

March 30, 2007

**REQUEST FOR PROPOSALS
TO PROVIDE THE CITY'S
WORKERS' COMPENSATION PROGRAM SERVICES**

The City of Oakland is requesting proposals from qualified consultants, individuals and organizations, that are capable of providing the services specified in the attached document. Specifically, it is our goal to contract with any qualified entity that will provide comprehensive Third Party Administration (TPA) Services for the City of Oakland Workers' Compensation Program.

The City's current administrative model utilizes the combined skills of City staff in conjunction with independent contractors to manage and disburse benefits. Administrative services are provided by an independent contractor (Third Party Claims Administrator) and its subcontractor that reviews medical bills, law firms that specialize in workers' compensation law, and an independent occupational medical contractor who administers medical services pertaining to this program. City staff includes persons with expertise in personnel, administration, employee relations, finance, auditing, safety and loss control, as well as staff attorneys.

The Finance and Management Agency, Risk Management Division is responsible for the overall administration of the Workers' Compensation Program and this Request for Proposals (RFP) process.

Minimum Requirements:

In order to be considered in the RFP process, the entity must meet the following minimum requirements and submit a proposal in accordance with the attached specifications:

1. The firm must participate in the City's Professional Services Contract Program;
2. The firm must possess the required licenses, certifications and insurance to perform services in every area designated in the attached specifications; and
3. The firm must have experience providing workers' compensation program administration for city government, county government or other public agencies in the State of California.

Proposal Submission Requirements:

A detailed explanation of the additional requirements for proposal submission is included in this Request for Proposal. Proposals must be submitted in the general format specified therein and **must be delivered to the City of Oakland, Risk Management Division, 150 Frank H. Ogawa Plaza, Suite 2352, Oakland, CA 94612 no later than 4:30 p.m. on May 11, 2007.**

All potential bidders are required to participate in the RFP Bidders' Conference, scheduled for 10:30 a.m. on April 12, 2007. This conference is arranged for the purposes of asking City staff for clarification and information regarding this Request for Proposal. Although the conference is not mandatory, any and all questions for clarification must be presented to City staff through this forum. Only questions regarding timelines related to the submission and selection process will be fielded by City staff outside of the conference.

This RFP does not commit the City of Oakland to award a contract or to pay any costs incurred in the preparation of any proposal submitted in response to this request. The City reserves the right to cancel this RFP in part or in its entirety. The City further reserves the right to award a contract on the basis of its overall evaluation of the respondent's ability to serve the City's needs, which shall be based on the City's sole judgment and discretion.

Should you have any questions regarding the conditions explained within, please contact Deborah Grant, Acting Risk Manager, at (510) 238-7165.

Sincerely,

DEBORAH GRANT, ARM, CSP
Acting Risk Manager

**CITY OF OAKLAND
FINANCE & MANAGEMENT AGENCY
RISK MANAGEMENT DIVISION
REQUEST FOR PROPOSAL**

For

WORKERS' COMPENSATION THIRD PARTY ADMINISTRATION SERVICES

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SUMMARY OF TPA SERVICES OPPORTUNITY

Designated Services

WORKERS' COMPENSATION THIRD PARTY CLAIMS ADMINISTRATION

Size and Location

4,500 (+) City Employees, located in facilities throughout the boundaries of the City of Oakland and limited remote locations.

Average Annual Claims and Estimated Current Claims Inventory

The City of Oakland averages approximately 700 reported injury claims per year. The estimated annual / ongoing claims inventory is approximately 1,400 to 1,500 open Workers' Compensation claims.

Examples of Services

- Triage, takeover and management of all existing Workers' Compensation claims with minimum interruption of services and ongoing provision of benefits;
- Comprehensive Claims Administration for all new and existing Workers' Compensation claims filed by City of Oakland employees;
- Early Intervention and Transitional Work Program services for all occupational (and optionally non-occupational) disabilities;
- Utilization Review and Managed Care services for all occupational disabilities;
- Managed Care Services for referred occupational disabilities;
- Bill Review services for all invoiced medical services, including therapeutic and prescription services related to all occupational disabilities – TPA is to handle the entire Bill Review package with no break-out to sub-contracting entities;
- Preferred provider network (PPO) participation for all medical services required to cure or relieve any/all occupational disabilities;
- Telephonic / Electronic Claim Reporting capabilities for all City departments;
- Onsite Database Information and Reporting access capabilities for certain City locations;
- Onsite Non-technical Service Personnel to act as liaison between designated City departments and selected TPA – to assist department personnel with timely and accurate completion of required forms, obtain necessary information to properly process claims, and assist department personnel and/or injured employees in obtaining answers to pertinent questions, etc.;
- Provide City departments and injured employees toll-free access to encourage and promote initial and ongoing communications;

Also see: Section 3 – Scope of Work and (B) Contractor Requirements

General Qualifications

Interested Third Party Administrators (TPA) and members of the TPA team must have all licenses, permits and certifications mandated by all federal, state and local authorities for services proposed, and possess proven related professional and project experience.

Project Manager

Deb Grant, Acting Risk Manager
Finance and Management Agency
150 Frank H. Ogawa Plaza, Suite 2352
Oakland, CA 94612
(510) 238-7165

Selection Process

The City will select a preferred Third Party Administrator based on responses to this RFP and completion of interviews in follow-up thereto. If a preferred TPA is not identified through this process, the City may proceed to a secondary RFP and interview process.

RFP Vendor's Conference

10:30, am Thursday, April 12, 2007
Risk Management Division
150 Frank H. Ogawa Plaza, Suite 2352
Oakland, CA 94612

RFP Submission Date

4:30, pm, Friday, May 11, 2007

Qualification of Submission Packets

Twelve (12) copies of the proposal should be forwarded to the attention of:

Deb Grant, Acting Risk Manager
City of Oakland
Finance and Management Agency
150 Frank H, Ogawa Plaza, Suite 2352
Oakland, CA 94612
(510) 238-7165

SECTION 1 – PROJECT DESCRIPTION

The City of Oakland is requesting proposals from qualified **Workers' Compensation Third Party Administrators** to work with the City as part of its Risk Management Team in providing appropriate and mandated workers' compensation claim services and benefits, analyzing losses and developing methods of reducing Workers' Compensation costs wherever possible. The City desires a comprehensive proposal regarding the administration of Workers' Compensation benefits and services and recommendations for changes that will facilitate achievement of the City's goals of 5% annual cost reduction and improvement of the City's Workers' Compensation Program efficiency and effectiveness.

Respondents must demonstrate the ability to comply with the City's Professional Services Program goals and Living Wage Ordinance.

The City's goal is to establish a two-year contractual relationship with the successful respondent(s). The period of this contract will be from September 1, 2007 to August 31, , 2009. The City of Oakland may, at its option, extend the contract for two additional two-year terms, with a maximum contractual relationship of six years. The Risk Management Division is responsible for the overall administration of the contract for the requested services and the Request for Proposals (RFP) process.

All interested parties are encouraged to carefully review the RFP submission requirements information contained in this document. **Omission or non-conformance of any terms, conditions or requirements may result in disqualification.**

SECTION 2 – UNIVERSAL TERMS AND CONDITIONS

While the entire scope of the Third Party Administrator (TPA) responsibilities will be subject to negotiation, all respondents must accept the following universal terms, conditions and obligations:

- A. The TPA will be responsible for ensuring that all submitted materials are consistent with the requirements set forth within the RFP;
- B. The TPA must provide evidence of their availability to provide the full extent of services requested in this RFP on a daily basis;
- C. The TPA will be responsible for compliance with the City of Oakland's business and employment programs and wage requirements. The TPAs responding to the RFP ***must*** be knowledgeable of the City of Oakland Professional/Specialized Services Program, demonstrate ability to comply with all the goals and requirements of this program as contained in Exhibit B of this document, and complete and return the required forms specified in the section of this document discussing **RFP Submission Requirements**.

Additional copies of the programs, ordinances, resolutions and goals will be forwarded to TPAs upon request. Questions regarding the City of Oakland Professional/Specialized Services Program, LBE/SLBE Program and Living Wage Ordinance should be directed to:

Vivian Inman
Contract Compliance Officer
City of Oakland
250 Frank H. Ogawa Plaza, Suite 3341
Oakland, CA 94612
(510) 238-6270

Exhibit B, City of Oakland Professional Services Contract Program, describes the objectives, goals and policies of the City regarding participation of Local Business Enterprise/Small Local Business Enterprise (LBE/SLBE) in the City's professional services contracts. The goals are 15% for Certified Local Business Enterprise participation; 15% to be directed to LBE and 35% to SLBEs or a total of 50% to SLBEs. The respondent must provide written evidence that a good faith effort was made to achieve the goals if the proposal does not meet the goals. The respondent should not take these goals lightly, since they will weigh heavily in evaluating proposals and in the final TPA selection process. (For definition of Certified LBD/SLBE see Local and Small Local Business Enterprise Program, Appendix I)

For tracking purposes, it is necessary that the prime respondent continues to show the percentage and dollar amount of MBE/WBE participation on all sub-consultants listing.

In accordance with City Policy, all respondents will be required to provide data regarding the racial, ethnic, and gender makeup of listed sub-respondents and must be prepared to provide documentation which demonstrates the methodology used by the respondents to select all sub-respondents. Failure to submit the required information may result in a finding that the respondent is non-responsive and will result in rejection of proposal.

Furthermore, the City Manager's Office will track the City's MBE/WBE utilization to ensure the absence of unlawful discrimination based on racial, ethnicity or gender, and will make periodic reports to the City council concerning such utilization. The City will report any discrimination in City Contracts to the appropriate Federal and State agencies, and will take action against respondents that are found to be engaging in discriminatory acts or practices up to and including termination or debarment.

The contract for this project is subject to the Living Wage Ordinance (No. 12050 C.M.S.) of the Oakland Municipal Code and its implementing regulations. The Ordinance requires that, unless specific exceptions apply or a waiver is granted, all service contractors who receive contracts for (\$25,000) or more in any twelve month period and/or is recipient of City financial assistance of (\$100,000) or more in any twelve month period shall provide payment of a minimum level of compensation to employees who perform services under or related to the contracted project or program of (\$8.65) per hour if health benefits of at least (\$1.25) per hour are offered, or (\$9.95) per hour if no health benefits are offered. Such rate shall be adjusted annually pursuant to the terms of the Ordinance. Exhibit B describes the Living Wage Ordinance. Respondents shall contact Vivian Inman, Contract Compliance Officer, at (510) 238-6261, for a copy of rules and regulations and to discuss the Living Wage Ordinance. Under provisions of the Living Wage Ordinance, the City shall have the authority, under appropriate circumstances, to terminate this contract and seek other remedies as set forth therein for violations of the Ordinance.

- D. The TPA will be responsible for meeting all the requirements set forth in the signed agreement between the City of Oakland and the TPA. An example of the City of Oakland Professional Services Agreement is provided in Exhibit C of this document.
- E. The TPA is encouraged to develop a mentor-protégé relationship or other creative and viable partnership with small local business. The mentor-protégé relationship or other viable partnership would serve to strengthen the local business environment and reflect the diversity of the Oakland business community. Questions regarding local Oakland businesses should be directed to Deborah Barnes, Manager, Contract Compliance (510) 238-6270.
- F. The TPAs are encouraged to demonstrate a willingness to exceed the City's LBE/SLBE goals. TPAs are further encouraged to creatively establish viable local partnerships that serve to strengthen the local business environment and maximize job creation opportunities.

- G. The City of Oakland is a community responsive City. TPAs are required to develop an integrated community participation process within the development process. A description of the proposed community outreach program must also be included with the TPA's response.
- H. TPAs are encouraged to attend the RFP Vendor's Conference, scheduled for Thursday, April 12, 2007, at 10:30, am. Responses to the RFP and responses in the interview should convey the respective TPA's knowledge of the RFP requirements.
- I. All Responses should be precise, with clear explanations of all assumptions and representations.
- J. The City reserves the right to reject any and all proposals submitted and to suggest that individual members of teams collaborate to form new TPA teams.
- K. Any and all RFP project elements, requirements and schedules are subject to change and modification.
- L. All responses to the RFP become the property of the City of Oakland.
- M. The RFP does not commit the City to award a contract or to pay any costs incurred in the preparation of the proposal.
- N. The City reserves the sole right to evaluate each proposal and to accept or reject any or all proposals received as a result of the RFP process.
- O. The City reserves the unqualified right to modify, suspend, or terminate at its sole discretion, any and all aspects of the RFP process, to obtain further information for any and all respondent teams and to waive any defects as to form or content of the RFP or any responses by any respondent team.
- P. The City may require a service provider to participate in negotiations and submit technical information or other revisions to the service provider's qualifications as may result from such negotiations.
- Q. Once a final award is made, all RFP responses except financial and proprietary information become a matter of public record and shall be regarded by the City as public records. The City shall not in any way be held liable or responsible for the disclosure of any such records or portions thereof if the disclosure is made pursuant to a request under the Public Records Act or the city of Oakland Sunshine Ordinance.
- R. The Fair Political Practices Act and/or California Government Code Section 1090, among other statutes and regulations, may prohibit the City from contracting with a service provider or an employee, officer or director of the service provider's firm or any immediate family of the preceding, or any subcontractor or consultant of the service provider, if said service provider is serving as a public official, elected

- official, employee, board or commission member of the City who will award or influence the awarding of the contract or otherwise participates in the making of the contract. The making of a contract includes actions that are preliminary or preparatory to the selection of a contractor such as, but not limited to, involvement in the reasoning, planning and/or drafting of solicitations for bids and RFPs, feasibility studies, master plans or preliminary discussions or negotiations.
- S. The contract resulting from the RFP is subject to the City of Oakland Performance Retention requirements. As such, ten percent (10%) of the gross fee of this contract will be retained until the prescribed work is completed and accepted by the City. This retention will be retained by the City pending satisfactory completion of the entire contract or agreed-upon term of the contract. Satisfactory completion will be measured by agreed-upon quantifiable performance standards. Performance standards measurements will be quantified by an independent auditor as selected by the City.
- T. The City of Oakland maintains insured coverage in excess of \$1,000,000 retention per claim. This is a CSAC-EIA JPA program underwritten by Alliant Insurance Services. Reporting requirements and other program particulars can be obtained at the RFP Vendor's Conference April 12, 2007. Respondents should be ready to discuss excess reporting standards either as part of their initial Proposal or during the interview process.

SECTION 3 – SCOPE OF WORK

A. Description

TPAs responding to this RFP must minimally meet the requirements set forth in the Universal Terms & Conditions (Section 2) and RFP Submission Requirements (Section 4) of this document as related to the City of Oakland Contract Compliance goals and programs.

The successful TPA will provide comprehensive Workers' Compensation Third Party Administration services throughout the term of the contract. These services will be provided under the direction of the Risk Manager in accordance with agreed-upon terms and compensation. The TPA will be retained for a monthly TPA services fee and be further compensated for allocated fees for services specific to individual workers' compensation claims in accordance with the fee schedule submitted with the TPA's proposal.

The TPA selected by the City will be required to review the existing Workers' Compensation Program and base their services on the current and foreseeable requirements for the proper administration of these services. These requirements may be imposed by federal, state and/or local authority, by technological requirements or by requirements internal to the City.

B. Contractor Requirements

During the term of the Agreement, the TPA shall:

- Possess a valid certificate to administer self-insured workers' compensation claims and be licensed to do business in the State of California;
- Be legally liable for any fines, citations, penalties or other assessments made against the City of Oakland because of any deficiencies in the services rendered or required to be rendered under this Agreement;
- Assign a minimum number of Adjusters/Sr. Examiners, Supervisor(s), Manager(s), Assistant Examiners and general office support staff to establish an examiner case load of no more than 125 open/active claims, including future medical claims, on the City of Oakland account;
- Additional specialized positions required include a minimum of one (1) full-time, dedicated Transitional Work Coordinator, one (1) dedicated Early Intervention Coordinator and one (1) computer systems programmer/information technology coordinator;
- Adjusters/Sr. Examiners assigned to this project must have an equivalent of five (5) years experience (with appropriate associated education) adjusting workers'

compensation claims and attain a Self-Insured Plans (SIP) Certificate within six (6) months of hire date, or contract start date;

- Supervisor(s) and Manager(s) must have a minimum of ten (10) years experience handling/supervising workers' compensations and be SIP Certified at the time of hire, or contract start date;
- The Transitional Work Coordinator(s) must have a minimum of three (3) years experience adjusting workers' compensation claims or appropriate experience with vocational rehabilitation service provision and possess the designation of Certified Professional Disability Manager (CPDM) or equivalent;
- The Early Intervention Coordinator(s) must have a minimum of five (5) years experience in medical case management, managed care or direct clinical experience as a registered nurse (RN), licensed vocational nurse (LVN) or physician's assistant (PA);
- The Computer Systems Programmer/Information Technology Coordinator must minimally be employed by the TPA, possess the necessary certifications, education and experience to provide advanced-level programming and report design/production support and be fully knowledgeable in the programming, data collection/retention/transfer, system design and reporting capabilities for the database system to be utilized on the City of Oakland Account as well as by designated City employees – the Coordinator must be available for telephonic assistance as well as on site assistance in initial system setup, training and as-needed problem solving;
- The City of Oakland retains the right to interview all individuals involved with the administration of the City's Workers' Compensation claims as well as consider the adequacy of each individual's qualifying experience for appropriateness and compliance with the above requirements, and may waive the experience requirements in favor of a combination of experience and education;
- The City of Oakland retains the right to test the data transfer capability of the proposed database system from the existing database system;
- Responding TPAs must agree that upon selection to provide TPA services to City of Oakland, they will maintain a minimum of one (1) claim-handling office within a ¼ mile of Oakland City Hall, One Frank H. Ogawa Plaza, Oakland, CA 94612;
- Staffing at the TPA's Oakland office shall, at a minimum, include:
 - A. One (1) supervisor
 - B. All required Adjusters/Sr. Examiners
 - C. All Adjuster/Sr. Examiner Assistant

- D. All transitional Work Coordinators
- E. Appropriate support staff;

While it is desirable, the City does not require the Manager, Early Intervention Coordinator and/or Computer System Programmer/Information Technology Coordinator to be permanently located in the Oakland office. If any of these positions are located outside the 510 area code, a toll-free telephone number shall be established by which regular telephonic contact may be accomplished. E-mail and voicemail contact must be provided for each position assigned to the City of Oakland account;

- Throughout the term of this Agreement, City of Oakland shall have the right but not the obligation to participate in TPA's hiring of personnel to service the City of Oakland account; however, the City retains the right to reject or require the removal of any individual assigned to the City of Oakland account without establishment of cause.

C. **Reports**

Standard, Custom and Adhoc Reports shall be furnished at no additional cost. All requests for Custom and Adhoc Reports must be authorized by the Risk Management Division. Reports identified by the City of Oakland shall automatically be generated at the intervals specified during the negotiation process.

D. **Required Services Descriptions**

All proposals must include a description of client access to reports and claims electronically, with cost estimates for "triage" of assumed claims, a description of the "triage" team, a detailed timeline for take-over and integration of assumed claims into TPA's overall administration program.

TPA will at a minimum, provide all services listed below. During the term of the contract, TPA shall represent, and act on behalf of, City of Oakland in matters pertaining to the administration of all workers' compensation claims incurred during the term of this agreement as well as all assumed claims with dates of loss predating the contract.

1. Claims Administration:

Claims administration shall satisfy the following minimum requirements:

- Receive notice and create claim files for all reported claims and maintain said claim files for City of Oakland
- Investigate each reported claim to determine validity and compensability
- Promptly determine all benefits due for all compensable claims
- Guarantee timely delivery of all benefits due in accordance with payment procedures as established from funds provided by City of Oakland. City of

Oakland shall be wholly responsible for providing such funds as may be required for such payments.

- Properly and adequately document and handle defense of all claims considered non-compensable, assist **and provide direction to** selected legal counsel in preparation for defending City of Oakland through all stages of litigation
- Properly and adequately maintain pertinent data on all claim payments, providing City of Oakland full documentation of same
- Provide monthly and quarterly computerized loss reports in a tailored format as mutually agreed at inception of the program
- File all required claim information with appropriate State Administrative Departments and/or Agencies as necessary within required timeframes
- Provide all personnel necessary to perform the services as agreed upon under the Agreement
- Provide complete claims handling and adjustment services of all assigned losses, including initial and ongoing investigation, medical and litigation direction, ongoing supervisory oversight, including all cost control efforts through final claim resolution and/or closure
- Maintain an organized and well-documented claim file for each reported loss, which shall be made available for audit by City of Oakland or its assigned representative
- Develop, implement and maintain a **claim-specific** plan of action including a meaningful resolution plan for each claim incurred – **permanent for all claims – including claims which do not result in lost time or permanent disability**
- **Promptly establish,** monitor and periodically adjust **claim-specific** reserves through the life of each claim, **including** with adequate and appropriate analyses of all reserve changes in a format meeting with City of Oakland’s approval
- Provide immediate and detailed notification to City of Oakland Disability Benefits Coordinator when any individual claim reserve is increased in excess of 50% of the prior month’s reserve or by \$50,000 – **with detailed rationale for all such increases**
- Maintain a computerized diary for each City of Oakland claim with appropriate documentation in adjuster file notes the claim was reviewed on the diary date
- Prepare and file reports with the Index Bureau on all bodily injury and lost time work-related injury claims – **re-indexed at six-month intervals**
- Ensure all bill reviews, payments with adjustment advice, notices of rejection and/or denials of liability are issued within mandated timeframes **with prompt and detailed advice of all penalties to City of Oakland**
- Conduct all medical and other appropriate bill reviews as required by statute, ensuring reasonableness, causal relationship, conformity to the appropriate fee schedule and **or** established PPO agreements, U.R. and A.C.O.E.M. Guidelines, arranging physical rehabilitation services as appropriate
- Provide all treating physicians with documentation of injured employees’ essential job duties with emphasis on early return to work – **in close coordination with the Transitional Work Coordinator**

- Coordinate City of Oakland’s policies and procedures regarding modified job duties and/or early return to work with daily claim handling activities
- Conduct, or assist in conducting, ongoing orientation meetings for City of Oakland personnel involved directly or indirectly with the processing of City of Oakland claim reports
- Conduct periodic in-person file reviews of claims as may be requested by City of Oakland or according to pre-approved claim review protocol
- Provide City of Oakland up-dates on changes (or proposed) changes in statutes, rules and regulations affecting City of Oakland’s Claims Management Program, and recommend appropriate strategies for implementation of such changes
- Obtain City of Oakland ***concurrence and authorization*** for all claim settlements above the negotiated settlement authority, providing an in-depth analysis of value and rationale for all recommended settlements, including appropriate supporting documentation
- Assist injured employees in obtaining disability ratings and negotiating
- Appropriate efforts should be put forth to achieve informal claims resolution through direct negotiation with injured workers and/or their legal representatives, referring claims to defense counsel only when all such efforts have been exhausted by the claims adjuster
- Attend all arbitration proceedings, hearings and/or trials where possible and appropriate
- Develop a panel of physicians and other experts for use in the administration of City of Oakland’s claims administration program, maintaining ongoing contact with the selected expert panel members to ensure their cooperation
- ***Investigate and pursue*** all potential subrogation issues on behalf of City of Oakland, including “Second” or “Special” fund recoveries as appropriate – ***apportionment issues are to be vigorously pursued***
- Consult with City of Oakland to identify and select appropriate legal counsel - ***directing and coordinating counsel’s activities on all litigation assignments***
- Monitor defense counsel billings and expenses for appropriateness and containment of costs
- Prepare, maintain and file all records and reports as required by local, state or federal authorities on behalf of City of Oakland
- Coordinate and/or issue payment of all City of Oakland’s claims and related expenses in a timely and appropriate manner
- Maintain all closed claim files for the duration of the contract or upon termination return them to City of Oakland or as otherwise directed
- Conduct internal audits of a representative sampling of City of Oakland’s Workers’ Compensation claim file ***no less often than annually***

2. Database Management Services

TPA shall provide full automation of the entire claims administration process to City of Oakland at no additional cost. Service shall at a minimum include:

- Implementation programming, set-up and data conversion

- Loss report production and distribution
- Customer service support
- National Compensation Claims Institute (NCCI), Insurance Services Office (ISO) and National Association of Insurance Council (NAIC) reporting
- Actuarial reporting/information transfer
- State EDI requirements
- IRS 1099 tax filings
- OSHA reporting requirements
- Electronic access to all data base claims information and reporting function from designated City of Oakland locations

3. Early Intervention Services:

TPA will be required to provide dedicated specialized staff for the purpose of providing early and aggressive claims/case management services to assist the injured employee with medical care and ultimate return to work. TPA shall include these services in the overall contract administration fee. Services expected under this program include but are not limited to:

- Review of all injuries for appropriate referral to City of Oakland's preferred providers and rerouting medical services to preferred providers when and if appropriate
- Provide Utilization Review and approval for all consults, diagnostics, physical therapy, pharmaceuticals and other employer controlled medical services
- Provide follow-up and intervention with medical service providers on behalf of the City of Oakland and the injured employee
- Complete all surgery pre-certifications
- Provide all physical restriction information to the Transitional Work Coordinator
- Refer cases to Managed Care Services for case-management services that are beyond the agreed-upon scope or would not benefit from Early Intervention Services

4. Transitional Work Services:

TPA is required to provide dedicated specialized staff for the purpose of providing Transitional Work Services to assist injured employees with return to temporary modified duties. TPA Shall include these services in the overall contract administration fee. The services expected under this program include but are not limited to:

- Review of all injuries for which temporary work restrictions are provided
- Work with City departments in the establishment of a transitional work program
- Work with City departments in identifying appropriate temporary tasks and create a "task bank" to which injured employees with restrictions can be assigned in order to facilitate an earlier return to the workplace

- Work with injured employees, physicians, therapists and departments to clarify restrictions, appropriateness of assigned tasks and scheduling of ongoing treatment/therapy while employee remains on transitional duty
- Monitor and modify task assignments in order to ensure progressive recovery from injury
- Track duration of transitional work assignments within database system in order to meet OSHA/CAL-OSHA reporting requirements

5. Managed Care Services:

Managed Care Services are separate and distinct from the required Early Intervention and transitional Work Services. TPA shall establish a clear protocol by which Managed Care Services are triggered, and establish necessity over-and-above the Early Intervention and Transitional programs.

Managed Care costs shall be allocated to the involved claim files, not included as part of the contract administration fee, and are subject to the prevailing rates. All referrals to Managed Care shall be accomplished through the Early Intervention Services program. Services include but are not limited to:

- Early Intervention/Telephonic Case Management
- On-site/Field Case Management (medical and vocational) and Catastrophic Case Management
- Telephonic Case Management, including:
 1. Client-managed care procedures observance
 2. Hospital bill pre-screening
 3. Development of treatment/Return to Work plans (in conjunction with Transitional Work Services as appropriate)
 4. Pre-certification of outpatient treatment plans
 5. Network channeling assistance where jurisdictionally permissible
 6. Direction, monitoring and support of on-site case managers
 7. Managed care plan recommendations and updates in electronic claim file records
 8. Life-Care plans
 9. Utilization Management services
 10. Medical bills negotiation and repricing
 11. Preferred Provider Networks (PPN)
 12. Physician Peer Review services
 13. Case reserve and closure consultation (with adjuster)

6. Telephonic/Electronic Claim Reporting

The City of Oakland desires that authorized individuals have the capacity to report claims telephonically or electronically without the need for completion of a written Employer's First Report of Injury (Form 5020).

- TPA must provide a means by which City of Oakland personnel can provide injury notice to TPA who then records necessary information to create the

Employer's First Report for workers' compensation and standard liability reports. The TPA must also generate a permanent diary and claim log in the appropriate servicing office

- If permitted by jurisdiction, TPA may, with City of Oakland's limited power of attorney, sign Workers' Compensation Employer's First Report of Injury and file them directly with the designated State agency. A copy must then be provided to the originating department and the Risk Management Division, Safety Division. The City of Oakland would not participate in any way in the Employer's First Report of Injury creation and filing process. Copies of the telephonically or electronically generated reports must be forward to the above City of Oakland departments within five (5) working days of receipt by TPA.

7. Preferred Provider Organization (PPO) Network

TPA shall make available to the City of Oakland participation in an established and extensive PPO network. This PPO must provide significant savings below the medical services fees contained within the State of California Official Medical Fees Schedule.

TPA shall provide information on its proposed PPO along with the benefits to the City of Oakland if treatment is directed to members within the proposed PPO network. The City of Oakland reserves the right to reject use of the TPA's PPO and/or require use of an alternate PPO/Preferred Service Provider.

8. Bill Review Services

TPA shall provide bill review services for all invoices received unless otherwise specified by City of Oakland. Fees associated with the Bill Review Service shall be on a per-bill basis. For bills submitted by PPO members, the TPA shall share a percentage of the savings below the California Official Medical Fee Schedule rates in addition to the per-bill charge.

For Joint Ventures or for TPAs without in-house or affiliated bill review services, this function must be contracted to a single bill review company.

9. Other Services

The City of Oakland reserves the right to discuss modifications and additions to the agreed-upon contract services throughout the term of the contract. Should additional services become desirable, the City of Oakland and the TPA shall negotiate the terms of such desired services as appropriate. If the TPA is unable to provide the desired services in a manner acceptable to the City, the City of Oakland may identify an alternate service provider and obtain the services in a manner agreeable to all involved parties.

10. Onsite Special Services

On occasion the City of Oakland requires special services be provided on it's premises. Should there be a need for such services the TPA and the City will

negotiate the cost for said services. Said costs will be independent of the annual TPA contract fee and shall be paid as an allocated claim expense.

SECTION 4
THIRD PARTY ADMINISTRATOR QUESTIONNAIRE

This section of the RFP provides a series of questions which will assist the City of Oakland in selecting the most qualified claims administrator for the type and extent of services required. **Each response must use the same number as its corresponding question. Failure to follow the specified format may result in automatic disqualification from the RFP process**

A. About the Firm

1. Give a brief history of your firm since inception, including:
 - A list of principals
 - On organizational chart
 - Size and location(s) of your firm, including numbers of employees at least location
 - A description of the types of services provided by your firm and the number of years provided, and
 - The contact person(s) for this RFP process.
2. Discuss any major changes in your firm's structure or ownership over the past three years. Discuss anticipated changes in your firm's structure or ownership in the next three years.
3. Discuss your firm's affiliation, if any, with a parent firm.
4. Discuss your firm's affiliation with:
 - Medical service providers
 - Medical bill review services, and
 - Vocational Rehabilitation service providers
5. Describe your firm's mission and goals as related to corporate growth, customer service, quality assurance/quality control management and affirmative action standards.
6. Describe the number and types of clients your firm currently provides TPA services to, both corporately and locally. Please list all public agency clients with 2,500 or more employees and the number of years served. Provide contact name and phone number for each.
7. Provide information regarding any contracts which have been terminated within the past 36 months with an explanation of the termination.

B. About Your Firm's Management Information System(s)

8. Describe the type of data processing hardware and software proposed for this contract. Discuss your firm's experience in using the system, whether the system

is owned and operated in-house or through an agreement with another provider, the general capabilities of this system, compatibility with other existing systems for continuity of data and transferring of historical data, and any projected upgrades or changes during the term of this contract.

9. List and describe the management information reports generated by your firm's data processing system. Identify those reports which are standard and included in the service fee. Identify those reports which are optional and the cost for generating these reports. Include in each description the interval at which the reports are generated. Provide a one-page example of each of 5 reports listed and explain how each will assist the City of Oakland in managing its program.
10. Describe the unique features of the management information reports provided by your firm which are not typically provided by other TPAs. Discuss the ability of your system to "batch pay" vendors and provide a sample to demonstrate this function.
11. Discuss the ability of your system to generate special "batch" reports as specified by the City of Oakland. Discuss the fees associated with these special reports and the typical "turn-around" time that can be expected.
12. Discuss the methods used by your firm to segregate and track OSHA-recordable injuries, first aid injuries, medical-only injuries, time loss injuries, diagnostic medical treatment, denials, aggravations and any other claim type designations.
13. Describe how your system differentiates Workers' Compensation injuries and days lost from OSHA-recordable injuries and days lost. Provide an example of the OSHA 200 Log report provided by your firm. Discuss how this report is generated and reconciled against Workers' Compensation data.
14. Describe you firm's ability to provide the City of Oakland with a minimum of 3 MIS user connections on existing personal computers allowing for full database access and standard/ad hoc report writing/generating.
15. Discuss the MIS technical support services provided by your firm. Include the location of MIS staff and how many clients are serviced from that location.
16. Who owns your MI System? Was there a problem meeting year 2000 compliance?
17. Discuss your firm's ability to provide telephonic claim reporting services.

C. **About The Claims Unit Assigned to this Contract**

18. Discuss the allocation of personnel your firm will use to staff a dedicated claims unit to adjust City of Oakland's claims. Describe the title, function and minimum **ongoing** training/experience requirements for each position.
19. Please indicate which of the personnel you plan to use to staff this claims unit have attained certification to administer self-insured claims (SIP Certification) and when all staff members will be certified.
20. Explain your firm's current policies regarding the assignment of claims to each claims supervisor, claims examiner and claims assistant. Include a description of the number and types of claims assigned to each position.
21. Discuss your firm's standard ratio for case closures as related to new claims. Explain how you utilize closure performance comparisons and the frequency that these comparisons are calculated. Explain other criteria used to determine the appropriateness of closing claims.
22. Please submit your firm's Claims and Litigation Management Guidelines.
23. Explain how the claims adjuster will coordinate legal activities with counsel once a claim is assigned to defense counsel. Please include a sample of the form your firm uses to forward claims to defense counsel.
24. Discuss your interaction with clients in reporting on account management or claims related issues. How frequently do you expect supervisors and/or adjusters to initiate contact with City of Oakland? What is your protocol regarding returning telephone and/or E-Mail messages?

D. Methods of Billing for Various Services and Expenses

25. Discuss your firm's method of paying for bill review services. What is the cost for those services? What is the turn-around time for bill payments?
26. Discuss your firm's policy on payments of fines and penalties resulting from errors internal to your firm. Describe how your firm accounts for such payments.

E. Summary

27. Provide a detailed transition plan which will ensure the continuance of uninterrupted services to the City of Oakland and its injured employees. Include in this plan the name/title of the primary and alternate contact person(s), transition timeline, necessary resources for efficient transition and transition costs, if any.
28. Describe in detail your firm's data processing and staff experience with converting claim and financial records date from former TPAs to your proposed

system. Provide the client's company name, type of system converted from, contact name and phone number.

29. Describe your firm's plan for provision of each of the following required service elements. Include documentation of your firm's philosophy, protocol and readiness to provide the following services:
- a. Early Intervention Program
 - b. Transitional Work Program
 - c. Managed Care Services
 - d. Telephonic/Electronic Claim Reporting Service
 - e. Preferred Provider Organization Network*
 - f. Bill Review Services

*Include the number of members in the PPO to be used and the number of specialties represented. In addition, provide the PPO member's contract provision language which specifies the percentage below the California Official Medical Fee Schedule to which the PPO member has agreed.

30. List and describe the features that distinguish your firm from other third party administrators.

SECTION 5
RFP Submission Requirements

Each TPA responding to this RFP must submit 12 copies of a complete proposal that must contain the following materials and information. In order to facilitate review the City of Oakland, please submit materials in keeping with the following format, identifying each item by number and letter:

1. Provide a cover letter executed by an authorized signatory of the TPA submitting the proposal. The cover letter must include the name, address, e-mail address, telephone and facsimile numbers of a representative authorized to act on behalf of the TPA. Include in this portion the TPA's response to Section 4, TPA Questionnaire.
2. Identify the TPA, including all known joint ventures or limited partners, the structure of any partnerships and percentages of interest of each member in the partnership(s). Provide a description of each partner (including joint venture and limited partners) and principal's medical qualification and experience, if any. This experience should include similar medical services in which each partner and/or principal was a major contributor. Please be specific and indicate a reference for each project, partner and principal.
3. Describe the TPA's three most relevant previous major projects, including additional projects for each joint venture and limited partner. Describe each project in sufficient detail so as to include the experience that is attributable to each partner, joint venture or working structure, public agency or governmental entity; the planning process and third party administration services quality and process should be clearly explained.
4. Describe the TPA's management experience, including TPA's relevant organizational and management approach.
5. Describe a strategy for meeting City of Oakland requirements and needs including:
 - a. Local Business Enterprise and Small Local Business Enterprise Program Goals;
 - b. Living Wage requirements;
 - c. Creation of a mentor-protégé relationship or creatively viable partnership with small local businesses.
6. Describe TPA's plans for maximizing job creation for Oakland residents and local Oakland business opportunities.
7. Describe TPA's past successes with community participation programs; include compliance with government business, employment wage and other programs.
8. Provide a list of civil and/or criminal judgments, settlements or penalties in excess of \$10,000, past and present, and pending litigation regarding provided claims administration services in which your firm or any team member are involved, and/or any other litigation with the likelihood of a material adverse impact on the TPA's financial

conditions and ability to complete the terms of the agreement. If this section does not apply, provide an affidavit stating there are no judgments.

9. Provide summaries of the essential experience of each individual performing key functions identified within the body of this document. Each summary should include information regarding the individual's experience relative to the requested services, the extent of their education, training and certifications, essential employment history and a minimum of three employment-related references which City of Oakland may contact for verification.
10. Additional required forms and questionnaires are found in Section 7, and must accompany all proposals in response to this RFP.

SECTION 6 – SELECTION PROCESS AND SCHEDULE

Evaluation Criteria

The City of Oakland intends to select a TPA with whom the City will enter into negotiations based on the content and quality of the RFP response and opinion of “ratings” of best overall qualifications, references and oral presentations. The City will generally use the following criteria in evaluating TPA responses to the RFP:

- A. TPA Experience;
 - Success in service delivery contracts of similar type and size, with particular emphasis on public agencies with 2,500+ employees and sworn personnel eligible for benefits under Labor Code Section 4850,
 - Record of complete long-term economically successful, high-quality projects,
 - Project experience with local governments and other public agencies,
 - Success in developing joint venture public or private projects.

- B. TPA familiarity with Practices and Principles of Workers’ Compensation Third Party Claims Administration Services;
 - Demonstrated knowledge of the TPA's familiarity with requirements of this RFP and documents/regulations cited herein,
 - History of work on similar projects.

- C. Organizational and Management Approach;
 - History of clear and reliable lines of authority and assignment of responsibilities,
 - Demonstrated ability of responsiveness and decisiveness and dispute resolution capability.

- D. Community and Public Objectives;
 - Demonstrated ability to include the City of Oakland’s goals in projects,
 - Demonstrated success in complying with public equity and employment participation programs in Oakland and other communities,
 - Demonstrated ability to comply with and meet the City of Oakland’s business, employment and wage programs requirements,
 - Demonstrated ability to create an approach to maximizing employment for Oakland residents and create opportunities for local businesses,
 - Willingness to develop a mentor-protégé relationship,
 - Evidence of initiative and creativity to cooperate with the City of Oakland to achieve community and local business investment.

- E. Qualifications Key TPA Team Members at administrative and operations levels.

- F. Other Factors as appropriate.

Selection Process and Schedule

A Third Party Administrator Selection Committee (TPAC) shall be made up of representatives from the Risk Management Division and other appropriate City departments and recommend preferred TPAs based on review of the information submitted in response to this RFP. The TPAC will present its preferred TPA recommendations to the Finance and Management Committee and, subsequently, to the full City Council. City of Oakland retains the authority to accept, reject or modify the TPAC's recommendation in its sole and absolute discretion.

The TPAC process will include review and evaluation of the TPA responses to this RFP, including review and evaluation of the criteria and reference checks. Additionally, TPAs short-listed will be interviewed and supplemental reference checks of the TPA's qualifications and ability to work with government entities will be completed.

The timeline for the RFP process including the selection process is presented below:

Third Party Administration Services Provider Request for Proposals Selection Process Timeline

3/28/07:	RFP made available to Third Party Administration Service Providers
4/12/07:	RFP Vendor's Conference
5/11/07:	Responses to RFP Due
5/18/07:	Review & Evaluation of RFP Responses
5/23/07:	Check References and Qualifications
5/25/07:	Schedule Interviews Pending Confirmation of Short-list
5/30/07:	Select Short-list of Finalists for Interviews and Confirm Interviews
6/5/07:	Interview Finalists on RFP Responses
6/26/07:	Present TPAC Recommendation to Oakland City Council, Finance and Management Committee
7/2/07:	Present TPAC Recommendations and Additional Information to City Council

TPAs interested in responding to this RFP are encouraged to obtain and review the following documents:

- Local Business Enterprise and Small Local Business Enterprise Program (LBA/SLBE Program) and City of Oakland's Living Wage Ordinance.

Additional copies of these documents may be purchased for a non-refundable fee of \$20.00. These documents may be obtained by contacting:

Deb Grant, Acting Risk Manager
City of Oakland – Risk Management Division
150 Frank H. Ogawa Plaza, Suite 2352
Oakland, CA 94612
Phone: (510) 238-7165 – Fax: (510) 238-2275

Please make checks or money orders payable to Risk Management, City of Oakland.

The City reserves the right to reject any and all proposals submitted and to suggest that individual members of teams collaborate to form new TPA teams. Additionally, any and all RFP project elements, requirements and schedules are subject to change and modification. The City of Oakland also reserve the unqualified right to modify, suspend or terminate at it's sole discretion, any and all aspects of this RFP process, to obtain further information from any and all development teams and to waive any defects as to form or content of the RFP or any response by any TPA team.

SECTION 7**Cost for Services Worksheet**

City of Oakland requests all firms responding to the RFP provide two (2) options for billing and payment of an annual fee for this contract. In each case, your firm is to provide a dedicated staff to the City of Oakland account. In each option, the fee quoted should correspond to the staffing model your firm is recommending for the City's account. The two-year contract period increments correspond with the City of Oakland's two-year budget cycle.

Option A

Fee which is based on a cost per claim for services located within ¾ mile of City Hall:

<u>Contract Term</u>	<u>Annual Cost Per Claim</u>
Transition Cost (1 st Year Only)	\$
2007-08	\$
2008-09	\$
2009-10	\$
2010-11	\$
2011-12	\$
2012-13	\$

Option B

Flat annual fee for services adjacent to City Hall:

<u>Contract Term</u>	<u>Annual Flat Fee Cost</u>
Transition Cost (1 st Year Only)	\$
2007-08	\$
2008-09	\$
2009-10	\$
2010-11	\$
2011-12	\$
2012-13	\$

NOTE: The costs indicated in both Option A and Option B must be inclusive of all required program elements with the exception of Managed Care Services and Bill Review/PPO Utilization Services. On the following page, please provide your firm's rates for these two services.

Managed Care Services

For occupational illness/injuries, managed care costs are paid from the involved claim files, and are not additionally billable to the client. The City of Oakland may, at its option, request managed care services be provided for non-occupational illness/injuries. **Please list the per-hour costs for the listed services for both occupational and non-occupational cases;**

<u>Service Type</u>	<u>Occupational</u>	<u>Non-Occupational</u>
Early Intervention / Telephone Case Management		
On-site Case Management (medical and vocational)		
Catastrophic Case Management		
Telephonic Case Management		

Bill Review Services

All Bills, with the exception of pharmaceutical billings, are subject to Bill Review. The City of Oakland requests your firm provide pricing based on a “hybrid” billing schedule. All reviewed bills in which charges in excess of the State Official Medical Fee Schedule were reduced to the State-authorized level shall be billed at a flat fee. All reviewed bills in which charges were reduced to below the state-authorized fee may also be subject to a share of the savings based on a percentage of the difference between the State-authorized fee and the adjusted amount paid below the state-authorized fee. Below, please provide your per-bill review rate (note that no charge can be imposed on bills that required no adjustment) and your proposed savings percentage.

Per-bill Cost _____ \$ _____

Percent of savings below Official Medical Fee Schedule _____ % _____

Exhibit A

CITY OF OAKLAND

AGENDA REPORT

TO: Office of the City Administrator
ATTN: Deborah A. Edgerly
FROM: Finance and Management Agency
DATE: March 13, 2007

RE: **Informational Report on the Workers' Compensation Program for Fiscal Year 2005-06**

SUMMARY

This informational report provides current expenditures and program data on the City of Oakland's Workers' Compensation Program for Fiscal Year 2005-06.

FISCAL IMPACTS

This is an informational report. It provides information and data regarding the existing program as compared to previous years. No new costs are introduced within this report.

BACKGROUND

Like most public entities, the City of Oakland is self-insured for workers' compensation. The Risk Management Division works with the contracted third-party administrator, JT2, which handles the technical aspects of each claim and with the City's agencies and departments in partnership to ensure that injured workers receive appropriate care as mandated under California's Labor Code.

Each year, the Risk Management Division provides statistical information regarding the administration of the Workers' Compensation Program. These statistics serve as benchmarks by which the City is able to measure its performance and effectiveness of Workers' Compensation program initiatives.

KEY ISSUES AND IMPACTS

Over the last few years, the Risk Management Division has continued to implement program elements introduced in 2004-05 that changed some of the fundamental ways the Workers' Compensation Program was viewed by both management and employees. The attached report reviews these changes in detail, along with claims and expenditure data from fiscal year 2005-06.

As described more fully in the attached report, the City of Oakland enjoyed a number of successes this past year. Highlights for FY 2005-06 include:

- Reductions in sworn disability payments (Labor Code Section 4850) .
- An overall program expense reduction of over \$742,000.
- A savings of \$1.7 million attributable to the Transitional Duty Program.

SUSTAINABLE OPPORTUNITIES

There are no economic, environmental or social equity opportunities associated with this report.

DISABILITY AND SENIOR CITIZEN ACCESS

There are no disability and senior citizen access issues contained in this report.

RECOMMENDATION(S) AND RATIONALE

Staff recommends that Council accept the attached workers' compensation report.

ACTION REQUESTED OF THE CITY COUNCIL

Accept the attached workers' compensation report.

Respectfully submitted,

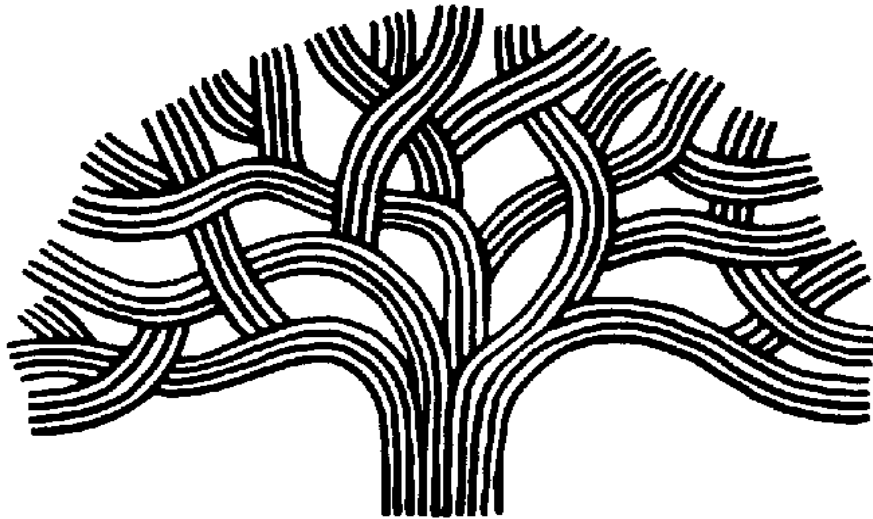
William Noland
Director, Finance and Management Agency

Prepared by
Deborah Grant, Acting Risk Manager
Risk Management Division

APPROVED AND FORWARDED TO THE
FINANCE & MANAGEMENT COMMITTEE:

Office of the City Administrator

**CITY OF OAKLAND
RISK MANAGEMENT DIVISION**



2005-06 WORKERS' COMPENSATION REPORT

March 13, 2007

PREPARED BY:

**DEBORAH GRANT
Acting Risk Manager**

2005-06 WORKERS' COMPENSATION ANNUAL REPORT

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I. Program Elements

The City's Worker's Compensation Program is currently managed within the Finance and Management Agency – Risk Management Division (RMD). It is comprised of several program elements. The highlights of these program elements include:

A. Workers' Compensation Management Program. The City operates under a uniform system with all departments and agencies following strict procedures for departmental workers' compensation claims handling. Adopted in 2002, the Workers' Compensation Management Program standardized claim reporting documentation and processes as well as created a comprehensive transitional duty (early return-to-work) program.

The three key players in the workers' compensation management program are:

1. A designated workers' compensation coordinator in each department;
2. The contracted Third Party Administrator (TPA), JT2 Integrated Resources and its staff, including a Return-to-Work coordinator; and
3. RMD coordination of the combined efforts of the departments and the TPA.

RMD conducts monthly claims review meetings with City departments to address newly filed claims, including identifying cases for investigation and/or transitional duty assignments. Quarterly file reviews with departments address longer term cases, including those that are litigated and focus on defense strategies and case resolution. Department directors, managers, and workers' compensation coordinators are encouraged to attend these meetings to be kept apprised of case progress and to assist in strategy development for defense of the workers' compensation case.

B. Comprehensive Transitional Duty (Early Return-To-Work) Program. Studies have shown that effective return-to-work programs are the single largest factor in controlling workers' compensation claims costs. The City's program continues to provide tangible savings in disability payment that would have otherwise been expended. The estimated savings for Fiscal Year 2005-06 is \$1,765,917 in avoided expenditures.

The Transitional Duty Program returns injured employees to work for the purpose of temporarily performing meaningful tasks that are within their physician's stated physical restrictions as a way to "transition" them back to their "usual and customary" job duties. The program is only for employees who have not received a full release from their doctor to return to their "usual jobs". Key features of the Transitional Duty Program include:

1. A "Return to Work Coordinator" position within the Workers' Compensation TPA's staffing requirements. This position provides coordination and liaison services directly to Agencies and Departments as well as Treating Physicians for the sole purpose of identifying and filling temporary, modified duty assignments.
2. Agencies and Departments must actively participate in returning their injured employees to temporary assignments that are within the limitations of the individual

employee. As an incentive to encourage participation, Agencies and Departments who are unable to provide modified work assignments are responsible for indemnity expenses until such time temporary assignments can be provided or the employee returns to full duty.

3. Employees must also actively participate by accepting temporary assignments while on "restricted duty" and by working within the restrictions established by their treating physician. As an incentive to employees, those who refuse to participate in temporary assignments are no longer eligible for temporary disability/4850 benefits, as is permitted by the State Labor Code, or the City's "free period" salary supplement.

C. Active Partnership with A Third-Party Administrator Focusing on Innovative Claims Management. Commencing in August 2001, JT2 has provided third-party administration services under a six year total agreement, split into three two-year terms, which must be extended each term upon successful audit reports. The TPA is responsible for managing the technical aspects of all of the City's workers' compensation claims and medical treatments. The City reviews the performance of the TPA through an independent audit process, which reviews random claims and tracks procedures in accordance with established performance measures set by the City. This ensures that the TPA is managing claims as tightly as possible and is performing its work as specified under the contract. The annual contract audit is conducted by an independent workers' compensation auditing firm. An 85% or higher rating must be achieved in order to qualify for receipt of retained contract dollars.

According to the audit results, JT2 Integrated Resources has exceeded industry standards since the inception of their contract and earned a 94% rating in the 2005-06 contract year. As such, JT2 will continue as the City's TPA through August 2007, minimally. A copy of the auditor's report is available for review in the Risk Management Division offices upon request.

The TPA Services Contract will expire in August, 2007. RMD will conduct a Request for Proposal (RFP) process for TPA Services over the next couple months to select a TPA to provide these same services over the next contract period. Several new initiatives will be incorporated into the TPA Services Contract, based on programmatic changes since the last RFP process. These changes will include:

- ❑ Institution of a "hearing representative" program that refers certain cases to professionals other than attorneys to settle claims and represent the City in simple administrative matters. This program has helped to significantly contain increases in legal fees incurred by the City.
- ❑ Establishment of a "Return to Work Coordinator" position within the TPA's staffing requirements. This position provides coordination and liaison services directly to agencies and departments as well as treating physicians for the sole purpose of identifying and filling temporary, modified duty assignments.
- ❑ Establishment of a nurse case manager position to track difficult medical cases.

- ❑ Establishment of a position to work directly with the City's payroll division to track disability notices and to provide check and balances against improper payment of workers' compensation benefits by department payroll clerks.
- ❑ Establishment of flexible staffing models that enable the TPA to provide additional resources (as needed) for RMD special projects and initiatives.

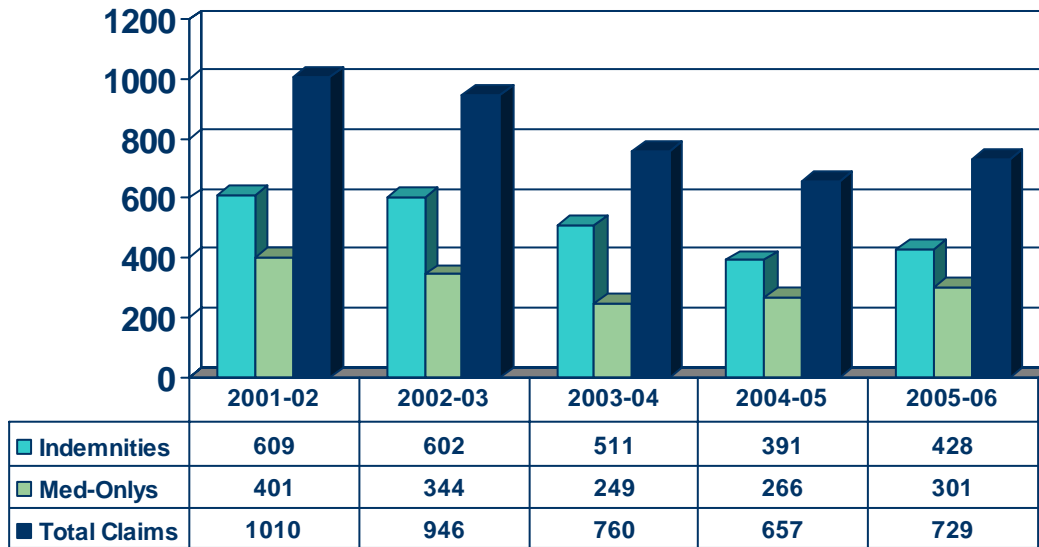
D. Increased Loss Prevention Efforts. RMD continues to review and analyze claims activity within departments for the purpose of developing loss prevention programs through engineering controls, staff training and protective equipment. Loss prevention efforts have been promoted through the City's Ergonomics Program, targeted Safety and Loss Control Programs, OSHA Compliance Programs and a Defensive Driving Program. Risk Management continues to sponsor annual Safety Training Academies during which City staff participate in multiple safety training sessions. The topics of the training sessions include CalOSHA required safety training, training based on the current loss activity experienced by the City and a number of general health and wellness topics.

E. Focus On Employee Health. RMD sponsors Employee Health and Wellness Fairs whereby employees are able to participate in a number of health-related medical screenings such as cholesterol testing, diabetes screening, blood pressure tests, and bone density tests. Flu and Hepatitis B shots are also made available.

F. Salary Supplement Reconciliation Project. RMD conducted a comprehensive audit of departmental use of workers' compensation payroll coding. Through this audit, it was discovered that departments did not have a uniform procedure for coding salary supplement payments which led to errors in pay coding. While these errors did not result in overpayments to injured workers, it did result in overcharges to the workers' compensation fund. As a result, Risk Management directed the TPA to create a position with the sole function of monitoring payroll coding against authorized disability payments. In FY 2005-06, the reconciliation program continued to target the Police and Fire Services Agencies. The reduction in overall 4850 expenditures in these departments can be attributed to this added program oversight.

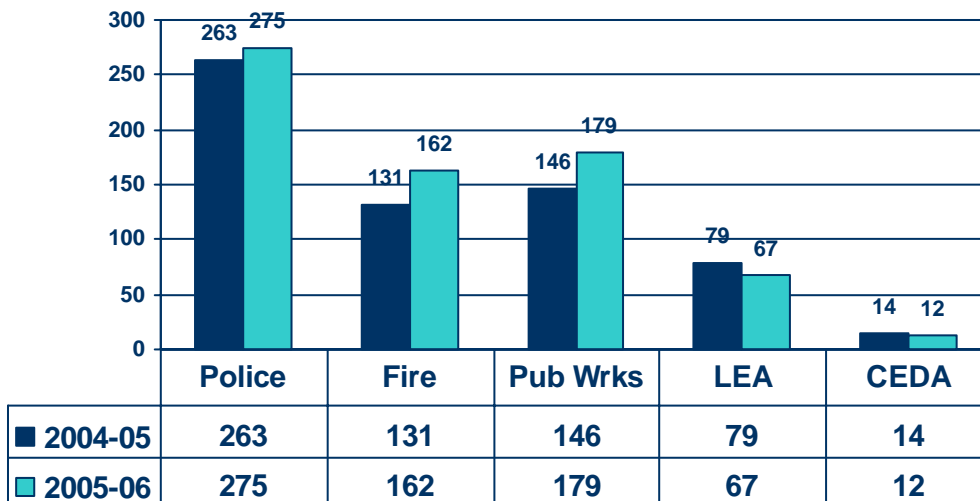
II. Workers' Compensation Data Summary

A. Total Claims Received - Five Year Results



Reported injuries in the City of Oakland has shown a steady decrease since 2001 for both indemnity and medical-only cases, with the total number of claims received down by nearly 28% over the past five years. Indemnity cases are those cases in which an employee lost some amount of work time of over one day. Med-only cases are those in which the employee lost no time from work. The decrease in claims has been demonstrated across department lines.

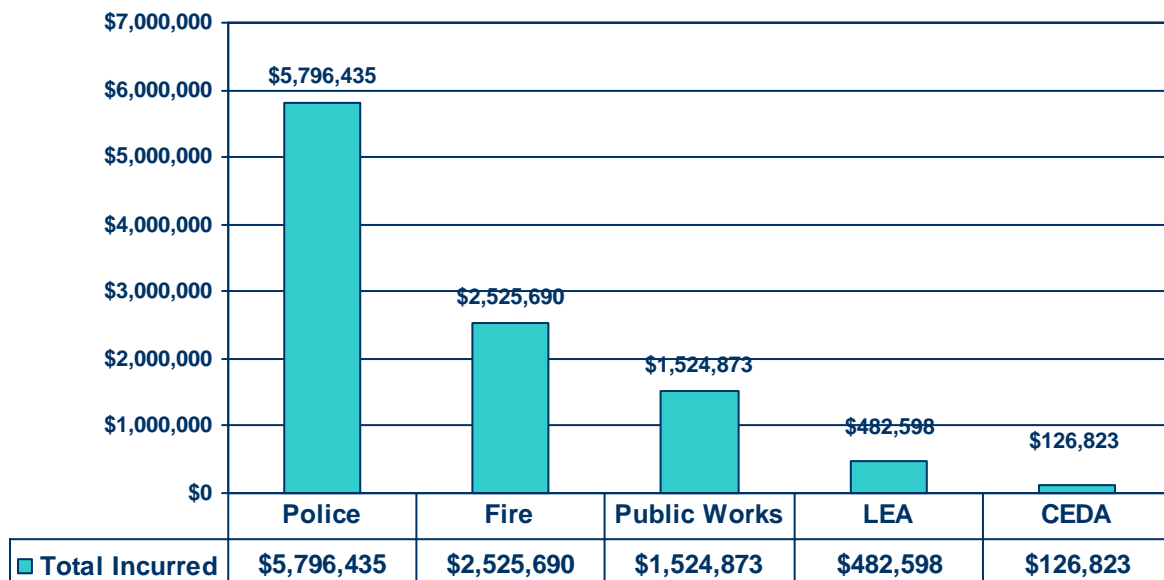
B. Greatest Frequency of Claims by Department



This table reflects the number of injury claims filed within the agencies/departments with the highest number of injures. The increased frequency in Public Works can be attributed to a single incident involving an accidental fumes exposure which resulted in approximately 30 claims being filed by Public Works employees. The Fire Department increase appears to be associated with the re-institution of the Agility Test Program where participants incur injury during the test or in preparation for the test. The increase in the Police Department is not significant and not attributable to any single incident or activity. Despite these increases in the number of claims, the overall cost per claim continued to decline.

C. Incurred Costs For Claims Received in FY 2005-06

Incurred costs are the total estimated “lifetime” cost of a claim. This graph shows the total estimated cost for claims incurred during FY 2005-06.



III. Expenditures

Workers' Compensation Expenditures Report

	2002-03	2003-04	2004-05	2005-06	Percent Change since 2002-03
<u>INDEMNITY</u>					
Permanent Disability	\$ 3,014,729	\$ 3,656,534	\$ 4,272,337	\$ 3,592,032	19%
Temporary Disability	\$ 1,544,491	\$ 1,458,597	\$ 1,222,042	\$ 1,833,183	
Civilian - Salary Supplement	\$ 852,728	\$ 657,413	\$ 683,739	\$ 681,679	
Total Non-4850 Pay ⁽¹⁾	\$ 2,397,219	\$ 2,116,010	\$ 1,905,781	\$ 2,514,862	5%
Sworn - OPD - 4850 Pay	\$ 2,714,530	\$ 3,383,319	\$ 3,412,969	\$ 2,735,571	
Sworn - OFD - 4850 Pay	\$ 3,382,992	\$ 2,014,153	\$ 2,081,130	\$ 1,884,324	
Total 4850 Pay ⁽²⁾	\$ 6,097,522	\$ 5,397,472	\$ 5,494,099	\$ 4,619,895	-24%
Sub-Total Indemnity	\$ 8,494,741	\$ 7,513,482	\$ 7,399,880	\$ 7,134,757	-16%
<u>ALLOCATED</u>					
Rehabilitation	\$ 510,843	\$ 526,867	\$ 554,730	\$ 440,119	
Investigative Claims Expense	\$ 335,692	\$ 375,833	\$ 265,919	\$ 272,107	
Legal	\$ 284,999	\$ 395,036	\$ 444,312	\$ 673,970	
10% Penalties	\$ 41,859	\$ 66,169	\$ 70,473	\$ 79,925	
Sub - Total Allocated	\$ 1,173,393	\$ 1,363,905	\$ 1,335,434	\$ 1,466,121	25%
<u>MEDICAL</u>					
City Physician (Concentra)	\$ 375,393	\$ 326,179	\$ 233,575	\$ 298,937	
All Others	\$ 6,275,137	\$ 7,337,374	\$ 5,042,149	\$ 5,150,445	
Sub - Total Medical	\$ 6,650,530	\$ 7,663,553	\$ 5,275,724	\$ 5,449,382	-18%
<u>SUB-TOTAL OPERATIONS</u>					
Third Party Recovery - Refunded to the City	\$ (331,090)	\$ (236,541)	\$ (143,799)	\$ (139,326)	
TOTAL OPERATIONS	\$ 19,002,303	\$ 19,960,933	\$ 18,139,576	\$ 17,502,966	-8%
<u>ADMINISTRATIVE EXPENDITURES</u>					
Claims Administrator Contract	\$ 1,570,027	\$ 1,656,855	\$ 1,726,250	\$ 1,615,482	
Bill Review Expense	\$ 628,162	\$ 708,721	\$ 515,137	\$ 501,335	
TOTAL ADMINISTRATIVE	\$ 2,198,189	\$ 2,365,576	\$ 2,241,387	\$ 2,116,817	-4%
<u>TOTAL WORKERS' COMPENSATION EXPENSE</u>					
	\$ 21,200,492	\$ 22,326,509	\$ 20,380,963	\$ 19,619,783	-7%

1. Non-4850 pay is the total amount paid to Civilian employees required by the State of California labor code for workers' compensation benefits plus the negotiated salary supplement contained in City of Oakland Memorandum of Understanding for each labor unit.

2. 4850 pay is the total amount paid to Sworn employees (Police and Fire) required by the State of California Labor Code 4850.

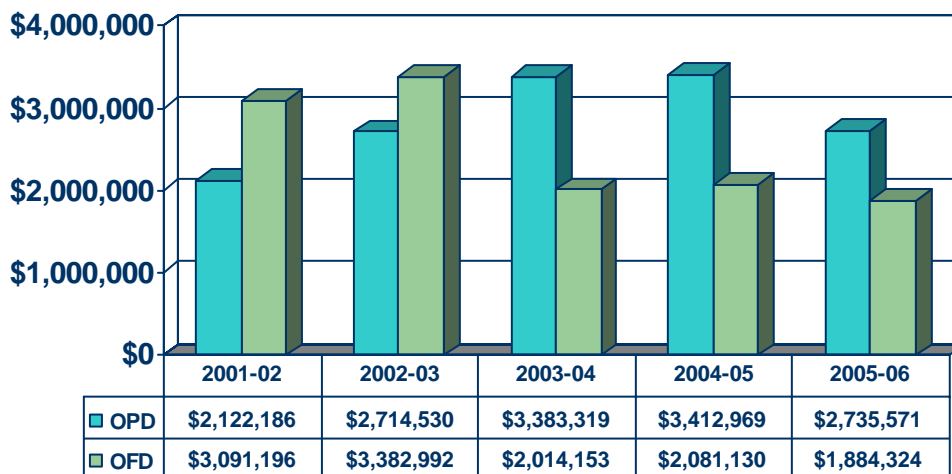
3. Summary of Expenditures Comparison 2004-05 to 2005-06

Category	Amount Paid 2004-05	Amount Paid 2005-06	Total Variance	Percent Change
Indemnity	\$ 7,399,880	\$ 7,134,757	\$ (265,123)	-4%
Allocated	\$ 1,335,434	\$ 1,466,121	\$ 130,687	10%
Medical	\$ 5,275,724	\$ 5,449,382	\$ 173,658	3%
Administrative	\$ 2,241,387	\$ 2,116,817	\$ (124,570)	-6%
Total	\$ 20,380,963	\$ 19,619,783	\$ (761,180)	-4%

1. Indemnity Expenses

Indemnity expenses continue to decline from previous years. Indemnity expenses include all temporary disability, permanent disability and salary supplement expenses. These include Labor Code 4850 payments, which is the special salary supplement sworn employees receive which allow an injured worker to receive up to a full year of salary, tax-free, upon a doctor’s order to stay off work. These payments represent the City’s largest single workers’ compensation expense, apart from medical payments. Other cost drivers in the indemnity expense category are directly linked to State-mandated disability rates and negotiated increases in civilian salary. In January 2005, the State of California increased its maximum weekly rate for temporary disability payment from \$728 to \$840 per week. This impacts the “temporary disability” line item on the Workers’ Compensation Expenditure Report. Fiscal Year 2005-06 expenditures reflects the first full year effect of that increase.

Five Year 4850 Benefit Payment History



One major factor that contributed to the City’s drop in indemnity (4850) payments was the continued success of the City’s return-to-work program (transitional

duty). Since the program's formal inception in 2002, the number of days spent on transitional duty, as opposed to days off work due to injury, has resulted in considerable savings.

	2002-03	2003-04	2004-05	2005-06
Transitional Duty	7,222	7,620	7,704	8,448
Total Lost Days	12,804	11,200	9,500	10,987
Indemnity Savings	\$1,303,747	\$1,118,125	\$1,509,291	\$1,765,917

In FY 2005-06, both the Police and Fire Departments had substantial increases in the number of transitional duty days worked by sworn employees.

Fiscal Year	# of Transitional Days by Police Employees	# of Transitional Days by Fire Employees
2003-04	3,101	209
2004-05	3,531	337
2005-06	4,158	881

Risk Management continues to fund two full-time positions assigned solely for the purpose of managing OPD's workers' compensation claims at the department level. These positions are responsible for making payroll corrections for 4850 payments which should not have been made and to correctly administer the injured employee benefits. The incorrect payments are identified by a specially established JT2 position to work directly with the City Payroll Division.

2. Medical Expenses

During this past year, the City experienced an increase in medical expenditures. This is attributed to a number of variables including recent legislative changes in the management of workers' compensation claims and more aggressive medical management and monitoring on the part of the City's TPA. Despite the modest increase since 2004-05, medical costs have declined a total of 18% since 2002-03.

Medical costs have, historically, been driven by an injured workers seemingly limitless access to medical services to "cure and relieve" an illness or injury; all of which was paid by the employer. In addition, the system operated under medical treatment guidelines specifically geared toward "work-related" illness or injury. This invariably meant a lengthier period of disability than if the same illness or injury was treated pursuant to non-work-related guidelines. Legislation which went into effect January 1, 2004 and January 1, 2005 was designed to help employers meet the ongoing challenge of cost containment in the workers' compensation arena.

Prior to this legislation, changes in workers' compensation legislation were on a going forward basis only. The new treatment guidelines apply regardless of date

of injury. This is important to employers because now all injured workers are subject to:

- limits on the number of physical therapy visits;
- limits on the number of chiropractic treatments; and
- mandatory Utilization Review processing for all requests for treatment, diagnostic tests and surgery from medical service providers.

The Utilization Review process is a State-provided service whereby independent, state licensed medical reviewers provide oversight and authorization of treatment protocols recommended by workers' compensation medical service providers on all cases. For example, if an employee's treating physician wants to perform a non-routine medical procedure related to an accepted workers' compensation claim, they must obtain approval from the Utilization Review body of the State before the procedure is authorized; and payment for the procedure is limited to the State mandated reimbursement rate. Utilization Review must be consistent with the American College of Occupation and Environmental Medicine (ACOEM) treatment guidelines.

These sweeping changes to medical care, which were intended to result in medical cost savings for employers, came a benefit for the injured workers. Effective January 1, 2005, employers are now required to expend, up to \$10,000, in medical costs for claims that are delayed for investigation, and even those which may ultimately be denied. As a result of this legislative change in FY 2005-06 the City of Oakland incurred \$478,597 in related costs.

3. Allocated Expenses

The legislative tightening of control over medical care for compensable workers' compensation claims has resulted in increased litigation costs. The City incurs legal costs when required to defend the City before the Workers' Compensation Appeals Board.

Allocated expenses include expenses such as legal fees and investigation. The City of Oakland has established protocols to investigate and litigate suspicious claims and to utilize investigators to determine eligibility for compensation and uncover potential fraud. These costs reflect monies paid for defense attorneys, witness fees, depositions, arbitrators and interpreters.

IV. Conclusion and Future Outlook

The City continues to reap benefits from the workers' compensation law reform bill, SB 899. Some of the benefits include the requirement that all medical expenses undergo scrutiny by a third party. This process, called "Utilization Review" ("UR"), did not begin until July 1, 2004. The immediate outcome of this process is reflected by a marked reduction in medical expenditures. Other changes include a revised permanent disability schedule, which should decrease the City's expenses, strict limits on physical therapy and a cessation of the vocational rehabilitation process.

However, the City still struggles with attempts to control the costs attributed to Labor Code 4850, which governs workers' compensation benefits for sworn personnel. This Labor Code Section guarantees generous benefits to sworn employees and includes up to a year of tax-free salary for each injury. This benefit forms the largest cost center for the City of Oakland's workers' compensation program. Risk Management will continue to work closely with the Police and Fire Departments to devise methods and strategies of containing workers' compensation losses.

In the immediate future, Risk Management will conduct a Request for Proposal process to identify a Third Party Administrator to assist the City in the management of its Workers' Compensation Program and further contain the associated costs. Risk Management anticipates introducing new cost reduction programs as part of the upcoming TPA contract. These new programs will be developed in recognition of the fact that workers' compensation continues to be a difficult-to-manage system, with many external sources propelling the program's cost drivers.

In this constantly evolving system, Risk Management looks forward to considering various innovative options that will keep the City on the leading edge of workers' compensation program management.

Exhibit B
Schedule of Contract Agreement Forms

The following schedules must be completed as part of your proposal submittal.

- C-1: Declaration of Compliance with The Americans
With Disabilities Act
- D: Professional Services Questionnaire – Ethnicity and
Gender Questionnaire
- E: Project Consultant Team
- M: Independent Contractor Questionnaire
- N: Declaration of Compliance – Living Wage Ordinance
- N-1: Equal Benefits Declaration of Nondiscrimination
- O: Campaign Contributions
- P: Nuclear Free Zone Disclosure Form
- Q: Insurance Requirements
- V: Affidavit of Non-Disciplinary of Investigatory Action



Schedule C-1

DECLARATION OF COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT

The Americans with Disabilities Act (ADA) requires that private organizations serving the public make their goods, services and facilities accessible to people with disabilities. Furthermore, the City of Oakland requires that all of its Contractors comply with their ADA obligations and verify such compliance by signing this Declaration of Compliance.

The Contractor certifies that it will comply with the Americans with Disabilities Act by:

- A. Adopting policies, practices and procedures that ensure non-discrimination and equal access to Contractor's goods, services and facilities for people with disabilities;
- B. Providing goods, services and facilities to individuals with disabilities in an integrated setting, except when separate programs are required to ensure equal access;
- C. Making reasonable modifications in programs, activities and services when necessary to ensure equal access to individuals with disabilities, unless fundamental alteration in the nature of the Contractor's program would result;
- D. Removing architectural barriers in existing facilities or providing alternative means of delivering goods and services when removal of barriers is cost-prohibitive;
- E. Furnishing auxiliary aids to ensure equally effective communication with persons with disabilities; and
- F. If contractor provides transportation to the public, by providing equivalent accessible transportation to people with disabilities.

The undersigned authorized representative hereby obligates the applicant to the above stated conditions under penalty of perjury.

Company Name	Signature of Authorized Representative
Address	Type or Print Name
Phone	Date
	Type or Print Title



SCHEDULE D OWNERSHIP, ETHNICITY AND GENDER QUESTIONNAIRE

For use by all city agencies and departments for procurement, and professional services contracts (including CFARs)

To be completed by the prime and subconsultants (including CFARs)

Part I: OWNERSHIP & ETHNICITY of PRIME:

Firm Name _____ Contact Person _____ Phone (____) _____

Street Address _____ City _____ State _____ Zip _____ Federal ID # _____

City of Oakland Business License Number _____

(Please check one and explain below)

- Self Employed, Name of Owner _____ Corporation, State of Incorporation _____
- Partnership, General or Limited _____ Names of Partners _____
- Joint Venture, Names of Participants _____

Ownership Interests

All owners must be listed in this information

Ethnicity	African American	American Indian/ Alaskan Native	Asian or Pacific Islander	Caucasian	Filipino	Hispanic	Other
Number of Owners							
% Of Total Ownership							
Women							
Joint Venture Ownership							

Part II: CERTIFICATIONS

Please attach a copy of the certification letter or provide the certification number and expiration date.

- Minority-owned Business Enterprise (MBE)? Cert # _____ Expiration Date: _____
- Woman-Owned Business Enterprise (WBE) Cert # _____ Expiration Date _____
- Disadvantaged Business Enterprise (DBE) Cert # _____ Expiration Date _____
- Oakland Certified Local Business Enterprise Cert # _____ Expiration Date _____
- Other _____ Cert # _____ Expiration Date _____

Part III: Ethnicity and Gender of Employees

Employment Category	Total Employees	Oakland Residents	Male						Female					
			African American	American Indian/Alaskan Native	Asian/ Pacific Islander	Caucasian	Hispanic	Other	African American	American Indian/Alaskan Native	Asian/ Pacific Islander	Caucasian	Hispanic	Other
Project Management														
Professional														
Technical														
Clerical														
Trades														

AFFIRMATIVE ACTION INFORMATION I certify that I/we shall not discriminate against any employee or applicant for employment because of race, color, creed, sex, sexual orientation, national origin, age, disability, Acquired Immune Deficiency Syndrome (AIDS) AIDS related complex, or any other arbitrary basis and shall insure compliance with all provisions of Executive Order No. 11246 (as amended by Executive Order No. 11375). I certify that I/we shall not discriminate against any employee or applicant for employment because they are disabled veteran of the Viet Nam era and shall insure compliance with all provisions of 41CFR60-250.4 where applicable.

I declare under penalty of perjury that the foregoing is true and correct. Signature

Title _____ Date _____

Please be advised that the ethnicity and gender information contained in this Schedule D will be used for reporting and tracking purposes ONLY.



**SCHEDULE M
INDEPENDENT CONTRACTOR QUESTIONNAIRE
TO BE COMPLETED BY PROPOSED CONTRACTOR**

FOR CITY USE ONLY

Based upon a review of this questionnaire and any other factors I have cited below, I have determined that this person (is) (is not) an independent contractor.

Date _____

City Attorney/Assistant City Attorney/
Deputy City Attorney

PART A: INDEPENDENT CONTRACTOR QUESTIONNAIRE TO BE COMPLETED BY PROPOSED CONTRACTOR

Name of Contractor _____

SSN or Corporate Taxpayer ID No. of Contractor _____

Please answer questions "yes" or "no" whenever possible. When a more extensive explanation is required and there is no space on this form, please attach a separate sheet.

The word contract refers to the agreement the City is contemplating entering into with you.

NOTE: CORPORATIONS MUST PROVIDE THE CORPORATE FEDERAL TAXPAYER NUMBER IN THE SPACE ABOVE AND ATTACH A CALIFORNIA SECRETARY OF STATE BUSINESS REGISTRATION RECORD (FROM WEBSITE) SHOWING "ACTIVE" STATUS. CORPORATIONS ARE NOT REQUIRED TO COMPLETE THE REMAINDER OF THIS FORM, BUT A CORPORATE REPRESENTATIVE MUST SIGN.

	Yes	No
1. Have you performed services for the City in any year(s) prior to 200__? If yes, please indicate which years.		
2. Have you received any training, guidance, or direction from the City as to how the City expects the job (for which your services are contemplated) to be done. If yes, please describe what you are expecting (or have received) in the way of training or direction. _____		
3. Will your services under the contract be performed on City property? If no, please describe where the services are to be performed. _____ _____		
4. Do you expect to devote any full days (6 or more hours) or full weeks (30 or more hours) towards performing the services under the contract? If yes, please indicate approximately how many full days and/or full weeks you expect to devote during the life of the contract _____		
5. Are there any set or fixed hours or days of the week during which the City is expecting you to perform services under the contract? If yes, please indicate the days and hours during which you will be performing services. _____		

	Yes	No
6. Please provide the date on which you expect to complete your services under the contract (dd/mm/yy).		
7. In order to perform services under the contract, do you intend to provide your own supplies or equipment? If yes, briefly describe the equipment/supplies. _____		
8. If your response to No. 7 is yes, has the City promised to or will you be expecting the City to reimburse you in any way for the cost of the supplies or equipment?		
9. Other than the above-referenced supplies and equipment, do you anticipate incurring any <u>unreimbursable</u> out-of-pocket expenses in the performance of the contract with the City? If yes, please describe. _____		
10. Do you have federal and state employer identification numbers? If so, please provide these numbers. _____		
11. <u>Within the past two years</u> have you performed the same type services (as called for in the contract) for any client or customer <u>other than</u> the City? If yes, please identify the client or customer and briefly describe the services performed. _____		
12. Do you <u>currently</u> have clients or customers other than the City for whom you are or will perform services during the duration of the contract? If yes, please identify client or customer by name and briefly describe the nature of services performed. _____		
13. In the past two years have you notified any insurance company in conjunction with obtaining a business-related insurance policy that you are self-employed? If yes, please indicate the insurance company and the nature of the business-related policy. _____ _____		
14. Do you have your own <u>employees</u> to help you perform the services called for by your contract? (Do not refer to independent contractors you may use to assist you.) _____		
15. <u>Within the past two years</u> have you been the <u>employee</u> of any employer (received a W-2)? If yes, state the employer(s), the date(s) of employment, and the nature of the services performed. _____ _____		
16. Do you have an office or business address other than your own home address, a City of Oakland office or your employer's business address? If yes, please state the address. _____ _____		
17. With regard to the following, please indicate whether you have:		
a. an existing business letterhead? (please attach)		
b. an existing business phone number other than your home number? (please indicate # along with area code)		
c. filed for a fictitious business name? If yes, please attach a certified copy of the County issued certificate and an affidavit of publication.		

	Yes	No
d. done public advertising for your business? If yes, please attach the ad copy or briefly describe your advertising efforts.		
18. If you have answered parts or all of No. 17 with "Yes," are the services represented in your answers the same type of services you will be performing for the City?		
19. Do you have a license from any governmental agency to perform the services under the contract? If yes, please state the type of license and name of the licensing agency. _____		
20. Please describe the extent of any personal financial investment you have made in order to be self-employed. You may either choose to indicate the actual dollar amount of investment or, without disclosing any dollar amount, briefly describe any purchases, leases or other types of financial commitments made by you for self employment purposes. _____ _____ _____ _____		

I VERIFY THAT THE RESPONSES ABOVE ARE TRUE AND CORRECT.

_____ Date

_____ Contractor

PLEASE INDICATE WHETHER YOU OBJECT IF THE CITY DECIDES TO TREAT YOU AS A SHORT-TIME CONTRACT EMPLOYEE RATHER THAN AN INDEPENDENT CONTRACTOR AND THE REASON FOR YOUR OBJECTION.



**SCHEDULE N
DECLARATION OF COMPLIANCE – LIVING WAGE ORDINANCE**

(For use by all city agencies and departments for procurement, and professional services contracts)

To be completed by the prime and subconsultants (including CFARs)

The Oakland Living Wage Ordinance (the "Ordinance"). Codified as Oakland Municipal Code provides that certain employers under contracts for the furnishing of services to or for the City that involve an expenditure equal to or greater than \$25,000 and certain recipients of City financial assistance that involve receipt of financial assistance equal to or greater than \$100,000 shall pay a prescribed minimum level of compensation to their employees for the time their employees work on City of Oakland contracts. The Redevelopment Agency of the City of Oakland adopted the City's Living Wage policy as its own policy Agency Resolution No. 98-13 C.M.S.

The contractor or city financial assistance recipient (CFAR) further agrees:

To pay employees a wage no less than the minimum initial compensation of \$9.90 per hour with health benefits, as described in Section 3-C "Health Benefits" of the Ordinance, or otherwise \$11.39 per hour, and to provide for the annual increase pursuant to Section 3-A "Wages" of the Ordinance. **Effective July 1, 2006 the new rates will be \$10.07 per hour with health and \$11.58 without.**

- (a) To provide at least twelve compensated days off per year for sick leave, vacation or personal necessity at the employees request, and, at least ten additional days per year of uncompensated time off pursuant to Section 3- B "Compensated Days Off" of the Ordinance.
- (b) To inform employees that he or she may be eligible for Earned Income Credit (EIC) and shall provide forms to apply for advance EIC payments to eligible employees. There are several websites and other sources available to assist you. Web sites include but are not limited to: (1) <http://www.irs.gov>. for current guidelines as prescribed by the Internal Revenue Service and (2) the 2005 Earned Income Tax Outreach Kit www.cbpp.or/eic/2005.
- (c) To permit access to work sites for authorized City representatives to review the operation, payroll and related documents, and to provide certified copies of the relevant records upon request by the City; and
- (d) Not to retaliate against any employee claiming non-compliance with the provisions of this Ordinance and to comply with federal law prohibiting retaliation for union organizing.

The undersigned authorized representative hereby obligates the proposer to the above stated conditions under penalty of perjury.

Company Name

Signature of Authorized Representative

Address

Type or Print Name

Employment Questionnaire

Please provide responses to the following questions:

Item No.	DESCRIPTION	RESPONSE	COMMENTS
1.	*How many permanent employees are employed with your company. (If less than 5 employees stop here)		
2.	How many of your permanent employees are paid above the Living Wage rate.		
	How many of your permanent employees are paid below the Living Wage rate.		
3.	Number of compensated days off per employee (Refer to item "a" on the other side of the form for the correct number of compensated days off.		
4.	Number of trainees in your company?		
5.	Number of employees who are under 21 years of age, employed by a nonprofit corporation for after school or summer employment for a period not longer than 90 days.		



SCHEDULE N-1 EQUAL BENEFITS DECLARATION OF NONDISCRIMINATION

For use by all city agencies and departments for procurement, professional services (including CFARs) and construction contracts.
To be completed by the prime contractor/consultant.

Section A. Vendor/Contractor/Consultant/*CFAR Information

- 1 Name of Company _____
- 2 Name of Company Contact _____
- 3 Phone Number _____ Fax Number _____
- 4 Vendor Number (If Known) _____ Federal ID or Social Security # _____
- 5 Approximate Number of Employees in the U.S. _____
- 6 Are any of your employees covered by a collective bargaining agreement or union trust fund? Yes No
- 7 Union Name(s) _____

Section B Compliance Questions

- 1 Does your company provide or offer access to benefits for employees and their spouses.
Yes or No (please check one)
- 2 Does your company provide or offer access to benefits for employees and their domestic partners.
Yes or No (please check one)

Questions B1 & B2 should be answered YES, even if your employees must pay some or all of the cost of spousal or domestic partner benefits.

Section C Compliance Questions

3 Please check each benefit that applies to answers 1 & 2 above and list as "other" any additional benefits not listed below. Some benefits (i.e. bereavement leave) are provided to employees because they have a spouse or domestic partner. Other benefits (i.e. medical insurance) are provided directly to the spouse or domestic partner.

	Benefit	Yes, this benefit is offered to Employees only	Yes, this benefit is offered to Employees and their Spouses	Yes, this benefit is offered to Employees and their Domestic Partners	No this benefit is not offered at all	Yes, documents were submitted for this benefit.
a	Health	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b	Dental	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c	Vision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d	Retirement (Pension, 401(k), etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e	Bereavement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f	Family Leave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g	Parental Leave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h	Employee Assistance Program	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i	Relocation & Travel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j	Company Discount, Facilities & Events	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k	Credit Union	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l	Child Care	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m	Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* CFAR is a City Financial Assistance Recipient

** The term "Domestic Partner" is defined as same-or opposite-sex couples registered with a state or local government domestic partnership registry.



SCHEDULE O

CONTRACTOR ACKNOWLEDGEMENT OF CITY OF OAKLAND CAMPAIGN CONTRIBUTION LIMITS

To be completed by City Representative prior to distribution to Contractor

City Representative _____ Phone _____ Project Spec No. _____

Department _____ Contract/Proposal Name _____

This is an Original Revised form (check one). If Original, complete all that applies. If Revised, complete Contractor name and any changed data.

Contractor Name _____ Phone _____ - _____ - _____

Street Address _____ City _____, State _____ Zip _____

Type of Submission (check one) Bid Proposal Qualification Amendment

Majority Owner (if any). A majority owner is a person or entity who owns more than 50% of the contracting firm or entity.

Individual or Business Name _____ Phone _____ - _____ - _____

Street Address _____ City _____, State _____ Zip _____

The undersigned Contractor's Representative acknowledges by his or her signature the following:

The Oakland Campaign Reform Act limits campaign contributions and prohibits contributions from contractors doing business with the City of Oakland and the Oakland Redevelopment Agency during specified time periods. Violators are subject to civil and criminal penalties.

I have read Oakland Municipal Code Chapter 3.12, including section 3.12.140, the contractor provisions of the Oakland Campaign Reform Act and certify that I/we have not knowingly, nor will I /we make contributions during the period specified in the Act.

I understand that the contribution restrictions also apply to entities/persons affiliated with the contractor as indicated in the Oakland Municipal Code Chapter 3.12.080.

If there are any changes to the information on this form during the contribution-restricted time period, I will file an amended form with the City of Oakland.

_____/_____/_____
Signature Date

Print Name of Signer Position

To be Completed by City of Oakland after completion of the form

Date Received by City: ____/____/____ By _____

Date Entered on Contractor Database: ____/____/____ By _____

SCHEDULE P
NUCLEAR FREE ZONE DISCLOSURE
(This form is to be completed by the prime consultant)

I, _____, the undersigned, a
(Name)

_____ of _____
(Title) (Business Entity)

(hereinafter referred to as Business Entity am duly authorized to attest on behalf of the business Entity)

- I. Neither this Business Entity nor any of its subsidiaries, affiliates or agents engages in nuclear weapons work or anticipates entering into such work for the duration of its contract(s) with the City of Oakland.
- II. The appropriate individuals of authority are cognizant of their responsibility to notify the Office of Finance of the City of Oakland if the Business Entity or any of its subsidiaries, affiliates or agents subsequently engages in nuclear weapons work.

I declare that the foregoing is true and correct to the best of my knowledge.

(Date)

(Signature and Name)

(Name of Business Entity)

(Street Address)

(City, State and Zip Code)

(Name of Parent Company)

INSTRUCTIONS FOR NUCLEAR FREE DISCLOSURE

On November 8, 1988, the citizens of Oakland adopted Measure T, which declared the City of Oakland to be a Nuclear Free Zone. On December 6, 1988, the City Council approved Ordinance No. 11062 CMS, designated as the Nuclear Free Zone Act. This ordinance mandates a policy for the City of Oakland concerning its relations with companies that knowingly engage in nuclear weapons work.

Under this ordinance, the City is restricted from doing business with professional and consulting service providers, which would be considered nuclear weapons makers. In order to implement this provision, the City is using Nuclear Free Zone Disclosure Form to determine whether a potential service provider to the City of Oakland is in compliance with Ordinance No. 11062. Once the Form is on file with the Office of Finance, the service provider will be eligible to enter into professional or consulting service contracts with the City of Oakland.

Please review the following definitions to determine whether you or your firm and/or any of its agents, subsidiaries or affiliates would be considered nuclear weapons makers under Oakland's Nuclear Free Zone Act.

A "nuclear weapons maker" is any entity knowingly engaged in nuclear weapons work and any of its agents, subsidiaries or affiliates which are engaged in nuclear weapons work. If an entity is a nuclear weapons maker, then its controlling owner(s) would also be classified as a nuclear weapons maker(s). However, if an entity is owned by a nuclear weapons maker but is not itself engaged in nuclear weapons work, the entity would not be considered a nuclear weapons maker.

"Nuclear weapons work" is any work that has as its purpose the development, testing, production, possession, maintenance or storage of nuclear weapons, the components of nuclear weapons, or any secret or classified research or evaluation of nuclear weapons.

"Nuclear weapon" is any device, the intended explosion of which results from the energy released by reactions involving atomic nuclei, either fission or fusion or both. Nuclear weapon includes the means of transporting, guiding, propelling, triggering or detonating the weapon. Nuclear weapon also includes any component of a nuclear weapon, i.e., any device, radioactive or non-radioactive, the primary intended function of which is to contribute to the operation of a nuclear weapon or be a part of a nuclear weapon.

In the event a firm or individual is unable or unwilling to submit Nuclear Free Zone Disclosure Form said firm or individual would be considered a nuclear weapon maker and therefore restricted from entering into a contract with the City of Oakland. Such firm or individual has the right to have this restriction reviewed. The review process will be initiated once the Office of Finance has been requested to do so by the restricted firm or individual.

The restriction against contracting with a nuclear weapons maker may be waived if the City Council determines, after public hearing, that a specific contract is essential to the proper functioning of the city government and that no reasonable alternative exists.

Schedule Q

INSURANCE REQUIREMENTS

a. General Liability, Automobile, Worker's Compensation and Professional Liability

Contractor shall procure, prior to commencement of service, and keep in force for the term of this contract, at Contractor's own cost and expense, the following policies of insurance or certificates or binders as necessary to represent that coverage as specified below is in place with companies doing business in California and acceptable to the City. If requested, Contractor shall provide the City with copies of all insurance policies. The insurance shall at a minimum include:

- i. **Commercial General Liability insurance**, shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal and advertising injury, Bodily Injury, Broad Form Property Damage, and liability assumed under an insured contract [(including the tort liability of another assumed in a business contract)]. If such CGL insurance contains a general aggregate limit, it shall apply separately to this agreement.
 - A. Coverage afforded on behalf of the City shall be primary insurance and any other insurance available to the City under any other policies shall be excess insurance (over the insurance required by this Agreement).
 - B. Limits of liability: Contractor shall maintain commercial general liability (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than \$2,000,000 each occurrence. If such CGL insurance contains a general aggregate limit, it shall apply separately to this location [project].
 - C. If the policy is a "claim made" type policy, the following should be included as endorsements:
 - 1) The retroactive date shall be the effective date of this Agreement or a prior date.
 - 2) The extended reporting or discovery period shall not be less than thirty-six (36) months.
- ii. **Automobile Liability Insurance.** Contractor shall maintain automobile liability insurance with a limit of not less than \$1,000,000 each accident. Such insurance shall cover liability arising out of any auto (including owned, hired, and non-owned autos). Coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in the 1990 and later editions of CA 00 01. In the event the Contractor does not own vehicles, but utilized non-owned and hired vehicles, evidence of such coverage is acceptable with a signed statement from

Contractor stating that only non-owned and hired vehicles are used in the course of the contract.

- iii. **Worker's Compensation insurance** as required by the laws of the State of California. Statutory coverage may include Employers Liability coverage with limits not less than \$1,000,000. The Contractor certifies that he/she is aware of the provisions of section 3700 of the California Labor Code, which requires every employer to provide Workers' Compensation coverage, or to undertake self-insurance in accordance with the provisions of that Code. The Contractor shall comply with the provisions of section 3700 of the California Labor Code before commencing performance of the work under this Agreement and thereafter as required by that code.
- iv. **Professional Liability/errors and omissions insurance** in the amount of \$5,000,000.
- v. Commercial Crime Policy covering Employee Dishonesty, Third Party Fidelity and Money and Securities. Additional coverages provided must include: Forgery or alteration; Inside the premises – theft, disappearance and destruction of money and securities; Inside the premises – robbery or safe burglary of other property; Outside the premises – theft, disappearance and destruction of money and securities and loss of other property from actual or attempted robbery; Computer fraud; Money orders and counterfeit paper currency. Includes additional endorsement for CITY/Client property in the care, custody and control of the TPA; Funds transfer fraud; Extortion; Designated agents; and Leased workers. Coverage shall be provided with the minimum limits of \$1,000,000 per occurrence and a minimum annual aggregate limit of \$5,000,000. Maximum deductible under this policy shall not exceed \$50,000.

b. Terms Conditions and Endorsements

The aforementioned insurance shall be endorsed and have all the following conditions:

- i. Insured Status (Additional Insured): Contractor shall provide insured status using ISO endorsement CG 20 10 or its equivalent naming the City of Oakland, its Councilmembers, directors, officers, agents and employees as insureds in its Comprehensive Commercial General Liability policy. If Contractor submits the ACORD Insurance Certificate, the insured status endorsement must be set forth on a CG 20 10 (or equivalent). A STATEMENT OF ADDITIONAL INSURED STATUS ON THE ACORD INSURANCE CERTIFICATE FORM IS INSUFFICIENT AND WILL BE REJECTED AS PROOF OF MEETING THIS REQUIREMENT; and
- ii. Cancellation Notice: 30-day prior written notice of termination or material change in coverage and 10-day prior written notice of cancellation for non-payment;
- iii. Cross-liability coverage as provided under standard ISO forms' separation of insureds clause; and

- iv. Certificate holder is to be the same person and address as indicated in the “Notices” section of this Agreement; and
- v. Insurer shall carry a insurance from an admitted company with a Best Rating of A VII or better.

c. Replacement of Coverage

In the case of the breach of any of the insurance provisions of this Agreement, the City may, at the City's option, take out and maintain at the expense of Contractor, such insurance in the name of Contractor as is required pursuant to this Agreement, and may deduct the cost of taking out and maintaining such insurance from any sums which may be found or become due to Contractor under this Agreement.

d. Insurance Interpretation

All endorsements, certificates, forms, coverage and limits of liability referred to herein shall have the meaning given such terms by the Insurance Services Office as of the date of this Agreement.

e. Proof of Insurance

Contractor will be required to provide proof of all insurance required for the work prior to execution of the contract, including copies of Contractor’s insurance policies if and when requested. Failure to provide the insurance proof requested or failure to do so in a timely manner shall constitute ground for rescission of the contract award.

f. Subcontractors

Should the Contractor subcontract out the work required under this agreement, they shall include all subcontractors as insureds under its policies or shall maintain separate certificates and endorsements for each subcontractor. As an alternative, the Contractor may require all subcontractors to provide at their own expense evidence of all the required coverages listed in this Schedule. If this option is exercised, both the City of Oakland and the Contractor shall be named as additional insured under the subcontractor’s General Liability policy. All coverages for subcontractors shall be subject to all the requirements stated herein. The City reserves the right to perform an insurance audit during the course of the project to verify compliance with requirements.

g. Deductibles and Self-Insured Retentions

Any deductible or self-insured retentions must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductible or self-insured retentions as respects the City, its Councilmembers, directors, officers, agents, employees and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

h. Waiver of Subrogation

Contractor waives all rights against the City of Oakland and its Councilmembers, officers, directors and employees for recovery of damages to the extent these damages are covered by the forms of insurance coverage required above.

i. Evaluation of Adequacy of Coverage

The City of Oakland maintains the right to modify, delete, alter or change these requirements, with reasonable notice, upon not less than ninety (90) days prior written notice.

SCHEDULE V
AFFIDAVIT OF NON-DISCIPLINARY OR INVESTIGATORY ACTION

(For use by all City agencies and departments for professional services contracts)

To be completed by the prime consultant

I certify that the Equal Employment Opportunity Commission (EEOC), Department of Fair Employment & Housing (DFEH) or the Office of Federal Contract Compliance Programs (OFCCP) has not taken disciplinary or investigatory action against the Firm. If such action has been taken, attached hereto is a detailed explanation of the reason for such action, the party instituting such action and the status or outcome of such action.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Signature

Date

(Title)

(Name of Firm)

(Street Address)

(City, State and Zip Code)