

City of Weslaco



WORKERS' COMPENSATION INSURANCE

GUARANTEE COST PROGRAM

RFP NO. 2015-16-17

**WORKER’S COMPENSATION INSURANCE
GUARANTEE COST PROGRAM
RFP NO. 2015-16-17**

Table of Contents

Section 1:
General Information 3
Time Table 3
Communication 4
Qualifications 4
Selection Criteria 4
Servicing Criteria 5
Disqualification and Rejection of Proposals 5
Legal 5
Authorized Signature 5
Contract 5

Section 2:
Term, Fee, and Servicing Requirements 6

Section 3:
Questionnaire 7

Section 4:
Claims History 9

Section

1

A. General Information

1. City of Weslaco (hereafter referred to as the City) is requesting proposals for Workers' Compensation Guaranteed Cost Program. Texas Municipal League (TML) is the current carrier.
2. Each proposer is asked to submit quotations on the basis of the specifications contained herein. Proposers may quote several plan options as long as each option is fully explained. Deviations from the specifications must be clearly identified and explained in the appropriate proposal form. All relationships between your company and any company offering coverage must be revealed, as well as any commission payments or fees that will be paid to the Proposer as a result of this bid award.
3. Proposers are expected to examine the complete RFP document. Failure to do so will be at the proposer's risk.
4. The information contained herein is believed to be accurate and up-to-date, but is not intended to be an expressed or implied warranty. Request for additional information should be directed to Homer Rhodes (see information in C, Communication). The information contained in these specifications is confidential and is to be used only in connection with preparing proposal for insurance.

B. Timetable

1. The specifications will be available for proposers on or about Wednesday, August 10, 2016, from Homer Rhodes, Weslaco City Hall Purchasing Department at 255 S. Kansas Ave., Weslaco, TX 78596. As an alternative, the specifications can be downloaded from the City's website (www.weslacotx.gov).
2. Written Questions about this RFP and requests for additional information shall be provided no later than Wednesday, August 24, 2016 (see information in C, Communication). The City will not respond to verbal inquires.
3. Valley Risk Consulting, Inc. will make recommendations to the City Manager.
4. Proposers must submit **one (1) original and three (3) copies** (4 complete sets) and **one (1) electronic (usb/disk)** of the proposal. Proposals should be delivered to Weslaco City Hall Purchasing Department, 255 S. Kansas Ave., Weslaco, TX 7859, by no later than 3:00 P.M. CST on Wednesday, August 31, 2016, in a sealed envelope. Each envelope should be clearly labeled "RFP No. 2015-16-17__ Workers' Compensation- Insurance & Employer's Liability Policy".
5. Selected proposers will be notified of interviews no later than the week of September 20, 2016.

C. Communication

I. Requests for clarification or interpretation of the specifications should be submitted, in writing via email or fax to:

Homer Rhodes, Buyer II
City of Weslaco
E-mail: hrhodes@weslacotx.gov
Fax: 956-968-9164

D. Qualifications

A. Agent/Agency

All agents submitting proposals for this insurance must meet the following minimum qualifications:

- a. The agent/agency must be duly licensed to do business in the State of Texas, or approved non-admitted carriers, and comply with all applicable state insurance laws and requirements. Submitter must have at least five (5) years of experience in writing Texas Workers' Compensation.
- b. The proposer must provide a certificate of insurance that complies with the following insurance requirements:
 - Proposer agrees to obtain a fidelity bond insuring against criminal conduct and fraud by the proposer or any of its employees. The amount of the bond shall be at least \$1,000,000, at must be in a form approved by the City, be issued by a company that is A.M. Best rated A- or better, and be issued by a company duly authorized to do business in the State of Texas. The proposer agrees to post the bond at the time of contract execution, and assures that it will remain effective throughout the duration of the contract and for a period of at least two (2) years after expiration of its last contract with the City. City shall be named as a loss payee in the fidelity bond, as interests may appear.
 - Proposer must show evidence of errors and omissions (E&O) insurance at minimum limits of \$1,000,000 per claim from an admitted insurer that is A.M. Best rated A- or better. The proposer agrees to provide a certificate of insurance at the time of contract execution, and to maintain the E&O insurance during the term of the contract with the City. If the E&O coverage is claims-made, proposer agrees that the retro date will not be later than the inception date of the contract with the City.
- c. Plans organized under the terms of the Interlocal Cooperation Act (Chapter 791, Title 7, Government Code) shall be accepted provided that the program offers coverages that are equivalent to a fully insured program. Your most recent audited financial statement must be included with the proposal.
- d. Proposers must attach a brief biography describing the experience of the person assigned to handle this account.

E. Selection Criteria

The City reserves the right to award the subjects of the proposal, in whole or in part, to those proposers who demonstrate professional competence in submitting proposals that satisfy cost, coverage, and

servicing criteria. Insurance proposals will be carefully evaluated in terms of cost effectiveness and coverage, and for compliance with the insurance, risk financing, and servicing criteria as contained in the specifications. The insured will consider the merits of each proposal, whether in consolidated or fragmented basis. Award will be made to the proposer submitting the lowest, best, and most responsible proposal.

F. Servicing Criteria

The City strongly desires to receive personalized and timely risk management services of the highest professional quality from the selected proposer. Proposers who demonstrate the professional capability, expertise, and experience in handling an account the size of the City will receive favorable consideration. Servicing criteria will be evaluated in terms of considers such as:

1. Number of years in business.
2. Size of agency and staff.
3. Experience of claims adjusters.
4. Professional servicing capability: i.e., loss control, claims management, information storage systems, underwriting, exposure and hazard identification, etc.
5. Capability and willingness of agency resources to personally respond to the professional needs of the City in a timely manner.

Appropriate emphasis will be placed on these consideration with respect to the evaluations of the insurance proposals.

G. Disqualification and Rejection of Proposals

Failure to comply with the requirements or the procedures set forth herein, or to satisfy the insurance and servicing criteria as set forth in the specifications, may result in disqualification of the proposer or rejection of the insurance proposal. The City reserves the right to reject a proposal if the proposer is in arrears on existing contracts or city taxes.

H. Legal

All proposers are expected to comply with all federal, state, and local insurance laws and regulations relative to the preparing and submission of insurance proposals. All proposals that are submitted will be presumed to be in compliance with all applicable laws

I. Authorized Signature

All proposal forms must be signed by person who have the legal authority to bind the insurer to the insurances proposed.

J. Contract

All agents or service providers will be required to execute a mutually acceptable contract with the City.

Section

2

A. Term, Fee and Serving Requirements

1. Quote \$1,000,000 coverage for employers' liability.
2. The date of occurrence shall be defined as the date established by the laws of the appropriate jurisdiction. For occupational disease, coverage is triggered on the date established by the appropriate jurisdiction.
3. There shall be no time limit restriction on the time during with a claim must be filed.
4. There shall be no penalty for late reporting.
5. Regarding subrogation, the City shall be reimbursed for its collection expenses first. Additional amounts are then allocated- first to the insurer (up to its extent of loss participation), with any remaining balance going to the City. It should also be stated that "If no subrogation recovery is made, the insurer is responsible for the collection of costs."
6. Insuring agreements should read as follows:
 - a. With respect to workers compensation losses paid by the City, because of liability that may be imposed on the City by the workers compensation laws of any state other than Texas, Part One of the workers compensation policy also applies to liability imposed on the workers compensation laws of any state other than Texas.
 - b. With respect to employer liability losses paid by the City for damages imposed upon the City by the laws of any other state other than Texas, Part Two of the workers compensation policy also applies to damages imposed on the City by the laws of any state other than Texas.
7. Volunteers are to be included within the definition of covered employee, in indicated in the Underwriting Section.

Section

3

QUESTIONNAIRE

1. Name of Carrier/Pool:

2. Please show premiums for the following:

a. Guaranteed Cost _____

Limits
Employers Liability \$1,000,000
Workers Comps Texas Statutory Benefits
Total:

b. Are any of the premiums subject to audit? Yes No
If so, please indicate on what basis.

c. Do any of the premiums have a minimum? Yes No
If so, please indicate.

3. The date of occurrence is define as the date established by the laws of the appropriate jurisdiction. Yes No

4. Occupational disease coverage is triggered by the date established by the appropriate jurisdiction. Yes No

5. Is there a time limit for reporting claims? Yes No
Please indicate any penalty for later reporting.

6. For any claim involving subrogation:
a. The insurer agrees to reimburse the City for collection expenses first. Yes No
b. The insurer is responsible for collection expenses, if no recover is made. Yes No

7. Please indicate location of claims servicing office. _____

8. Are volunteers included as covered employees? Yes No
If no, what is the additional premium to include coverage for volunteers? _____

9. Please indicate method of premium payment (monthly, quarterly, annually, etc.) _____

10. Indicate the term of the coverage. _____
If more than one (1) year, are rates fixed? Yes No
If your answer is no, explain how your rates will be determined.

11. Is your quote contingent on writing any other lines? Yes No
If yes, what line(s)? _____

Company	Authorized Signature
Agent Name	Phone Number
Email	Fax Number

NON-COLLUSION STATEMENT & SIGNATURE SHEET

The undersigned affirms that he/she is duly authorized to execute this contract, that this company, corporation, firm, partnership or individual has not prepared this proposal in collusion with any other Offeror, and that the contents of this proposal as to prices, terms or conditions of said proposal have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this proposal.

Further, I affirm that prior to or after the opening of this proposal, I (or any representative of my company) will not discuss the contents of this proposal with any person affiliated with the City of Weslaco, other than ROGER GARZA, CONSULTANT VALLEY RISK CONSULTING, INC., prior to the awarding of this proposal. I understand that failure to observe this procedure may cause my proposal to be rejected.

I also affirm that no officer or stockholder of the offeror (bidder) is a member of the staff, or related to any employee or commissioner for the City of Weslaco **except** as noted herein _____

_____.

By signing this proposal, vendor makes the assurance that vendor has not been debarred or suspended from conducting business with the U. S. Government according to Executive Order 12549 entitled "Debarment and Suspension."

I, _____, fully understand the proposal's requirements and **(Print/Type Name of Company Officer)**

Specifications.

I have represented the truth concerning the felony conviction notification. I have checked off one of the three statements on the attached felony conviction notification form. I have also signed the form.

COMPANY _____ EMPLOYER I. D. No. _____

ADDRESS _____

CITY, STATE, ZIP CODE _____

TELEPHONE/FAX () _____ / _____ EMAIL ADDRESS _____

SIGNATURE TITLE DATE

Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____	Exemptions (see instructions): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
	List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number									

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Employer identification number									

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person ▶	Date ▶
------------------	----------------------------	--------

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. The IRS has created a page on www.irs.gov/w9 for information about Form W-9, at www.irs.gov/w9. Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the

withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

**CONFLICT OF INTEREST QUESTIONNAIRE -
For vendor or other person doing business with local governmental entity**

FORM CIQ

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local government entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

1 Name of vendor who has a business relationship with local governmental entity. None

2 Check this box if you are filing an update to a previously filed questionnaire.

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information in this section is being disclosed.

Name of Officer

This section, (item 3 including subparts A, B, C & D), must be completed for each officer with whom the vendor has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

- A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the vendor?
 Yes No
- B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?
 Yes No
- C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of one percent or more?
 Yes No
- D. Describe each employment or business and family relationship with the local government officer named in this section.

4 I have no Conflict of Interest to disclose.

5 _____
Signature of vendor doing business with the governmental entity

Date

**Implementation of House Bill
1295 Certificate of Interested Parties
(Form 1295):**

In 2015, the Texas Legislature adopted [House Bill 1295](#), which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

The Texas Ethics Commission was required to adopt rules necessary to implement that law, prescribe the disclosure of interested parties form, and post a copy of the form on the commission's website. The commission adopted the Certificate of Interested Parties form (Form 1295) on October 5, 2015. The commission also adopted new rules (Chapter 46) on November 30, 2015, to implement the law. The commission does not have any additional authority to enforce or interpret [House Bill 1295](#).

Filing Process:

By January 1, 2016, the commission will make available on its website a new filing application that must be used to file Form 1295. A business entity must use the application to enter the required information on Form 1295 and print a copy of the completed form, which will include a certification of filing that will contain a unique certification number. An authorized agent of the business entity must sign the printed copy of the form and have the form notarized. The completed Form 1295 with the certification of filing must be filed with the governmental body or state agency with which the business entity is entering into the contract.

The governmental entity or state agency must notify the commission, using the commission's filing application, of the receipt of the filed Form 1295 with the certification of filing not later than the 30th day after the date the contract binds all parties to the contract. The commission will post the completed Form 1295 to its website within seven business days after receiving notice from the governmental entity or state agency.

Information regarding how to use the filing application will be available on this site by January 1, 2016.

A sample Form 1295 is included in this procurement document to make prospective vendors aware of this requirement. Vendors are NOT required to complete the enclosed form and include it in their response. Complete instructions and important information can be located from the following link:

https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

OFFICE USE ONLY

Complete Nos. 1 - 4 and 6 if there are interested parties.

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the goods or services to be provided under the contract.

4 Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)	
		Controlling	Intermediary

5 Check only if there is NO Interested Party.

6 AFFIDAVIT I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

ADD ADDITIONAL PAGES AS NECESSARY

NOTICE OF FELONY CONVICTION

Texas Education Code § 44.034 (a) provides that any person or business entity, other than a publicly held corporation, that enters into a contract with a school district must give advance notice to the school district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony.

TEXAS EDUCATION Code § 44.034 (b) provides that if the school district determines that the person or business entity failed to give notice as required by Texas Education Code § 44.034 (a) or misrepresented the conduct resulting in the conviction, the school district may terminate the contract after compensating the person or business entity for services performed before the termination of the contract.

Type of Business Entity (*e.g., sole proprietorship, Partnership, limited partnership, Limited Liability Company, close corporation, publicly-held corporation, etc.*):

_____.

Registered name of partnership/corporation: _____.

Business Entity does business as: _____ (attach copy of d/b/a certificate).

Physical Address of Principal Place of Business: _____

Mailing Address: _____ Phone: () _____.

Fax: () _____. E-mail address: _____.

(all business entities other than publicly-held corporations must complete the following)

No owner or operator of the business entity named herein has ever been convicted of a felony.

The business entity named herein is owned or operated by the following person(s) who has (have) been convicted of a felony:

Name: _____; Reason for conviction: _____

_____; Date of conviction: _____; Dates

and Place of Incarceration: _____;

Probation/parole status: _____

Name: _____; Reason for conviction: _____

_____; Date of conviction: _____; Dates

and Place of Incarceration: _____;

Probation/parole status: _____

Name: _____; Reason for conviction: _____

_____; Date of conviction: _____; Dates

and Place of Incarceration: _____;

Probation/parole status: _____

Date

Signature-Company Official

SEE EXHIBIT 1