consultant Requirements During Performance of Services.

1. Replacement of a DB Subconsultant. Consultant must continue good faith efforts through completion of the contract. The obligation to make Good Faith Efforts to solicit subconsultants for any type of service extends to additional work required for any service which is identified to be performed by a DB. If at any time during the performance of the work, it becomes necessary to replace or add a subconsultant that is a DB, the consultant, as appropriate, shall immediately notify the Commission and seek approval in writing in accordance with the Agreement of the need to replace the DB, which notice shall include the reasons for the replacement. If a prime consultant who originally indicated that it would self-perform all work subsequently decides to use a subconsultant for any work under the contract, the consultant must submit documentation of all Good Faith Efforts as to the work for which a subconsultant is obtained.

2. Records. Maintain project records as are necessary to evaluate DB compliance and as necessary to perform the reporting function addressed below. Maintain all records for a period of 3 years following acceptance of final payment. Make these records available for inspection by the Commission, its designees or agents. These records should indicate:

2.a. The number of DB and non-DB subconsultants and the type of services performed on or incorporated in this project.

2.b. The progress and efforts made in seeking out DB subconsultant organizations and individual DB consultants for work on this project to increase the amount of DB participation and/or to maintain the commitments made at the time of the proposal to DBs.

2.c. Documentation of all correspondence, contacts, telephone calls, and other contacts made to obtain the service of DBs on this project.

3. Reports. Maintain monthly reports and submit reports as required by the Commission concerning those contracts and other business executed with DBs with respect to the records referred to in subsection (e)2. above in such form and manner as prescribed by the Commission. At a minimum, the Reports shall contain the following:

3.a The number of Contracts with DBs noting the type of services provided, including the execution date of each contract.

3.b The amounts paid to each DB during the month, the dates of payment, and the overall amounts paid to date. If no payments are made to a DB during the month, enter a zero (\$0) payment.

3.c Upon request and upon completion of individual DB firm's work, submit paid invoices or a certification attesting to the actual amount paid. In the event the actual amount paid is less than the award amount, a complete explanation of difference is required.

4. Subconsultant Contracts

4.a. Subcontracts with DB firms will not contain provisions waiving legal rights or remedies provided by laws or regulations of the Federal Government or the Commonwealth of Pennsylvania or the Commission through contract provisions or regulations.

4.b. Prime consultant will not impose provisions on DB subconsultants that are more onerous or restrictive than the terms of the prime's contract with non-DBs.

4.c. Executed copies of subcontracts/purchase orders are to be received by the Commission before the commencement of work by the DB.

5. Payments to DB Subconsultants. Payments to DBs are to be made in accordance with the prompt payment requirements of Chapter 39, Subchapter D of the Procurement Code, 62 Pa.C.S. §3931 et seq. Performance of services by a DB subconsultant in accordance with the terms of the contract entitles the subconsultant to payment.

(e) Actions to be Taken by Commission After Performance of Services. Following completion of the Consultant's services, the Director of the Commission's Office of Diversity and Inclusion or his/her designee will review the overall DB participation to assess the Consultant's compliance with Section 303 and this contract. Appropriate sanctions may be imposed under 62 Pa.C.S. § 531 (relating to debarment or suspension) for a Consultant's failure to comply with Section 303 and the requirements of the contract.

Addendum No. 1

RFP # 15-10260-5133

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

Prospective Respondents: You are hereby notified of the following information in regard to the referenced RFP:

Following are the answers to questions submitted in response to the above referenced RFP as of January 27, 2015. All of the questions have been listed verbatim, as received by the Pennsylvania Turnpike Commission.

1. Will the existing claims be staying with the current TPA or will the new TPA be taking them over?

The new TPA will be taking over. Carry over should be minimal. In our last transition, less than 12 claims were carried over.

2. Can you give us a breakdown of the 18 automobile liability claims and the 137 general liability claims as to the number of BI and PD claims in each category?

There were an average of 5 BI claims and all involved auto liability.

3. Who is the current claims administrator and how long have they served the Commission?

The Current TPA is Inservco Insurance Services who has served the Commission since April of 2011.

4. Are there any service issues with the current administrator and if so what are they specifically.

There are no service issues with the current administrator.

5. Why is this program out to bid?

Contract has run its term.

6. Can the Commission provide a list of Diverse Business vendor’s who we may consider for participation in this contract?

The Commission cannot provide a list.

7. The RFP says the contract will be to manage 300 claims per year. Can you define a claim? Are all claims submitted from an accident considered one claim, or is a claim simply each claim that may arise from an accident. For example, one property damage claim and two bodily injury claims from one accident equals 3 claims?

They would be considered one claim.

8. Are claims limited to Property Damage and Bodily Injury, or may there be any other types of claims?

Yes claims are limited to Property Damage and Bodily Injury only.

9. Can you provide a breakdown of how many of each type of claim (ex. BI & PD) occurred each year over the past 5 years for both AL and GL?

	Auto Liability		General Liability	
	PD	BI	PD	BI
2010	11	2	211	1
2011	20	1	124	8
2012	19	2	126	2
2013	21	1	95	5
2014	20	0	131	3

10. Since the cost of field investigation must be included in the Annual Fixed Fee, who decides when field investigation is needed and to what extent? Is it left up to the administrator, or will the Commission direct the administrator as to the necessity and the extent of field work to be performed on each claim?

The need for field investigations will be determined by the Commission.

11. In section IV-4, “Tasks”, you state, “ Provide the Commission with required reports on a monthly basis”. What does the Commission consider “required reports” to be.

Required reports would consist of those outlined in section IV-5 as well as monthly loss runs.

12. In section IV-4, "Tasks", you state, "Provide an initial report within 30 days of assignment, interim reports(if needed) every 30 days and a closing report". Are those reports to be sent to the Commission by mail, e-mail, or may they be posted to the claim administrator's encrypted system where only the Commission may access them on demand? When you say interim reports are to be provided every 30 days, if needed, what do you mean by, "if needed"?

Claim reports should be forwarded via email, although the Commission would be open to exploring the use of the administrator's encrypted system.

The need and timing of the interim reports can vary by claim. Some claims will close within the initial 30 day period. The need and timing of the subsequent reports will be agreed upon by the commission and administrator's adjuster.

13. In section IV-4, "Tasks", you state, Provide Loss Analysis Reports quarterly. You then state, provide loss runs semi-annually.

Loss runs should be provided quarterly.

14. Aren't the loss analysis reports and the loss runs one in the same? How would they differ? If they are the same, what frequency of delivery is preferred, quarterly or semi-annually?

If your loss runs provide an analysis of the data, breakdowns by type of loss, location, etc., then a separate loss analysis would not be needed. If not then a separate report would be required quarterly.

15. Must the administrator attend semi-annual meetings in person, or can they attend by teleconference? If in person where will meeting be held?

Telephone conferences are acceptable.

16. Is the expense of field investigations included in the per file expense or does this expense come from another fund?

The expenses of field investigations are to be included in the Annual Fixed Fee.

17. Is the expense of appraisals included in the per file expense or does this expense come from another fund?

The expenses of appraisals are not part of the Annual Fixed Fee and will be paid from the loss fund.

18. Could you please provide us with a copy of your current auto and general liability TPA contract so we can proceed with our proposal?

The contract can be viewed at the following

link. <http://www.paturndpike.com/rtk/ContractView.aspx?ID=12365>

19. Why are you marketing your claims program and who is the current TPA?

Please see the response to question 5.

20. What is the current annual contract price? Does the current contract price include management of up to 300 liability claims per year?

Please see the response to question 18. Yes, the current contract price includes management of up to 300 liability claims per year.

21. Can you confirm the effective/start date for this RFP?

Section I-22, Term of Contract states that the effective date will be when the contract has been fully executed for a term of 3 years with 2-1 year options. The anticipated start date of this contract would be in April 2015.

22. Are there any service issues with the current claims administrator? If so, please explain?

Please see the response to question 4.

23. Does the current TPA provide any pre loss/risk control services for your auto and GL programs?

No.

24. For the Automobile Program, what are the lines of coverage managed by the TPA-ie. Collision, Comprehensive, No Fault, Med pay, Liability etc.

Liability Only.

25. For the General Liability Program, what are the lines of coverage managed by the TPA-ie. Bodily Injury, Property Damage, Med Pay, etc.

Please see the response to question 8.

26. Does the Automobile or General Liability programs include any Professional Liability exposures, ie-Law Enforcement Liability, Police Professional Liability, etc.

No.

27. Please provide an overview of the PTC, what entities are covered under the program, a description and listing of all covered locations, vehicles/equipment, property, etc.

The PTC and its employees are covered under the program. The PTC encompasses approximately 500 miles of roadway with maintenance sheds and toll facilities throughout, 1600 vehicles and approximately 2000 employees.

28. Is the PA State Police covered under either the Automobile or General Liability program for losses occurring on or about the PA Turnpike?

No the PA State Police are not part of the PTC.

29. Can you provide complete loss runs for the past 5 years showing all auto and general liability claims? Specifically, we need to see the claim breakouts for Auto BI, Auto PD, GL BI, and GL PD.

Please see the response to question 9.

30. The RFP estimates 18 Automobile claims per year and 137 General Liability claims per year, are these estimates at an Accident/Occurrence level or broken down to individual claimants.

Occurrence Level.

31. Can you confirm the current adjusters claim pending levels with the current provider?

Current pending is 32 claims.

32. If we can provide access to real time adjuster log notes via our RMIS system would you still require us to provide the initial, interim, and closing reports?

Yes.

33. Would you require us to work with a diverse business partner to be awarded this RFP?

See Section II-1, H. There is no minimum participation level for Diverse Business (DB) established for this contract. However, the utilization of DBs is encouraged and will be considered as a criteria in the evaluation of proposals.

34. Your 5 year average life of claim is 158 days for auto liability and 128 days for general liability, can you provide more information if this for PD or BI claims?

That average is for all claims.

35. Can you provide information regarding what is your typical auto BI , auto PD, GLBI, and GLPD claims that you receive?

Claims can range from typical auto accidents, property and BI, to property damage due to maintenance activities.

36. Does the PTC utilize PENNDOT or any other vendor for snow removal or does it handle this operation and utilize its own vehicles?

The PTC does not utilize any vendors for snow removal at this time.

37. Do you currently utilize a risk management info system (e.g. RMIS)? If so, how many users have access to that system? And will this be the same number of users needed if you were to go with a new provider?

Our current TPA provides access to their RMIS for 3 people.

38. Is the PTC 100% self-insured? If not, what is the retention for the Automobile and General Liability program? Who is the 1st layer primary carrier above the SIR and additional layers?

The PTC is 100% self-insured for Auto and General Liability.

39. Once the claim goes into litigation, please confirm the TPA closes it file. If not, what role does the TPA take in the adjustment process?

Once a claim goes into litigation, the TPA may close the file. However, the TPA may be called upon to provide information, provide documentation, provide depositions or testify. Charges for travel, lodging etc. for depositions and trials would be outside the Fixed Annual Fee.

40. What is the TPA reserve Authority?

The TPA is expected to set appropriate reserves in all cases, regardless of level.

41. What is the TPA settlement authority?

All settlements are at the discretion of the PTC. The TPA must discuss settlement recommendations with the PTC.

42. Who is required to attend the semi-annual claim review meetings?

Claim review meetings are typically attended by either claims handler or appropriate supervisor.

43. Is the Pennsylvania Turnpike more interested in the upfront price or the total cost of risk?

The PTC is interested in the upfront price of adjustment.

44. Can you provide expense payment information for your auto and liability programs?

Total paid expenses for the period 4/22/2011 through 12/31/2014 was \$150,534.98

All other terms, conditions and requirements of the original RFP dated January 12, 2015 remain unchanged unless modified by this Addendum.