

REQUEST FOR PROPOSAL

Workers' Compensation Third Party Administration Services

CITY OF JOHNSON CITY, TENNESSEE
Department of Risk Management



RFP #6064

Proposal Due Date/Time
August 29, 2016
By no later than 2:30PM, EST

City of Johnson City
Purchasing Department
209 Water Street (37601)
P. O. Box 2150 (37605)
Johnson City, TN

1. INTRODUCTION

The City of Johnson City, Tennessee, hereinafter referred to as the City, is issuing this Request for Proposal (RFP) to define minimum service requirements, detail proposal requirements and outline the City's process for evaluating proposals. Through this RFP the City seeks to buy the best service at the most favorable, competitive prices.

1.1 Statement of Purpose

Introduction and background:

The purpose of this RFP is to provide prospective Third Party Administrators (TPA) with information that will enable them to prepare and submit a proposal for third party administration services for the City of Johnson City's self-insured workers' compensation program.

TPAs responding to this proposal must be a recognized claims administrator of self-insured workers' compensation programs, licensed to do such business in the State of Tennessee.

The City of Johnson City will use the results of this RFP process to award a service agreement that will include the takeover of all new claims beginning on **October 15, 2016**. RFP submissions should indicate, as appropriate, whether the response is for cradle-to-grave or life of service agreement options.

This RFP provides minimum program requirements. Each TPA must address these program requirements in their proposal submission. In addition, there is an executive summary section of the RFP that provides an opportunity for the TPA to expound and give further details on why their company is best qualified to perform the services.

The City of Johnson City is looking for a TPA partnership that will deliver objective and measurable results that will reduce the cost and duration of WC claims, provide claim processing in a timely and professional manner, actively pursue subrogation, assist in returning injured employees back to work and maintaining strong communications with the injured worker, treating physician, and the City of Johnson City.

Overview:

The City of Johnson City employs over 2,000 full time and part time employees in its government and education departments. The workers' compensation program is managed through the risk management department. The City has been self-insured since 2002 and has partnered with third party administrators to manage the workers' compensation claims. All past and existing claims are handled by the TPA provider on a cradle-to-grave basis.

Claims management is centralized through the risk management department. Claims are reported by employees directly to the risk management department, where the required forms are completed and employee is counseled regarding WC benefits. Risk management reports the claim to the TPA, coordinates initial treatment for the employee, and performs in-house case management. Risk management is also involved in settlement decisions and hearings at the TDOL/Bureau of Workers' Compensation. Records are maintained at the risk management department. The City of Johnson City supports and implements a case by case return to work program.

Excess Workers' Compensation Insurance Program:

Insurer: Safety National Casualty Corporation

<u>Limits:</u>	<u>Coverage Description</u>
\$2,547,237	Workers' Compensation Aggregate Limit
\$1,000,000	Employer's Liability – Per Occurrence/Aggregate
\$600,000	Self Insured Retention

Claim Summary:

FY ending June 30	2016	2015	2014	2013	2012
Average No. of Employees	2259	2211	1985	2175	2107
No. of Claims Received:	181	194	187	197	200
Medical Only	157	170	137	125	117
Lost Time	15	16	17	24	21
Record Only	9	8	33	48	62
Total Medical Incurred*	\$307,213	\$426,328	\$482,024	\$333,407	\$410,436
Total Indemnity Incurred*	\$ 79,742	\$211,414	\$356,736	\$241,833	\$317,696
Death Payments	0	0	0	0	0

*Represents total incurred during the fiscal year on all claims as of 6/30/2016.

1.2 RFP Communications

The City has assigned the following RFP Identification number that must be referenced in all communications regarding this RFP: **RFP # 6065.**

1.2.1 Potential respondents must direct communications relating to this RFP to:

Debbie Dillon, Director of Purchasing
423-975-2717 Phone
purchasing@johnsoncitytn.org

1.2.2 Only the City's official written responses and communications will be binding with regard to this RFP. The City will consider oral communications of any type to be unofficial and non-binding.

1.2.3 Respondents must assume the risk of the method chosen for dispatching any communications or proposal to the City. The City assumes no responsibility for delays or delivery failures resulting from the method of dispatch. Actual or digital "postmarking" of a communication or proposal to the City by a specified deadline date will not substitute for the City's actual receipt of said documents.

1.2.4 The City reserves the right to determine, at its sole discretion, the method of conveying official written responses and communications related to this RFP. Such written communication may be transmitted by mail, hand-delivery, facsimile, electronic mail, internet posting, or any other means deemed reasonable by the City.

1.2.5 The City reserves the right to determine, at its sole discretion, the appropriate and adequate response to written comments, questions and requests related to this RFP. The City's official written response will constitute an amendment to this RFP.

1.2.6 All deviations to RFP requirements must be clearly noted.

1.2.7 Any data or factual information provided by the City, in this RFP or subsequent amendments and any other communications relating to this RFP, are for informational purposes only. The City will make reasonable efforts to ensure the accuracy of such data or information; however it is within the discretion of respondents to independently verify any information before relying thereon.

1.2.8 Any respondent having questions and comments concerning this RFP must provide such in writing to the City no later than the Written Comments Deadline detailed in the RFP Section 2, Schedule of Events.

1.2.9 Protests based on any objection shall be considered waived and invalid if the objection has not been brought to the attention of the City’s contact, as detailed in RFP Section 1.2.1, before the Written Comments Deadline.

1.3 Procedures For Submittal of RFP

To be eligible to submit a proposal for this insurance coverage, interested vendors should follow the instructions in section 1.3.1.

1.3.1 RFP Submittal

One (1) original and three (3) copies, for a total of four copies, of the proposals shall be enclosed in a sealed envelope plainly identified in the upper left hand corner with the company’s complete name and address and in the lower left hand corner with “**RFP# 6065 – Workers’ Compensation TPA**”. Proposals must be received by the Director of Purchasing, P.O. Box 2150 (37605) or 209 Water Street (37601), Johnson City, TN before the RFP Submittal Deadline detailed in RFP Section 2, at which time a list of respondents will be available. Proposals shall be open for inspection after the intent to award the contract to a particular respondent is announced. Late submittals will not be considered. Telephone or facsimile offers will not be accepted. Proposals must be signed in ink by the agent or person authorized to bind the vendor to its provisions.

2. RFP - SCHEDULE OF EVENTS

2.1 The following RFP Schedule of events represents the City’s best estimate for completing the process.

EVENT	TIME (Eastern Standard Time)	DATE (All dates are City business days)
1. RFP issued		August 11, 2016
2. Written Questions & Comments Deadline	4:00 p.m.	August 18, 2016
3. City Response to Written Questions & Comments		August 19, 2016
6. Proposal Deadline	2:30 p.m.	August 29, 2016
7. City Completion of Evaluation of Proposal		September 5, 2016
8. Recommendations To City Commission for Contract Approval		September 5, 2016
9. City Commission Consideration		September 15, 2016
10. Policy period begins		October 15, 2016

3.2 The City reserves the right, at its sole discretion, to adjust the RFP Schedule of Events as it deems necessary. Any adjustment to the Schedule of Events, occurring prior to the Proposal Deadline, shall constitute an RFP amendment and the City will communicate such to potential responders from whom the City has received a Notice of Intent to Propose.

3. PROPOSAL REQUIREMENTS

3.1 Economy of Preparation

Proposals should be prepared simply and economically, providing a straightforward and complete description of services, fees, and associated options to meet the city's requirements as outlined in this document. Emphasis should be on completeness and clarity of content. All proposal pages must be numbered.

3.2 Incurring Costs

The City of Johnson City is not liable for any costs incurred by the vendor prior to issuance of a contract.

3.3 Rights and Options of the City of Johnson City:

The City reserves the following rights and options:

- Determine those proposers who are most qualified.
- Reject any or all proposals for any reason, at its sole discretion.
- Supplement, amend, or otherwise modify this RFP.
- Cancel this RFP with or without the submission of another RFP.
- Issue additional solicitations for information and proposals, and conduct investigations with respect to the qualifications of each respondent.

3.4 Proprietary/Confidential information

Proposers are hereby notified that all information submitted as part of, or in support of, proposals will be available for public inspection after opening of proposals, in compliance with City Policy & Tennessee Statute.

3.5 Requirements for Bids, Request For Proposals and Contracts

This Proposal also includes the City's "Requirements for Bids, Requests for Proposals, and Contracts, etc." and "Sealed Solicitation General Terms and Conditions" attached hereto and set forth herein as if verbatim.

3.6 Insurance

The Insurance Checklist (including a section for both the Insurance Agent and Contractor to complete) and the General Contract Form (must be signed) are found as RFP Attachment "D" and must be completed and returned with the proposal package. Successful proposer shall provide a Certificate of Insurance relative to the Insurance Checklist prior to contract award. The successful contractor must carry insurance as specified during the length of this contract and must submit a Certificate within five (5) business days from the date of request.

3.7 Proposal Format

The proposal response shall be presented in the following sections:

- Cover letter of understanding of city's requirements and summary of proposal content
- Proposal Form, Attachment "A"
- Detailed description of services, Attachment "B"
- Alternate service options
- Company qualifications and past experience
- List of Employees to be involved and their qualifications
- General Conditions Response Form, Attachment "C"
- Insurance Checklist and General Contract Form, Attachment "D"
- Executive Summary, Notes and Deviations, Attachment "E"

3.8 Withdrawal of Proposals

Proposals may be withdrawn upon written request received from vendor prior to the time fixed for receipt.

3.9 RFP Addenda

The City reserves the right to amend this RFP at any time, provided that it is amended in writing. In case it becomes necessary to revise any part of this RFP, addenda will be provided to all known interested vendors. Addendum notice will also be posted on the City's website: <http://www.johnsoncitytn.org/purchasing/bids/>

3.10 Acceptance of RFP Content

- Proposals to be valid for a minimum period of sixty (60) days from date of receipt by City.
- The contents of any proposal received may become contractual obligations if a contract is issued. Failure of the successful vendor to accept these obligations may result in cancellation of the award.
- The City reserves the right to reject any or all proposals and to waive informalities, irregularities, and technicalities in the bidding.
- The City may negotiate separately with any source in any manner necessary to arrive at a contract agreement that is in the best interest of the City.
- A respondent is liable for any and all errors and or omissions and will not be allowed to alter or revise RFP documents after Proposal Deadline, detailed in RFP Section 2 Schedule of Events, unless specifically requested to do so in writing.
- Respondents unable to provide services in compliance with their proposal shall be responsible for the costs of re-bidding their portions of the program including additional fees for service.
- The City reserves the right to award any service quoted separately to different vendors and in accordance with award criteria listed below.

3.11 Award Criteria

The City will evaluate each proposal in the following areas:

- Completeness
- Service options

- Costs
- Managed care & cost containment plan(s)
- Supervision & quality control
- Past experiences the City has had with respondent, if any
- Format

3.12 Evaluation Process

The City will review all proposals received and choose the one(s) that best meets the needs in the areas listed above but may, if advantageous, choose different, qualified respondents for services quoted separately. If, through negotiation, the City is unable to reach a satisfactory agreement with that company, it will then proceed to the next best-rated offer and so on until one firm is selected.

3.13 Contract Award

It is the intent of the City to award a contract to the lowest responsible vendor provided the proposal has been submitted in accordance with the requirements of RFP documents, is judged to be reasonable, and does not exceed available funds. Nothing herein shall prevent the City from awarding contracts to different vendors for each service quoted separately, if such action is to the advantage of the City.

The City intends to issue a contract/purchase order to a provider in accordance with the RFP Schedule of Events detailed in Section 2.1. Service period will begin October 15, 2016.

4. WORKERS' COMPENSATION THIRD-PARTY ADMINISTRATION

4.1 Client: City of Johnson City, Tennessee

4.2 Effective Date: October 15, 2016

4.3 Service Outline:

The City requests proposals for Third-Party Administration of their Workers' Compensation Program that, as a minimum, includes the following:

City of Johnson City, Tennessee
Third-Party Administration of Workers' Compensation Program
Minimum Service Requirements

4.3.1 Claims Handling

- a. Internet, fax, and telephonic reporting
- b. Investigation
- c. Three Point Contact
- d. Processing (Client involvement is required in selection of physician panels, treatment authorization, and other aspects of claims management to ensure City employees receive prompt, quality medical treatment.)
- e. Subrogation

- f. Litigation Management (With City Attorney oversight and/or client input regarding selection of attorney)
- g. Fraud Prevention
- h. Central Index Bureau
- i. Claim Reviews
- j. Stewardship Review

4.3.2 Administration

- a. Financial Administration – Funds for Claims and Expense payments will be automatically withdrawn from City’s account at the City’s choice of bank through the Automated Clearing House System.

4.3.3 Information Systems

- a. Minimum of 3 on-site users
- b. Internet-based RIMS
- c. Access to adjuster log notes
- d. Access to claim payments
- e. Risk Analysis Reports (including ability for City to define and generate reports)
- f. Web imaging
- g. OSHA/TOSHA required reports

4.3.4 Managed Care Program

- a. Case Management
 - i. Telephonic case management
 - ii. On-site case management (Incl. client involvement in selection of on-site case management provider)

4.3.5 Medical Bill Review

- a. Application of State Fee Schedules
- b. Review for miscoded and/or duplicate charges
- c. Review for injury-relatedness

4.3.6 Cost Containment

- a. Preferred Provider Network
- b. Out-of-Network Program
- c. Discount Pharmacy Program

4.3.7 Section 111 Medicare Reporting

- a. Comply with requirements of CMS Section 111 reporting

4.3.8 Excess Claims Reporting

- a. Comply with requirements of W/C Excess Insurance Carrier

4.3.9 Risk Control Services

- a. Provide risk control services, including loss prevention and loss engineering

4.3.10 Compliance with Tennessee Laws, Rules, and Regulations pertaining to Workers’ Compensation and TOSHA programs

4.3.11 Compliance with Federal Laws, Rules, and Regulations pertaining to

OSHA/TOSHA programs, as well as CMS Section 111 reporting

- 4.3.12** Provide data (Excel spreadsheet preferred) for annual Actuarial Study, including the following fields as a minimum:
- a. Claimant identified (preferably claim number and claimant name)
 - b. Claimant's department
 - c. Date of Loss
 - d. Date of Report
 - e. Claim Status
 - f. Total Paid Loss & ALAE
 - g. Total Reported Loss (paid loss plus case reserves, i.e., total incurred)
 - h. Recoveries

4.4 Proposal Forms

Proposal forms are found in Attachments "A" through "E" of the request for proposal packet.

5. GENERAL CONDITIONS

It is hereby understood and agreed by all parties that the following general conditions and/or amendatory endorsements shall apply to all contracts unless specifically noted by exception.

5.1 Unintentional Faulty or Incomplete Information

It is agreed that the TPA shall not hold the City, its director of risk management, consultant(s), employees, agents, servants and/or representatives responsible for faulty, incomplete or misleading information unless such information was intentionally withheld or altered.

5.2 Inadvertent Non-disclosure

Inadvertent failure of the City to report all exposures at the inception of this agreement which would normally or automatically be covered hereunder shall not void the agreement.

5.3 Loss History

The TPA shall (preferably on a quarterly basis) forward to the City written or electronic reports of the status of any and all claims. The TPA shall also provide annual loss reports for the purpose of state-required reporting, actuarial studies, audits, and other purposes.

5.4 Failure to Provide Services per Proposal

It is to be understood and agreed that the service and pricing presented by this proposal will be considered binding. Service contracts delivered with differences in service to that which were proposed shall be unacceptable in those areas of difference and the specifications shall apply. Any vendor unable to provide services in compliance with the proposal shall be responsible for the costs of re-bidding their portions of the program including additional service fees.

5.5 Licensed by the State of Tennessee

It is agreed the vendor must be a recognized claims administrator of self-insured workers' compensation programs, licensed to do such business in the State of Tennessee.

5.6 Contract Period

It is our intent to have the service contract(s) with the same TPA provider for three years, barring any major increase in service fees. However, the City reserves the right to extend the contract(s) for additional years provided prices, terms, and conditions are acceptable to both the vendor and the City.

5.7 Equal Opportunity

It is the policy of the City of Johnson City to ensure compliance with Title VI of the Civil Rights Act of 1964; 49 CFR, Part 21; related statutes and regulations to that end and that no person shall be excluded from participation in or be denied benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance or any other funding source on the grounds of race, color, sex, national origin, or ancestry. By virtue of submitting a response to this solicitation, vendors agree to comply with the same non-discrimination policy.

5.8 Indemnification

The vendor shall guarantee and certify by affixing his signature to the proposal that if successful, he/she/it shall indemnify and defend the City against any and all claims or legal actions arising as a result of his/her/its performance of the contract, whether or not such claims relate to damages or alleged damages sustained by physical injury to contractor's personnel, subcontractors, or other persons, or against lawsuits arising from alleged or actual patent infringements, and shall hold the City, its various departments, employees, and any and all persons or entities acting on its behalf harmless from the same.

5.9 Rating Information

The City includes with this package rating information and deems it to be as accurate as possible; however, no warranty is to be taken as expressed or implied. Requests for additional information, if honored, will be provided to all interested parties.

5.10 Insurance

The vendor consents to provide insurance as required in the Insurance Checklist and General Contract Form. The successful vendor must carry insurance as specified during the length of this contract and must submit a Certificate within five (5) business days from the date of request.

5.11 Litigation Management

The vendor consents to the City/Staff Attorney's (or their designee's) monitoring and/or oversight of all litigation and/or consents to City's input regarding selection of attorney(s) for all legal matters involving the City's workers' compensation claims.

5.11 Claims Handling and Account Management

The vendor consents to the City's risk management department's involvement in the selection of authorized treating physicians and other medical service providers. The vendor also consents to permit the City's risk management department to authorize medical treatment under the program. Vendor also agrees claims will be handled on a cradle-to-grave basis, unless otherwise agreed to by contract. Vendor further agrees to reassign their personnel to the account should irreconcilable differences develop between their personnel and the City's representatives.



CITY OF JOHNSON CITY, TENNESSEE
<http://www.johnsoncitytn.org/purchasing>

SEALED SOLICITATION
GENERAL TERMS AND CONDITIONS
(Read Carefully)

1. ACCEPTANCE, REJECTION AND POSTPONEMENT

Issuance of a bid/rfp/rfq does not commit the City to make an award. The City reserves the right to postpone or reject any or all bids/rfp's/rfq', to waive informalities and to accept the bid/rfp judged to be in the best interest of the City.

2. ADDENDA

Addendum's will be issued to all known interested parties and posted on the City's website (listed above). All addenda issued shall become part of the solicitation documents. It is the vendor's responsibility to determine and acknowledge any or all addenda's issued for a solicitation. No addenda will be issued less than two (2) working days prior to the solicitation opening as per TCA, Title 12, Chapter 4, Part 1, as amended

3. AWARD

An award, if made, shall be to the lowest responsible, responsive bidder(s) or best solicitation meeting quality and performance standards as described in the solicitation documents and whose bid/rfp is determined to be in the best interest of the City. The City also reserves the right to award this product/service based on other contracts in-place (state or cooperative contracts), as may be in our best interest.

4. AWARD PERIOD

The City shall have 60 days to issue a contract. Any contract past that period must be mutually agreed upon by both parties.

5. BID TABULATIONS/RFP/RFQ RESPONSES

Bid tabulations and RFP/RFQ respondent's lists will be posted and available the next business day on our above website. Select "awarded/opened solicitations".

6. BRAND NAMES

By referencing a brand name or equal, the City intends to establish a minimum level of quality by which alternate offers can be judged. If an alternate is offered, the vendor must include complete descriptive literature and specifications that clearly describe the item and how it differs from the referenced item. Vendor reference to literature previously submitted will not satisfy this provision. Unless specified otherwise, it is understood that the referenced product will be furnished. The City alone will determine whether an alternate is equivalent and meets the standards of quality and performance for the City's use. A sample or demonstration may be required at the expense of the vendor.

7. CONDITION STANDARDS

It is understood and agreed that any item offered or shipped as a result of this solicitation shall be new and unused and the manufacturer's latest model unless otherwise called for in the solicitation.

8. CONSTRUCTION DOCUMENTS

If a fee is required for bid documents then only those bidders of record with the issuing office are eligible to bid.

9. COOPERATIVE PURCHASING:

Bidders/Proposers are to indicate whether it is permissible for other governments in Tennessee to purchase these items or services at the same price. Freight charges can be adjusted to reflect differences in delivery costs.

10. DEFAULT

In case of contractor default or failure to provide material or service according to the solicitations, the City may cancel this contract and acquire from another source and may recover any excess cost by (1) invoice; (2) deduction from an unpaid balance due; (3) collection against the bid and/or performance bond; or (4) a combination of the aforementioned remedies or other remedies provided by law. All costs associated with default will be borne by the contractor. The City reserves the right to remove a company in default from the active vendor list for a time period to be determined by the Director of Purchasing.

11. DELIVERY

Delivery/completion schedule must be clearly identified and realistically stated, as this may be a determining factor in the award.

12. DISCOUNT AND PAYMENT

Payment terms are Net 30 following receipt of the material or service and a correct invoice unless otherwise stated in the solicitation document. Discounts for prompt payment will not be considered in the bid evaluation for award. Partial payment will be allowed only if addressed in the solicitation.

13. EQUAL OPPORTUNITY

It is the policy of the City of Johnson City to ensure compliance with Title VI of the Civil Rights Act of 1964; 49 CFR, Part 21; related statutes and regulations to that end that no person shall be excluded from participation in or be denied benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance or any other funding source on the grounds of race, color, sex, national origin, or ancestry. By virtue of submitting a response to this solicitation, vendors agree to comply with the same non-discrimination policy.

14. EVALUATION

Bids/RFP's/RFQ's will be evaluated according to the criteria set forth in the document with the degree of importance determined by the City.

15. EXAMINATION OF BIDS/RFP'S/RFQ'S

Bids and associated documents may be examined at the opening. Only the name of the respondent is read aloud for RFP'S/RFQ'S. All solicitations are closed for review and inspection during the evaluation period, prior to award.

16. FOB (FREE-ON-BOARD) POINT

All prices quoted shall be FOB destination, freight prepaid and allowed unless otherwise stated in the solicitation document. The seller pays and bears the freight charges and owns the goods while they are in transit. Title passes at the designated City location.

17. INDEMNIFICATION

The vendor shall guarantee and certify by submitting a response to this solicitation that if successful, they shall indemnify and defend the City against any and all claims or legal actions arising as a result of their performance of the contract, whether or not such claims relate to damages or alleged damages sustained by physical injury to contractors personnel, subcontractors, city employees or other persons, or against any lawsuits arising from alleged or actual patent infringements, and shall hold the City, its various departments, employees, and any and all persons or entities acting on its behalf harmless from the same.

18. INSPECTION

All supplies or materials purchased as a result of this solicitation are subject to inspection and rejection by the City. Rejected materials will be returned at the vendor's expense.

19. INSURANCE

The contractor shall maintain, at their expense, such insurance as required by the solicitation. Such insurance shall protect the City for claims of damages which may arise during operations under this contract whether such operations be by the Contractor or by any subcontractor or anyone directly or indirectly employed by either of them. Any required insurances shall be maintained for the term of the contract and beyond the term of the contract when so required in the solicitation.

20. IRAN DIVESTMENT ACT OF 2014

Pursuant to the Iran Divestment Act of 2014, Tenn. Code Ann. § 12-12-106 requires the State of Tennessee Chief Procurement Officer to publish, using creditable information freely available to the public, a list of persons it determines engage in investment activities in Iran, as described in § 12-12-105. Inclusion on this list makes a person ineligible to contract with the City of Johnson City; if a person ceases its engagement in investment activities in Iran, it may be removed from the list. The State of Tennessee currently uses the State of South Carolina's list, available here: https://www.tn.gov/assets/entities/generalservices/cpo/attachments/List_of_persons_pursuant_to_Tenn._Code_Ann._12-12-106_Iran_Divestment_Act-July.pdf

21. LICENSES, FEES, PERMITS

The contractor is responsible for furnishing the proper licenses, fees, and permits required by law to do business with the City of Johnson City in completion of the project. All work shall be done in accordance with the latest building codes, state and federal laws relative to the contract.

22. MULTIPLE ITEM BIDS

The City will determine the successful bidder(s) either on the basis of the individual line items or the total of all items. ALL OR NONE bids must be clearly identified on the bid form and will be considered only if in the City's best interest.

23. NON-COLLUSION AGREEMENT

By submitting this solicitation, the agent representing all officers, partners, owners, representatives, employees or interested parties of the vendor's firm certifies to the best of his/her knowledge and belief this bid/proposal to the City of Johnson City, Tennessee has not been prepared in collusion with any other seller, proprietor, or manufacturer of similar products or services. The agent also certifies that the prices, terms and conditions of said bid/proposal have been arrived at independently and have not been communicated by the submitter, nor by any of the aforementioned firm associate to any other seller, proprietor, or manufacturer of similar products or services and will not be communicated prior to the official opening of said solicitation. The agent further states that no official or employee of the City of Johnson City has promised any personal, financial or other beneficial interest, either directly or indirectly, in order to influence award of this solicitation.

24. PARTS AND SERVICE

The successful vendor must be able to provide adequate parts and service for all items awarded. Service location and ability to perform may be a consideration in the award.

25. PENALTIES

Vendors may be removed from our active vendor system for any of the following:

- ◆ Failure to respond to three consecutive solicitations
- ◆ Failure to meet delivery requirements
- ◆ Failure to furnish items as a result of a solicitation
- ◆ Failure to provide service or material as a result of the award
- ◆ Offers of gratuities or favors to any City employee

26. PRE-BID MEETING ATTENDANCE

If attendance is mandatory then only those firms whose names are listed on the pre-bid attendance roster are eligible to submit a solicitation.

27. PRICING

All pricing must appear in the spaces provided on the city's form (if applicable) and be in ink or typed. Changes or corrections by the bidder/proposer must be initialed in ink by the person signing. No corrections may be made in pencil. Unit prices will prevail in case of an extension error. The City will correct math computation errors (unit price & totals). No bid may be altered or amended after bid opening time. Obvious mistakes will be given special consideration upon receipt of written request and full disclosure or evidence regarding pricing error.

28. PROPRIETARY/CONFIDENTIAL INFORMATION

Vendors are hereby notified that all information submitted as part of, or in support of, bids/proposals will be available for public inspection after award, in compliance with Tennessee Statutes.

29. PROTEST PROCEDURE

Any protest to the award of a contract by the City of Johnson City shall be submitted in writing to the Director of Purchasing with a copy to the City Manager and delivered not later than seven (7) calendar days from the date of the city's award decision. Such protest must include a protest bond in the amount of \$350 (cashier's check payable to the City of Johnson City or Cash) submitted to the Purchasing Director before the City will consider the protest. This protest bond will serve as a guarantee by the protester of the validity and accuracy of the protest. If the protest is denied by the City Manager the bond will be retained to cover costs associated with the protest.

30. QUESTIONS

Questions must be received by the City at least four (4) working days prior to the scheduled opening. No oral interpretations or instructions given by any city employee or any other person shall apply. Changes relative to any solicitation will be in writing, in the form of an addendum. ,

31. SAFETY STANDARDS

All manufactured items and fabricated assemblies shall comply with applicable requirements of OSHA/TOSHA and any related standards thereto.

32. SAMPLES

Samples will be furnished at no charge to the City. They will remain in the Purchasing Department for testing and evaluation until an award is made. Vendors are responsible for picking up their samples within two (2) weeks after the award. Samples not collected after that time shall become the property of the City. Samples from the successful vendor will be held until delivery is received and accepted as being equal to the sample.

33. SEALED SOLICITATION OPENINGS

Bids will be read aloud at the specified date and time as stated in the document. RFP's/RFQ'S respondent names will be read aloud. All openings are public meetings. Bidders/proposers and interested persons are invited to attend. The City reserves the right to postpone any solicitation opening under circumstances warranting such action, including but not limited to instances when the City receives fewer than two responses.

34. SIGNATURE ON BIDS

When submitting a bid, other than electronically, the bid form must contain the full name and address of the company and be signed in Ink by a person authorized to bind that company to a contract. Submission of an electronic solicitation constitutes acceptance of all terms and conditions. Unsigned paper bids will not be considered, read or tabulated. They may not be signed during or after the bid opening, even if a representative is present.

35. SUBMITTAL OF SEALED BIDS/RFP'S/RFQ'S

Any forms furnished by the city must be completed and returned as specified in the solicitation, otherwise response will be considered as non-responsive. TELEPHONE, FACSIMILE OR E-MAIL RESPONSES WILL NOT BE ACCEPTED. Electronic receipt of bids/proposals is acceptable for those posted at: <https://purchasing.johnsoncitytn.org/bsol/>. **Paper bids shall be sealed in an envelope and may be required to include one (1) electronic (CD or flashdrive) copy of the entire submittal. The electronic version shall be an exact duplicate of the original, and the electronic version will become the official document.** No solicitation received after closing time shall be considered. The official time for paper submittals will be that of the date and time clock in the Purchasing Department. For electronic bids the official time is that posted on the website. Late submittals will not be accepted. The City of Johnson City shall not be responsible for technical difficulties experienced by vendors trying to register or submit their bid/rfp response electronically less than one hour prior to the bid/rfp opening time. If not offering a solicitation response, the vendor is encouraged to complete the "Statement of Decline" form and return prior to the opening.

36. TAXES

The City is exempt from Federal excise tax, State, and city sales tax. Contractors are not exempt from the use tax on materials and supplies used in the production of an item or in the performance of a repair or construction contract. Tax exemption certificates will be furnished upon request.

37. TERM OF CONTRACT

Unless otherwise stated, the City reserves the right to purchase like items at the same contract price for a period of one year from the award date subject to agreement of both parties. The City may cancel any contract for cause, or non-appropriation of funds, following written notification of intent.

38. WARRANTY

Unless otherwise specified by the City, all items shall be guaranteed for a minimum period of one (1) year against defects in material and workmanship.

REQUIREMENTS FOR BIDS, REQUESTS FOR PROPOSALS, AND CONTRACTS
BETWEEN THE CITY OF JOHNSON CITY
AND OTHER PARTIES

The City of Johnson City has established the following requirements for use in all bids and contracts between the City and any other person or entity. The following list is mandatory and modifies any bid, contract, or request for proposal, or conditions applicable to, signed by, or let by the City, notwithstanding anything contained in any particular conditions, contract, request for proposal, or bid to the contrary.

In general, the following provisions apply to all such contracts, bids, requests for proposals, contracts requiring bids, and bids containing contracts:

1. The City of Johnson City shall not answer to any contracting party for the furnishing of public records to a person requesting such in accordance with Tennessee law.
2. The City, while it may designate in writing a representative on a particular project, shall only be bound by a majority vote of the Board of Commissioners or by the limited authority delegated to the City Manager pursuant to City Ordinance. No personal representative of the City assigned to a particular project may bind it in excess of the dollar amounts granted to the City Manager by Ordinance, and no personal representative assigned to a particular project may bind the City for an amount equal to or less than the dollar amounts granted to the City Manager by Ordinance without the City Manager's approval.
3. The City shall not in any event waive or limit any claims for damages including but not limited to consequential damages in any contract for any reason or purpose.
4. No decision of an architect, engineer, or personal representative of the City shall be final and binding on the City, unless the City so agrees in any dispute with any

party including but not limited to an architect, a contractor, a subcontractor, an engineer, etc. If the City agrees to be bound pertaining to a dispute, then the monetary limits contained in the City's ordinances regarding the authority of the City Manager shall prevail, and any amounts exceeding the authority of the City Manager shall be referred to the Board of Commissioners for their consideration.

5. The City shall not participate in any mediation or arbitration regarding any agreement to which it is a party, and all matters left unresolved between the City and any other party, person, or entity shall be resolved in a court of competent jurisdiction in either Washington County, Tennessee, or in Federal District Court in Greeneville, Tennessee.

6. No party or other entity shall file a lien of any nature whatsoever against City property, real, personal, or mixed, no matter where that property is located. Should a party or entity contracting with the City or acting as a subcontractor or subsubcontractor file a lien against any property, real, personal, or mixed, owned by the City, then that party or entity shall take immediate steps at its own cost and expense to remove said lien, or the City shall take such steps as it deems necessary and hold the other party or entity liable for any costs and attorneys' fees associated with the lifting of said lien.

7. The City shall exercise its sole discretion before agreeing to any assignments of any contracts or subcontracts regarding any project in which the City is involved. No contract with the City shall be assignable without the City's sole, discretionary, absolute consent.

8. The City shall not be required to supply any information regarding its title to any property in which it has an interest for any purposes regarding the filing of liens.

9. The City shall not waive any claims it has in the making of final payment in any project in which it is involved. The City shall have the right to terminate any agreement to which this document is attached at any time in its sole discretion without

cause. In the event the City terminates without cause any agreement to which this document is attached, then in such event the City shall be liable only for the actual work and costs that have accrued at or before the date of the City's termination. In no event shall the City be liable for lost profits, consequential damages or incidental damages in the event it terminates a contract without cause.

10. Except to the extent allowed by law, the City shall not indemnify and hold harmless any other party, entity, person, their agents, employees, or anyone else in the world for any reason whatsoever.

11. The City shall not waive the rights of subrogation of its insurers or itself for any purpose whatsoever, and the City shall not cause any such endorsements to be placed on any policies to which it is a party.

12. Unless the City elects otherwise, the City shall not provide any "builders' risk" or an "all-risk" or equivalent policy for any reason whatsoever for any project in which the City has an interest, and the contractor or other such party shall assume this responsibility. That builder's risk policy provided by the contractor or other such interested party shall name the City as an additional insured. The City shall not provide boiler and machinery insurance, but shall require such insurance as applicable, depending on the parameters of whatever project is involved. The cost of boiler and machinery insurance shall be borne by the appropriate contractor, subcontractor, or other interested party. The City shall not insure the interests of any other person or entity, nor shall the City add any other person or entity as an additional insured to any of its policies.

13. The City shall not waive any rights regarding the loss of use of the City's property.

14. As to acts or failures to act or any causes of action by any party to a contract, whether that party be the architect, owner, contractor, City, etc., a cause of action shall accrue according to Tennessee law. No contract provision shall shorten the

statutes of limitations, statutes of repose, or the accrual of any causes of action which the City might have against another party or entity. No contract provision shall waive any warranties, express or implied, nor shall any contract limit the standard of care for any particular service or undertaking to that of the locality where those services or undertakings are performed.

15. Any interest to be paid by the City of Johnson City for late payments shall be at the rate of interest at which the City pays on its most recently issued bonds.

16. The City reserves to itself the right to approve the use of any tests, including but not limited to any borings, test pits, geotechnical work, environmental tests, and the like in its own sole discretion. All design professionals, consultants, subcontractors, or the like shall be duly licensed in the State of Tennessee, if licensure in the State of Tennessee is required for the work to be performed by such design professional, consultants, or subcontractors.

17. Notwithstanding any applicable choice of law or conflict of law provisions or decisions, the law of the State of Tennessee shall govern all contracts to which this document is attached.

18. The City of Johnson City shall not provide any legal advice, legal services, surveys, or procure the same for any other party.

19. Upon payment for services as rendered, all design documents and all instruments of service created by design professionals, including but not limited to architects, landscape architects, engineers, etc., shall become the property of the City of Johnson City, Tennessee. The City of Johnson City shall be allowed to use all design documents and instruments of service, including but not limited to bid drawings, shop drawings, reports, specifications, cost estimates, schematic designs, construction designs, and the like for future additions or alterations to the current project or for use in other projects. Any use of the aforementioned designs and construction documents shall be at

the City's sole risk and without liability to the design professional. The design professional's name and seal will be removed from all such design documents prior to the City's use thereof.

20. No person or entity shall respond to a request for bid or request for proposal with any terms or conditions that might change, alter, amend, or differ with the specifications, terms, or conditions originally provided by the City in its initial request for bids or proposals.

21. The City, as the owner of real property that is the subject of or in any way connected to any bid, request for proposal, or contract, hereby grants to the successful bidder/proposer/contractor the general management of the real property during the time that work is being performed, and the City agrees to transfer information specified in OSHA regulations at 29 CFR §1926.1203(h)(1), so that TOSHA/OSHA shall treat the successful bidder/proposer/contractor as the host employer when working in confined spaces. This paragraph applies only to those areas where the successful bidder/proposer/contractor has access to and performs work within confined spaces as defined in federal OSHA regulations. The successful bidder shall comply with all federal OSHA and state TOSHA regulations, including those regarding confined spaces.

January 6, 2016



STATEMENT OF SOLICITATION DECLINE City of Johnson City, Tennessee

NOTE: If you do not intend to respond to this solicitation, please complete and return this form on or before the stated deadline to Purchasing Department, P. O. Box 2150, Johnson City, TN 37605 or via e-mail or fax: purchasing@johnsoncitytn.org; 423-975-2712.

We value your feedback and ask that you complete the following:

Solicitation No.: # _____
Solicitation Name: _____

We, the undersigned, decline to submit on the above bid/proposal for the following reason(s):

- _____ Insufficient time to adequately prepare a response
- _____ Our company does not offer this product or service. Remove us from the vendor list
- _____ Our schedule will not permit us to perform in a timely manner
- _____ We are unable to meet bond requirements
- _____ We are unable to meet insurance requirements
- _____ We are unable to offer comparable product or service
- _____ We are unable to meet specifications (explain below)

We understand that if this statement is not completed and returned, our company may be deleted from the City's solicitation list for this commodity or service.

Company Name: _____
Address: _____
Signature: _____
Telephone: _____
E-mail: _____
Date: _____

**CITY OF JOHNSON CITY, TENNESSEE
THIRD-PARTY ADMINISTRATION OF WORKERS' COMPENSATION PROGRAM
PROPOSAL FORM**

4.3.1 Claims Handling Service Fees

Flat Fee	\$
-----------------	-----------

OR

Per Lost Time Claim	\$
Per Medical Only Claim	\$
Per Record Only Claim	\$

**Additional charge for Catastrophic Occurrence? Yes; No
If Yes; describe:**

What constitutes a catastrophic occurrence (i.e., number of claims in a single occurrence, etc.)? Please describe below:	
Catastrophic Fee Basis (i.e., per lost time claim, per medical only claim, etc.)	Fee
	\$
	\$
	\$

4.3.2 Annual Administrative Fee, if any:

Description	Fee
	\$

4.3.3 Information System Fee

Description	Fee
Annual Fee – Minimum of 3 Users	\$
Annual Fee – Each Add'l. User	\$
Risk Analysis Reports	\$
OSHA/TOSHA Reports	\$
Other (Describe):	\$
Other (Describe):	\$

4.3.4 Managed Care Fees

Description	Fee (Incl. fee basis; i.e, per hr., etc.)
On-site Case Management	\$
Telephonic Case Management	\$
Other (Describe):	\$
Other (Describe):	\$

4.3.5 Medical Bill Review

Description	Fee (Incl. fee basis; i.e, per hr., etc.)
State Fee Schedule	\$
Miscoded/duplicated Charges	\$
Injury-Relatedness	\$
Other (Describe):	\$
Other (Describe):	\$
Other (Describe):	\$

4.3.6 Cost Containment

Description	Fee
Preferred Provider Network	\$
Out-of-Network Program	\$
Discount Pharmacy Program	\$
Other (Describe):	\$

4.3.7 Section 111 Medicare Reporting

Compliance with CMS reporting requirements in Section 111	\$
---	----

4.3.8 Excess Claims Reporting

Comply with Claims Reporting Procedures and all other reporting requirements of Client's Workers' Compensation Excess Insurance carrier(s).	\$
---	----

4.3.9 Risk Control Services

Description	Fee (Incl. fee basis; i.e, per hr., etc.)
Loss prevention and loss engineering services.	\$

4.3.10 Compliance with Tennessee Laws, Rules, and Regulations pertaining to Workers' Compensation programs.

Compliance with Tennessee laws, rules & regulations (Describe):	\$
---	----

4.3.11 Compliance with Federal Laws, Rules and Regulations pertaining to the program.

Compliance with Federal laws, rules & regulations (Describe):	\$
---	----

4.3.12 Provide data for annual Actuarial Study

Actuarial Study Data in requested format	\$
--	----

4.3.13 Other Fees

Description	Fee
	\$
	\$
	\$

4.3.14 Other Options

Quote other options:	Describe in detail the benefit to the client	Fee
		\$
		\$

Describe billing and payment terms:

NAME OF PROPOSER: _____

BY (Please Print): _____

SIGNATURE: _____

**THIS SHEET MUST BE SIGNED TO BE VALID
(Complete this form and return with RFP package)**

<u>Third-Party Administration of Workers' Compensation Program – Service Description - Page 1 of 9</u>	
Service	Describe Your Proposed Service
<u>CLAIMS HANDLING:</u>	
Claim reporting methods (i.e., paper, telephonic, electronic, internet, etc.) Available 24 hrs./day-7 days/wk.?	
How are catastrophic claims handled?	
Investigation: Medical Only? Lost Time?	
Three Point Contact (Employee, Employer, Physician). Include frequency of contact.	
Processing	
Subrogation	
Reserves (Incl. philosophy, when they are set, frequency of evaluation, etc.)	

Third-Party Administration of Workers’ Compensation Program – <u>Service Description</u> - Page 2 of 9	
Service	Describe Your Proposed Service
Settlements	
Litigation Management	
Fraud Prevention	
Central Index Bureau	
Claim Reviews	
Stewardship Review	

Third-Party Administration of Workers' Compensation Program – <u>Service Description</u> - Page 3 of 9	
Service	Describe Your Proposed Service
<u>ADMINISTRATION:</u>	
Financial Administration	
Other	
<u>INFORMATION SYSTEMS:</u>	
Describe in detail your online system & enclose a copy of all screens	
Number of on-site user permits	
Internet-based RIMS?	
Access to adjuster log notes	
Content of adjusters' notes	
Access to claim payments	
Risk Analysis Reports & Loss Runs	

Third-Party Administration of Workers' Compensation Program – <u>Service Description</u> - Page 4 of 9	
Service	Describe Your Proposed Service
Web Imaging	
OSHA/TOSHA Reporting	
Reserve Detail	
"Real Time" access	
Actuarial data in Excel format, including as a minimum: <ul style="list-style-type: none"> • Claimant ID (Name & Claim Number) • Claimant's Department • Date of Loss • Date of Report • Claim Status • Total Paid Loss & ALAE • Total Reported Loss/Total Incurred • Recoveries 	
<u>MANAGED CARE PROGRAM:</u>	
List and describe the medical cost containment tools utilized. List name of the vendor you propose to use for the services.	

Third-Party Administration of Workers' Compensation Program – <u>Service Description</u> - Page 5 of 9	
Service	Describe Your Proposed Service
Pre-certification of hospital admissions	
Provider networks	
Utilization review	
Pharmaceutical Plan	
Durable Medical Equipment	
Physician Panels	
Managed care	
Field Case Management	
Catastrophic Management	
Other:	
<u>MEDICAL BILL REVIEW/PROCESSING:</u>	
Medical and hospital bill audit	
Application of State Fee Schedules	

Third-Party Administration of Workers' Compensation Program – <u>Service Description</u> - Page 6 of 9	
Service	Describe Your Proposed Service
Review for miscoded/duplicate charges	
Review for injury-relatedness	
Medical invoice processing timeline, incl. average turnaround for payment.	
Other:	
<u>COST CONTAINMENT:</u>	
Preferred Provider Network	
Out-of-Network Program	
Discount Pharmacy Program	
Other:	
<u>CASE MANAGEMENT:</u>	
Telephonic case management	
On-site case management	

Third-Party Administration of Workers' Compensation Program – <u>Service Description</u> - Page 7 of 9	
Service	Describe Your Proposed Service
<u>SECTION 111 MEDICARE REPORTING:</u>	
What procedures are in place to comply with Section 111 reporting	
<u>EXCESS CLAIMS REPORTING:</u>	
Do you agree to comply with the City's Excess Workers' Compensation insurer's notification/reporting/updating requirements?	
<u>RISK CONTROL SERVICES:</u>	
Describe Risk Control Services and associated fees	
<u>COMPLIANCE:</u>	
Describe compliance process for Tennessee laws, rules, and regulations pertaining to the program	
Describe compliance process for Federal laws, rules and regulations pertaining to the program	

Third-Party Administration of Workers' Compensation Program – <u>Service Description</u> - Page 8 of 9	
Service	Describe Your Proposed Service
<u>SUPERVISION/QUALITY CONTROL:</u>	
Does a supervisor review all losses and make initial assignments? Describe their role.	
What types of cases do supervisor(s) follow and how often?	
How many adjusters and files do they supervise? Number of accounts?	
How often and how many files are reviewed for quality assurance purposes? Please enclose a copy of your quality assurance checklist.	
List each adjuster's caseload who would potentially be assigned to this account, and attach a copy of their resumes.	
Will the assigned adjusters be dedicated to this account?	
What is your process of covering an adjuster's desk when they are off work?	
Provide names and phone numbers of self-insured clients for whom you are providing Workers' Compensation TPA services.	
When are Action Plans developed? How often are they reviewed/revised?	
How often are open cases reviewed?	

Third-Party Administration of Workers' Compensation Program – Service Description - Page 9 of 9

SIGNATURE: _____
THIS SHEET MUST BE SIGNED TO BE VALID
(Complete this form and return with bid package)

GENERAL CONDITIONS – RESPONSE FORM
(Refer to items 5.1 through 5.11)

DESCRIPTION	YE S	NO
EXCEPTIONS TO GENERAL CONDITIONS (SECTION 5)? (If yes, attach list to this sheet.)		
Unintentional faulty or incomplete information wording included (5.1)?		
Inadvertent non-disclosure wording included (5.2)?		
Loss history wording included (5.3)?		
Failure to Provide Services per Proposal wording included (5.4)?		
Licensed by the State of Tennessee (5.5)?		
Agree to contract period condition (5.6)?		
Equal Opportunity compliance accepted (5.7)?		
Indemnification clause accepted (5.8)?		
Agree to statement regarding rating information (5.9)?		
Agree to provide insurance per Insurance Checklist & General Contract Form?		
Agree to litigation management requirements (5.10)?		
Agree to claims handling and account management requirements (5.11)?		

NAME OF PROPOSER: _____

BY (Please Print): _____

SIGNATURE: _____

THIS SHEET MUST BE SIGNED TO BE VALID
(Complete this form and return with RFP package)

INSURANCE CHECKLIST

Attachment "D"

(Professional Services – Third Party Administration)

REQUIRED COVERAGE (marked by "x")

MINIMUM LIMITS

- 1. Worker's Compensation (proprietor/partners/executive officers exclusion not allowed) Statutory limits of Tennessee and Employer's Liability \$100,000/accident, \$100,000/disease, \$500,000/disease policy limit
- 2. Commercial General Liability (including Premises/Operations) \$1,000,000 CSL BI/PD each occurrence, \$1 Million annual aggregate
- 3. Automobile Liability & Owned/Hired/Non-Owned Vehicles \$500,000 BI/PD each accident, Uninsured Motorist
- 4. Independent Contractors \$1,000,000 CSL BI/PD each occurrence, \$1 Million annual aggregate
- 5. Products/Completed Operations \$1,000,000 CSL BI/PD each occurrence, \$1 Million annual aggregate
- 6. Contractual Liability \$1,000,000 CSL BI/PD each occurrence, \$1 Million annual aggregate
- 7. Personal and Advertising Injury Liability \$1,000,000 each offense, \$1 Million annual aggregate
- 8. Umbrella Liability \$1 Million Bodily Injury, Property Damage and Personal Injury
- 9. Per Project Aggregate
- 10. Professional Liability
 - a. Architects and Engineers \$1 Million per occurrence/claim
 - b. Asbestos Removal Liability \$2 Million per occurrence/claim
 - c. Medical Malpractice \$1 Million per occurrence/claim
 - d. Medical Professional Liability \$1 Million per occurrence/claim
- 11. Miscellaneous E & O/Professional Liability \$1 Million per occurrence/claim
- 12. Motor Carrier Act End. (MCS-90) \$1 Million BI/PD each accident, Uninsured Motorist
- 13. Motor Cargo Insurance
- 14. Garage Liability \$1 Million Bodily Injury, Property Damage per occurrence
- 15. Garagekeepers Liability \$500,000 Comprehensive, \$500,000 Collision
- 16. Inland Marine-Bailee's Insurance \$ _____
- 17. Moving and Rigging Floater Endorsement to CGL
- 18. Dishonesty Bond \$ _____
- 19. Builder's Risk/Installation Floater Provide coverage in the full amount of contract
- 20. XCU Coverage Endorsement to CGL
- 21. Carrier Rating shall be Best's Rating of B++V or better or its equivalent
- 22. Notice of cancellation, non-renewal or material change in coverage shall be provided to City at least **30 days** prior to action. Worker's Compensation and/or non-payment of premium - notification may be **10 days** prior to action.
- 23. The City of Johnson City shall be named as Additional Insured on all policies except Worker's Compensation, Auto and Professional Liability. **Per Acord 25 (2009/01), policies must be endorsed to incl. on-going & completed operations; please submit copy of endorsement.** (Cert. Holder: City of Johnson City, Attn: Purchasing, P.O. Box 2150, Johnson City, TN 37605. Email: purchasing@johnsoncitytn.org.)
- 24. Certificate of Insurance shall show project number or other contract identifier used by the City.
- 25. OTHER INSURANCE REQUIRED: _____

INSURANCE AGENT'S STATEMENT:

I have reviewed the above requirements with the bidder named below. The bidder has coverage with this agency for all of the areas marked with the exception of the following numbers:

Comments: _____

- Is Professional Liability excluded under General Liability? Yes _____ No _____
- Is Contractual Liability excluded under Comm. General Liability? Yes _____ No _____
- Is Independent Contractors excluded under Comm. General Liability? Yes _____ No _____

Carrier ratings: Insurer A _____; Insurer B _____; Insurer C _____; Insurer D _____

AGENCY NAME: _____ AUTHORIZED SIGNATURE: _____

Date: _____

CONTRACTOR'S STATEMENT:

I have reviewed the above requirements with my insurance agent(s) and, if awarded a contract, will provide all coverage marked.

CONTRACTOR'S NAME: _____ AUTHORIZED SIGNATURE: _____

Date: _____

Proposal Number: **# 6064**

Proposal or Project Name: **Workers Compensation Third Party Administrator Services**

This form and the General Contract Form shall be signed and returned with the solicitation package. The Certificate of Insurance must be provided to Purchasing prior to contract award.

GENERAL CONTRACT FORM

The General Contract Form is included in every solicitation requiring insurance. The general requirements of the contract form are supplemented by items checked on the **Insurance Checklist that identify specific requirements for the bid or project.**

INSURANCE

Review this section carefully with your insurance agent or broker prior to submitting a bid or proposal. See Insurance Checklist (part of the Bid Forms) for specific coverage applicable to this contract. The term "Contract" as used in this section shall mean the Agreement covering the work that is entered into between the City of Johnson City, Tennessee and the Contractor.

1. General Insurance Requirements:

1.1 The Contractor shall not start work under this contract until the Contractor has obtained at its own expense all of the insurance called for hereunder and such insurance has been approved by the City; nor shall the Contractor allow any subcontractor to start work on any subcontract until all insurance required of the subcontractor has been so obtained and approved by the Contractor. Approval of insurance required of the Contractor will be granted only after submission to the Director of Purchasing of original, signed Certificate(s) of Insurance, General Contract Form, and Insurance Checklist or, alternately, at the City's request, certified copies of the required insurance policies.

1.2 No acceptance and/or approval of any insurance by the City shall be construed as relieving or excusing the Contractor, or the surety, or its bond, from any liability or obligation imposed upon either or both of them by the provisions of the Contract Documents.

1.3 The City of Johnson City (including its elected and appointed officials, agents, and employees) is to be named as an additional insured under all coverage except Worker's Compensation, Automobile Liability, and Professional Liability and the Certificate of Insurance or the certified policy, if requested, must so state. Coverage afforded under this paragraph shall be primary as respects the City, its elected and appointed officials, agents and employees. The following definition of the term "City" applies to all policies issued under the contract:

"The City of Johnson City, Tennessee together with all of its various departments, bureaus, and agencies, as well as any affiliated or subsidiary board, committee, or authority, including but not limited to the Johnson City Public School System."

1.4 The contractor shall provide insurance as specified in the Insurance Checklist contained in this document.

1.5 The Contractor covenants to save, defend, hold harmless and indemnify the City of Johnson City, Tennessee together with its various departments, elected or appointed officials, employees, officers, counsel, agents, and any and all other persons or entities acting on behalf of the same (collectively the City) from and against any and all claims of any sort based upon any theory of liability whatsoever, for any and all harm, loss, damage, injury, cost (including court cost and attorney fees) charges, or other liability of any nature whatsoever, however caused, resulting from or arising out of or in any way connected with the contractors performance or non-performance of the terms of the contract documents or its obligations under the contract based upon any theory of liability whatsoever, including claims brought by third persons, and further covenants to discharge all of the aforesaid persons and entities and forever hold them harmless from the same. The foregoing obligation to indemnify and defend shall continue in full force and effect after the aforesaid contractor completes all of the work required under the contract, until such time as the applicable statutes of limitation or repose have expired.

1.6 The Contractor shall be responsible for the work performed under the Contract Documents and every part thereof, and for all materials, tools, equipment, appliances, and property of any description used in connection with the work. The Contractor assumes all risks for direct and indirect damage or injury to the property or persons used or employed on or in connection with the work contracted for, and of all damage or injury to any person or property wherever located, resulting from any action, omission, commission or operation under the Contract, or in connection in any way whatsoever with the contracted work, until final acceptance of the work by the City.

1.7 Insurance coverage required in these specifications shall be in force throughout the Contract Term. If the Contractor fails to provide acceptable evidence of current insurance within ten days of written notice at any time during the Contract Term, the City shall have absolute right to terminate the Contract without any further obligation to the Contractor and the Contractor shall be liable to the City for the entire additional cost of procuring performance by another vendor and the cost of performing the incomplete portion of the Contract at time of termination. **Contractor** is required to provide the City with notice of cancellation, non-renewal, or material change in coverage at least thirty (30) days prior to cancellation, non-renewal, or material change in coverage."

1.8 Contractual and other liability insurance provided under this Contract shall not contain a supervision, inspection or engineering services exclusion that would preclude the City from supervising or inspecting the project as to the end result. The Contractor shall assume all on-the-job responsibilities as to the control of persons directly employed by it and of the subcontractors and any persons employed by the subcontractor.

1.9 Nothing contained in the specifications shall be construed as creating any contractual relationship between any subcontractor and the City. The Contractor shall be as fully responsible to the City for acts and omissions of the subcontractors and of persons employed by them as it is for acts and omissions of persons directly employed by the Contractor.

1.10 Precaution shall be exercised by the Contractor at all times for the protection of persons (including employees) and property. All existing structures, utilities, roads, services, trees and shrubbery shall be protected against damage or interruption of service at all times by the Contractor and its subcontractors

during the term of the Contract, and the Contractor shall be held responsible for any damage to property occurring by reason of its operation on the property.

1.11 If a Contractor can not meet the insurance requirements contained in a bid, proposal, or project description, alternate insurance coverage may be considered. Written requests for consideration of alternate coverage must be received by the Director of Purchasing at least ten working days prior to the date set for receipt of bids or proposals. If the City denies the request for alternate coverage, the specified coverage will be required to be submitted. If the City permits alternate coverage, an amendment to the Insurance Requirement will be prepared and distributed prior to the time and date set for receipt of bids or proposals.

1.12 All required insurance coverage must be acquired from insurers authorized to do business in the State of Tennessee, and acceptable to the City. The insurers must also have policyholders' rating of "B++" or better, and a financial size of "Class V" or better in the latest edition of Best's Insurance Reports, unless the City grants specific approval for an exception in the same manner as described in 1.11 above.

1.13 The City may consider deductible amounts as part of its review of financial stability. The Contractor shall assume all deductibles.

2. Contractor's Insurance – Occurrence Basis:

2.1 The Contractor shall purchase the following insurance coverage, including the terms, provisions and limits shown in the Checklist:

- **Commercial General Liability** – The Commercial General Liability policy shall include any or all of the following as indicated on the Checklist:
 - i. General aggregate limit is to apply per project;
 - ii. Premises/Operations;
 - iii. Action of Independent Contractors;
 - iv. Contractual Liability including protection for the Contractor from claims arising out of liability assumed under this contract;
 - v. Personal Injury Liability including coverage for offenses related to employment;
 - vi. Explosion, Collapse, or Underground (XCU) hazards.
- Professional Liability/Miscellaneous Errors and Omissions insurance which will pay for injuries arising out of errors or omissions in the rendering, or failure to render, professional services under the contract, in the amount shown in the Checklist.
- **Business Automobile Liability** including coverage for any owned, hired, or non-owned motor vehicles, Uninsured Motorists insurance, and Automobile Contractual Liability.

- **Worker's Compensation** – statutory benefits as required by the State of Tennessee, or other laws as required by labor union agreements, including standard Other States coverage; Employers' Liability coverage.

3. Commercial General or other Liability Insurance – Claims-made Basis:

If Commercial General or other liability insurance purchased by the Contractor has been issued on a claims-made basis, the Contractor must comply with the following additional conditions. The limits of liability and the extensions to be included as described in the Checklist remain the same. The Contractor must either:

- i. Agree to provide certificates of insurance evidencing the above coverage for a period of three years for Professional Liability; two years for CGL and other Liability, after final payment for the contract. Such certificates shall evidence a retroactive date, no later than the beginning of the Contractors or subcontractors' work under this contract, or
- ii. Purchase an extended (minimum three years for Professional Liability; two years for CGL and other Liability) reporting period endorsement for the policy or policies in force during the term of this contract and evidence the purchase of this extended reporting period endorsement by means of a certificate of insurance or a copy of the endorsement itself.

4. Alternative Coverage (Self Insurance)

Notwithstanding any of the above, the Contractor may satisfy its obligations under this section by means of self-insurance for all or any part of the insurance required, provided that the alternative coverage is acceptable to the City.

5. Limits of Liability Coverage

Specific limits of liability coverage on the Insurance Checklist may be adjusted according to project risk if the adjustment is deemed appropriate and the amended amount is approved by the City Manager.

6. Verification of Compliance

I have read this General Contract Form and agree to all the terms and conditions contained therein.

Contractor's Name: _____

EIN or SSN: _____

Signed by: _____

Title: _____

Date: _____

This form and the Insurance Checklist must be completed and returned with Certificate of Insurance, as specified, prior to contract award.

