

SOLICITATION, OFFER, AND AWARD		1. Caption Third Party Administration of Disability Compensation Program		Page of Pages 1 80	
2. Contract Number	3. Solicitation Number DCRK-2008-R-0042	4. Type of Solicitation <input type="checkbox"/> Sealed Bid (IFB) <input checked="" type="checkbox"/> Sealed Proposals (RFP) <input type="checkbox"/> Sole Source <input type="checkbox"/> Human Care Agreements <input type="checkbox"/> Emergency	5. Date Issued 4/22/2008	6. Type of Market <input type="checkbox"/> Open <input type="checkbox"/> Set Aside <input checked="" type="checkbox"/> Open with Sub-Contracting Set Aside	
7. Issued By: Office of Contracting and Procurement 441 4th Street, NW, Suite 700S Washington, DC 20001		8. Address Offer to: Office of Contracting and Procurement 441 4th Street, NW, Suite 700S Washington, DC 20001			

NOTE: In sealed bid solicitations "offer" and offeror" means "bid" and "bidder"

SOLICITATION

9. Sealed offers in original and _____ copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if hand carried to the bid counter located at _____ 441 4th Street, NW, Suite 703S _____ until _____ 2:00 PM _____ local time _____ 22-May-08 _____ (Hour) _____ (Date)

CAUTION: Late Submissions, Modifications and Withdrawals: See 27 DCMR chapters 15 & 16 as applicable. All offers are subject to all terms & conditions contained in this solicitation.

10. For Information Contact	A. Name Adele Smith	B. Telephone			C. E-mail Address
		(Area Code) 202	(Number) 724	(Ext) 4980	adele.smith@dc.gov

11. Table of Contents

(X)	Section	Description	Page No.	(X)	Section	Description	Page No.
PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES			
X	A	Solicitation/Contract Form	1	X	I	Contract Clauses	53
X	B	Supplies or Services and Price/Cost	2	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS			
X	C	Specifications/Work Statement	7	X	J	List of Attachments	61
x	D	Packaging and Marking	31	PART IV - REPRESENTATIONS AND INSTRUCTIONS			
X	E	Inspection and Acceptance	32	X	K	Representations, certifications and other statements of offerors	62
X	F	Deliveries or Performance	33				
X	G	Contract Administration Data	37	X	L	Instructions, conditions & notices to offerors	65
X	H	Special Contract Requirements	42	X	M	Evaluation factors for award	74

OFFER

12. In compliance with the above, the undersigned agrees, if this offer is accepted within _____ 120 _____ calendar days from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified herein.

13. Discount for Prompt Payment 10 Calendar days % 20 Calendar days % 30 Calendar days % _____ Calendar days %

14. Acknowledgement of Amendments (The offeror acknowledges receipt of amendments to the SOLICITATION):	Amendment Number	Date	Amendment Number	Date

15A. Name and Address of Offeror	16. Name and Title of Person Authorized to Sign Offer/Contract		
15B. Telephone (Area Code) (Number) (Ext)	15 C. Check if remittance address is different from above - Refer to Section G <input type="checkbox"/>	17. Signature	18. Offer Date

AWARD (TO BE COMPLETED BY GOVERNMENT)

SECTION B – DESCRIPTION OF SUPPLIES OR SERVICES AND PRICES

B.1 SUMMARY OF SUPPLIES OR SERVICES

B.1.1 The District of Columbia Government, Office of Contracting and Procurement (OCP), on behalf of the Office of Risk Management (DCORM) seeks a Contractor to provide Third Party Claims Administration (TPA) and related services for the District’s Self-Insured Worker’s Compensation Program (currently known as Disability Compensation Program (DCP), which covers approximately 33,378 employees.

B.1.2 The District contemplates award of a fixed price contract, with performance incentives and disincentives with a three-year base period and two (2) one-year option periods.

B.1.3 The Contractor must be fully operational on or before 90 calendar days following contract award. (See Section C.5.2 for Transition Activities.)

B.2 PRICE SCHEDULE

B.2.1 The term “baseline payment” is the amount of money the District will pay the Contractor if the Contractor meets the performance measure standards listed in Section C.6, before the application of the incentives or disincentives, as described in Section B.3.

B.2.2 The price for CLINs 0002, 1002 and 2002 includes all fees associated with providing Third Party Administration Services as outlined in Section C, including medical bill review and Preferred Provider Organization (PPO) re-pricing, but excluding “allocated loss adjustment expenses”. Allocated loss adjustment expenses include all fees that are charged at actual cost and paid by the District directly to providers on a claim by claim basis such as private investigation fees, expert witness fees, field nurse case management, vocational services, court costs, copy fees, appraisers, cost of engaging experts, defense costs and additional medical exams. The District will deduct, from the established reserve for each claim, the fees for the allocated loss adjustment expenses in accordance with Section C.5.17.

B.2.3 BASE PERIOD (Contract award through three (3) years thereafter)

The District will pay the Contractor for the full amount of transition services (CLIN 0001) upon completion of transition services. For CLIN 0002, the District will pay the Contractor equal monthly installments including any incentives or disincentives outlined in Section B.3 below.

			Year 1	Year 2	Year 3	Total
Contract Line Item Number (CLIN)	Description of Service	Quantity	Price	Price	Price	Price
0001	Complete Transition Services as set forth in Section C.5.2. (Date of award through 90 days thereafter)	1 Job				
0002	Operation of the District's Self-Insured Disability Program as set forth in Sections C.5.3 through C.6. (Beginning after 90 day transition period)	1 Job				
MONTHLY BASELINE PAYMENT (Remaining 9 months of first year, year 2 and year 3, respectively)						
TOTAL BASE PERIOD						

B.2.5 OPTION YEAR 1

For CLIN 1002, the District will pay the Contractor equal monthly installments including any incentives or disincentives outlined in Section B.3 below.

Contract Line Item Number (CLIN)	Description of Service	Quantity	Price
1002	Operation of the District's Self-Insured Disability Compensation Program as set forth in Sections C.5.3 through C.6.	1 Job	

B.2.6 OPTION YEAR 2

For CLIN 2002, the District will pay the Contractor equal monthly installments including any incentives or disincentives outlined in Section B.3 below.

Contract Line Item Number (CLIN)	Description of Service	Quantity	Price
2002	Operation of the District's Self-Insured Disability Compensation Program as set forth in Sections C.5.3 through C.6	1 Job	

B.2.7 PRICE SUMMARY

Contract Period	Total
Base Period (3 years)	
Option Year 1	
Option Year 2	
Contract Total (5 years)	

B.3 PERFORMANCE-BASED INCENTIVES AND DISINCENTIVES

- B.3.1** This contract incorporates incentives as well as disincentives. Monthly payments, for CLINs other than for CLIN 0001, under this contract shall be based on the extent that the Contractor meets, fails to meet, or exceeds the Acceptable Quality Level for the performance standards, as specified in Section C.6 herein.
- B.3.2** At the end of every consecutive three (3) months or calendar quarter, personnel from DCORM will conduct a retrospective performance audit of a random sample of claims. The audit will commence within ten (10) business days of the end of the quarter and conclude in no more than ten (10) business days thereafter. The District will use the results of this audit to determine the extent to which the Contractor earns either an incentive or disincentive.
- B.3.2.1** The District will draw a sample of claims for the quarterly Performance Audit from claims processed by the Contractor randomly.
- B.3.2.2** The Performance Audit will test the Contractor's compliance with 7 (seven) Performance Measures and determine if the Contractor meets, fails to meet, or exceeds the associated Performance Standards (as described in Section C.6). Based on the results of this audit, the District will either increase or decrease the Contractor's next monthly payment to reflect the previous 3 month period's performance in accordance with Section G.4.
- B.3.2.2.1** If the Contractor earns a Composite Audit Score (as defined in Section C.3.7) of at least 85% the District will pay the Contractor its full monthly baseline payment.
- B.3.2.2.2** If the Contractor earns a Composite Audit Score of less than 85% the District will reduce the Contractor's monthly baseline payment by 10%.
- B.3.2.2.2.1** If the Contractor achieves a Composite Audit Score of less than 85% for 2 consecutive quarters, the District may consider the Contractor to be subject to default in accordance with Section 8 of the Standard Contract Provisions.
- B.3.2.2.2.2** In the event the District determines that the Contractor's performance is deficient, it retains the right to avail itself of any and all remedies allowed by statute, applicable regulations and procurement procedures.
- B.3.2.2.3** If the Contractor earns a Composite Audit Score of more than 90% the District will increase the Contractor's monthly baseline payment by 10%.
- B.3.3** Following the completion of each quarterly Performance Audit and determination of any payment reduction, the Contracting Officer's

Third Party Administration Services for Disability Compensation Program

Technical Representative (COTR) will de-brief the Contractor as to its overall performance during the audited contract period.

SECTION C – PERFORMANCE WORK STATEMENT

C.1 SCOPE

C.1.1 The District of Columbia Government, Office of Contracting and Procurement (OCP), on behalf of the Office of Risk Management (DCORM), (the District) seeks the services of a qualified contractor to operate the District’s Self-Insured Worker’s Compensation Program (currently known as Disability Compensation Program (DCP)).

C.1.2 The overall objective of this procurement is to enter into a contract with a Third Party Claims Administrator (TPA), with proven expertise in disability compensation claims administration, to provide timely and appropriate service and payments to eligible District employees. Necessary payments will be made in accordance with Title XXIII of the District of Columbia Government Comprehensive Merit Personnel Act of 1978 as amended, D.C. Code Sec 1-623.01 *et. seq.*, the District Personnel Manual and all applicable rules and regulations.

C.1.3 The TPA shall be responsible for medical management, field nurse case management, vocational rehabilitation services, additional medical examinations, and utilization reviews. The District does not contemplate the utilization of loss control services.

C.2 APPLICABLE DOCUMENTS

The Contractor shall provide services in accordance with the most recent versions and future revisions to all federal and District laws, regulations, policies, and subsequent amendments regarding the operation of DCP. The documents relevant to the Contract and their location are identified in the table below.

Item No.	Title	Location
1	District of Columbia Government Comprehensive Merit Personnel Act of 1978 as amended, D.C. Official Code Sec.1-623.01 <i>et. seq.</i>	http://dcode.westgroup.com

2	Police and Firefighters Disability, 5 U.S.C. § 6324, D.C. Official Code 5-707 (2001, 2003 Supp.)	http://dcode.westgroup.com
3	Health Insurance and Accountability Act (HIPAA) of 1996	www.cms.hhs.gov/HIPAAgenInfo/Downloads/HIPAALaw.pdf

C.3 **DEFINITIONS**

The terms listed in C.3.1 through C.3.36 are defined as follows when used in the contract:

- C.3.1** **Activity Checks and Surveillance** – Investigation and video surveillance of any D.C. government employee enrolled in the DCP to determine their current activities and work status.
- C.3.2** **Additional Medical Examination (AME)** – An examination obtained by the Disability Compensation Program, other than a medical examination obtained from the treating physician. It replaces the term “Independent Medical Examination” or “IME” because all health care professionals who provide services to injured employees in connection with the Disability Compensation Program are paid for by the Program. These professionals are required to exercise and display professional, independent medical judgment at all times. An AME includes a brief review of the patient history and treatment to date and a physical examination of the employee. The purpose of the examination is to assist the physician in making a medical determination as to causation of the injury, current physical impairment, and the necessity of current and future treatment.
- C.3.3** **Administrative** - Of or relating to the act or process of administering; performance of executive duties; management; to manage or supervise the execution, use, or conduct of.
- C.3.4** **Case Management** – The process of proactively monitoring a claim while it remains open. This process includes but is not limited to the initial investigation to determine compensability, ongoing medical case management, i.e., following up with the doctors’ for current medical reports and disability status and an aggressive plan of action to bring the

Third Party Administration Services for Disability Compensation Program

file to conclusion. Other factual evidence leading to a determination of eligibility for benefits and of claim status.

- C.3.5 Claims Adjuster** – A person with insurance training or training in handling workers' compensation claims, who investigates and processes claims filed by injured workers. Also may be referred to as a claims examiner.
- C.3.6 Claims Division** – The Division within DCORM responsible for the oversight, supervision and administration of the Disability Compensation Program (DCP).
- C.3.7 Composite Audit Score** – (See Attachment J.1.6 for Contractor's Performance Evaluation Report to be used in evaluating the Contractor's performance on a quarterly basis.)
- C.3.8 Continuation of Pay (COP)** – Administrative leave (not charged to the Disability Compensation Program) granted an employee if a traumatic injury results in loss of work: 21 days for employees hired after 1987; 45 days for employees hired before 1987.
- C.3.9 Diary/Plan of Action** - A chronological record or journal of all events, actions, or observations kept daily or at frequent intervals as they occur, together with a detailed formulation of a prospective program of action and goals; an organization tool used to help the Claims Adjuster manage and review all files on their pending. All files should be placed on the adjuster's diary to be reviewed no less than every 30-60 days.
- C.3.10 Disability Compensation Program (DCP)** – The comprehensive, statutorily-mandated program that defines the coverage, benefits, and requirements of the workers compensation program for District government employees, for which the District is self-insured. The DCP includes awards of compensation benefits and coverage of appropriate medical treatment.
- C.3.11 Information Systems** – Computer technology to deal more effectively with quantitative data. Its purpose is to reduce the uncertainty associated with the unpredictability of accidental losses. The database consists of loss data, exposure data, legal data, financial data, risk control data and risk financing data.
- C.3.12 Investigations** - To track, examine; to observe or study by close examination and systematic inquiry into all relevant facts; to conduct an official inquiry. Three (3) point 24 hour contact: claimant contacted for all facts of accident, treatment and current status, supervisor or someone in authority at the agency for all facts related to the accident, witnesses and any information material to the claim, and medical provider or medical report within 24 hours or one (1) business day of assignment to determine

diagnosis, treatment, prognosis and expected return to work, written compensability decision within 21 days or controverted notice and documented reason for all decisions.

- C.3.13 Leave Buy Back** – The optional repurchasing of leave used by a claimant while a decision on an accepted claim was pending.
- C.3.14 Litigation Support** - Assistance to the Office of the Attorney General for the District of Columbia (OAG) or other designated counsel and the D.C. Office of Risk Management when a lawsuit is brought against the Disability Compensation Program. This shall include, but not be limited, to providing all records, documents, surveillance videotape, audiotape, review of court filings, in order to substantiate OAG and DCORM’s case.
- C.3.15 Lost Time** – The period in which an injured worker is unable to work.
- C.3.16 Medical Management** – The ongoing process of closely monitoring the treating physician’s diagnosis, recommendation for treatment, disability status and return to work projection.
- C.3.17 Notice of Determination 1 (NOD 1)** - A written notice to the claimant advising him or her that their benefits are being denied, terminated, reduced or suspended. It sets forth the rationale for the adjuster’s determination, that is, a full and complete narrative summarizing the basis for the eligibility determination. It is accompanied by key documents and materials relied upon in rendering the determination. It also sets forth the request for reconsideration and appeal processes, and allows for the continuation of payments or medical benefits while a timely-filed reconsideration is pending.
- C.3.18 Notice of Determination 2 (NOD 2)** - A written notice to the claimant advising him or her that their benefits are being denied, terminated, reduced or suspended, however, it does not provide for the extension of benefits while a request for reconsideration before the D.C. Office of Risk Management is pending.
- C.3.19 Office of Risk Management (DCORM)** – The Agency within the District of Columbia Government, responsible for the coordination and supervision of the Disability Compensation Program activities and operations for District government employees.
- C.3.20 Payment of Wage Replacement** - Compensation payments to an injured employee or his or her dependents. Depending on whether an injury is temporary, permanent, total or partial, the amount of compensation is determined according to a statutory schedule set forth in D.C. Official Code Section 1-623.01 et seq., and is a percentage of the injured employee’s bi-weekly pay at the time of the injury.

- C.3.21 Performance Audit** – The systematic application of appropriate procedures, to a set or sample of claims processed by the Contractor, to determine if the Contractor applied specified procedures, rules, or other attributes to the claims selected.
- C.3.22 Performance Quarter** – The three (3) month period from which a sample of the claims processed by the Contractor will be drawn for the Performance Audit.
- C.3.23 Plan of Action (POA)** – A detailed and concise outline in the file indicating a course of action to bring the file to resolution. The POA should be indicated on every diary review as well as being aggressively followed to bring the file to conclusion.
- C.3.24 Preferred Provider Organization** – The group of medical and ancillary service providers in a network with whom the Contractor has established a relationship.
- C.3.25 Reopen or Reestablish Case Files** - To reconsider a claimant’s eligibility based on newly-acquired facts or a recurrence of an injury. The process of reopening and investigating disability compensation claim that was subsequently closed.
- C.3.26 Reserves** – The amount of money allocated to an individual claim to cover expected future payments for that claim. To include the total exposure for lost wages, permanency, medical treatment and expenses during the life of the claim.
- C.3.27 Return to Work (RTW)** – Return of the employee to the duty or occupation which the employee was performing at the time of injury, or to other suitable gainful employment. This may entail restricted or full duty.
- C.3.28 Settlement** – Agreement of both parties on a set amount which the D.C. Office of Risk Management, and its counsel, approve. The settlement can be either a lump sum or a structured payment to conclusively resolve a claim.
- C.3.29 Subrogation** - A principle of law that enables the Disability Compensation Program, after paying a loss to its employee, to recover the amount of the loss from another party who is legally responsible for it. It is the assumption by the DCP of the employee’s legal right to collect a debt or damages from a third party.
- C.3.30 Three Point Contact** – 24-hour employee, employer/supervisor and healthcare provider contact evidenced and documented in file.

- C.3.31 Transition** – The period of time between the contract’s execution and (90) calendar days following the contract award in which contractor is to complete the requirements outlined in section C.5.2.
- C.3.32 Utilization Review** - Procedures used by medical practitioners and employers in evaluating the necessity, quality and appropriateness of medical care in disability compensation cases. These procedures also evaluate compliance with PPO physicians’ treatment, surgical care provided in inpatient and outpatient settings, and appropriateness of rehabilitation and vocational services. This includes hospital or other bill audits on all bills over \$10,000 and one hundred percent (100%) compliance with pre-surgery certifications on all cases in which surgery is either required or requested.
- C.3.33 Vendor** – An entity or individual that provides specialized medical services and/or equipment to disability compensation claimants of the Government of the District of Columbia.

C.4 BACKGROUND

- C.4.1** The District of Columbia Office of Risk Management (DCORM), Claims Division, is responsible for the oversight, supervision and administration of the Disability Compensation Program (DCP), which covers approximately 33,378 employees. The DCP is a comprehensive, statutorily mandated, self-insured disability compensation program applicable to District government employees. Its purpose is threefold:
- C.4.1.1** To award compensation benefits to injured workers covered by the statute, and to eligible survivors of employees whose cause of death was directly attributable to a work injury or occupational illness;
- C.4.1.2** To provide funding for appropriate medical treatment, including emergency medical care, after a District employee sustains an injury or an illness on the job; and
- C.4.1.3** To facilitate expeditious Return to Work for the claimants.

C.4.2 Claims Data

The claimant pool consists primarily of employees who live in the District of Columbia, Maryland and Virginia. However, there are Claimants living outside the District of Columbia Metropolitan area as well as out of the United States. There are currently 50 of these individuals. These claimants receive services in the areas or countries in which they reside.

- C.4.2.1** There are currently 1,408 open claims consisting of 1,268 indemnity and 140 medical only claims. Of these, there are 585 bi-weekly payroll cases. These are claims that have been accepted for compensation and medical

benefits. Roughly 70% of these cases require ongoing case management to determine the claimant's current medical condition and the entitlement to compensation and/or medical benefits. Less than 29% of these cases include permanently totally disabled claimants who require case management to assure timely periodic payments of compensation, the proper medical benefits or the provision of prostheses. The remaining 1% represents death benefits.

C.4.2.2 Historical claims information is provided below:

a. In FY 2006:

- 723 new lost time claims were reported
- 598 medical only claims reported

b. In FY 2007:

- 758 total open lost time claims
- 593 total open medical only claims

C.4.2.3 DCORM expects that in FY 2008 the number of cases will remain approximately the same. Historically, the majority of DCP cases have been traumatic injuries with a need for orthopedic, radiological and neurological evaluation and treatment. The following diagnoses are most common:

- Sprains/Strains
- Carpal tunnel syndrome
- Stress Claims

C.4.3 **Current Litigation**

There are 106 cases that are actively in litigation. The issues raised in Lightfoot involved alleged Due Process Violations with respect to the Termination, Modification and/or Suspension of Claimant's Benefits without proper notice. With the creation of Rules regarding the appropriate process for the Termination, Modification and/or Suspension of Benefits and the development of new forms and procedures as required by the Court, the District is no longer confronted with additional cases involving these issues. Lightfoot is still pending and at this juncture the Class must be redefined and Discovery has been initiated again.

Presently, the cases being brought to Hearing involve challenges involving reduction in the amount of disability compensation; termination of benefits based upon modification of condition and/or challenges to outright denials of coverage. The majority of cases are new, but there are still several claimants who continue to Appeal unfavorable decisions by the Administrative Law Judge's and the Compensation Review Board.

C.4.4 Employees Covered Under the DCP

The DCP covers District union and nonunion employees and non-uniformed employees of police, fire and EMS agencies. It does not currently cover uniformed Police, Firefighters and Emergency Medical Services personnel. If during the term of this contract, statutory changes are made to include the aforementioned uniformed personnel under the DCP; the Contractor shall be responsible for providing TPA services and related services for this group.

C.4.5 Additional historical data regarding the District's DCP is provided in Attachment J.1.3.

C.4.6 The current contractor has dedicated the following staff to the operation of the DCP:

- a. 2 – Claims Supervisors
- b. 1 – Operations Manager
- c. 2 – Account Executives
- d. 12- Claims Adjusters

C.5 REQUIREMENTS

C.5.1 The Contractor shall furnish all management, labor, supervision, transportation, equipment and materials necessary for the inclusive operation of the District of Columbia's Self-Insured Disability Compensation Program as a Third Party Claims Administrator for the Disability Compensation Program.

The Contractor shall have responsibility for performing the following three major functions:

- a. Function 1 – Transition (Section C.5.2)
- b. Function 2 – Ongoing Operations (Sections C.5.3 through C.6)
- c. Function 3 – Continuity of Services (Section I.9)

C.5.2 Transition

C.5.2.1 The Contractor shall ensure an orderly and controlled transition of existing claims data from the Sedgwick/CMI Juris system to Contractor's automated claims system without interruption of services. To facilitate the transition, the Contractor shall perform the requirements of C.5.2.1.1 through C.5.2.1.4 listed herein:

C.5.2.1.1 Develop and submit to the District for approval, a detailed transition plan within five (5) business days following contract execution.

- C.5.2.1.2** Assume and transfer all existing claims data from the current service provider during the 90-day transition period. Existing claims data is currently available in an electronic format with corresponding paper files where available.
- C.5.2.1.3** Immediately upon receipt of claim file, notify injured workers of the change in administration, and send copies of these notifications to treating physicians, attorneys, rehabilitation vendors, and pharmacies.
- C.5.2.1.4** Begin transition activities no later than 5 business days following contract execution (i.e., from the date a final contract document is signed by authorized District and Contractor officials). Transition requirements shall be complete on or before ninety (90) calendar days following contract award.
- C.5.2.2** During the transition, the Contractor shall establish an off-site location located within the District of Columbia.

C.5.3 Ongoing Operations

- C.5.3.1** The Contractor shall operate the Disability Compensation Program (DCP) with a dedicated staff at the DCORM Claims Office and at the Contractor's off-site location located in the District of Columbia, in accordance with the requirements listed in Sections C.5.4 through C.5.22.3. The Contractor's staffing plan shall include a sufficient number of qualified staff to perform the requirement in accordance with the Performance Measures and Standards contained in Section C.6. The dedicated staff shall include experienced claims adjusters at all levels as well as experienced supervisors.
- C.5.3.2** The Contractor shall provide the requirements on-site at DCORM except for the following services:
1. C.5.9 – Field Nurse Case Management;
 2. C.5.10 – Vocational Rehabilitation Services;
 3. C.5.11 – Additional Medical Examinations;
 4. C.5.12 – Utilization Review

C.5.4 Investigations

- C.5.4.1** The Contractor shall conduct all necessary investigations to substantiate initial and continuing eligibility for benefits and shall ensure against overpayments and fraud. The Contractor shall create and assign case file on the same day as received.
- C.5.4.2** Contractor investigations shall include consideration of severity of injury, potential extent of disability, questions of eligibility for compensation, verification that the accident or injury occurred on the job and opportunities for subrogation.

- C.5.4.1.2** The Contractor shall send written notification to claimant upon initial claim set up advising of claims adjuster, claim number, and contact phone number.
- C.5.4.3** Contractor investigations shall pertain to new, on-going and reopened claims. The Contractor shall contact interested parties, obtain statements and document the case file for all reopened claims within two business days of reopening of the claim file.
- C.5.4.4** The Contractor shall ensure that three-point 24-hour contact is completed on each new lost time claim or that reasonable attempts to complete the three-point 24-hour requirement is evidenced and documented in each file. Reasonable attempts shall mean three or more spaced telephone calls on the day of assignment and the day after. Unsuccessful attempts to contact the parties by phone shall be followed by a letter to that party advising that the adjuster shall speak to the party. Efforts of attempt to contact all three parties shall be included in the claim file notes. If after 14 calendar days of the initial attempt to complete the three-point contact, contact is not made, the Contractor shall send a notice of determination to the claimant controverting the claim. Three-point contact includes, but is not limited to, the requirements of C.5.4.4.1 through C.5.4.4.3 listed herein.
- C.5.4.4.1** **Employee** – to verify description of accident, medical/disability status with names of medical providers, job benefits and wage information obtain;
- C.5.4.4.2** **Employer/Supervisor** – to verify description of accident, in the course of and scope of employment, injury, disability status, return to work possibilities and any other pertinent information; and
- C.5.4.4.3** **Healthcare Provider** – to establish history of injury, diagnosis, prognosis, to confirm that work abilities are provided so that employee can return to work as quickly as medically possible.
- C.5.4.5** The Contractor shall document and include in the claim file, any contact and statements from witnesses to the claim.
- C.5.4.6** The Contractor shall investigate and pursue any indication or suspicion of a fraudulent claim.
- C.5.4.7** The Contractor shall take recorded statements from all parties involved in a loss when there are any questions regarding compensability of the claim.
- C.5.4.8** The Contractor shall confer with the COTR on the locations, units, results and recommended actions for all investigations and shall obtain prior, written approval for any allocated loss adjustment expenses.

Third Party Administration Services for Disability Compensation Program

- C.5.4.9** The Contractor shall provide index information on all cases to the ISO American Services Insurance Group (ISO) within fifteen (15) days of case receipt. The Contractor shall re-index each case every six (6) months until the case is closed and document all ISO reports in the case file.
- C.5.4.10** The Contractor investigations shall include, but are not limited to, copies of protocols that address special investigations.
- C.5.4.11** In the event such research indicates previous claim history, the Contractor shall investigate in accordance with the provisions of this section.
- C.5.5** **Payment of Wage Replacement**
- C.5.5.1** The Contractor shall issue a NOD 1 or NOD 2 compensability decision to each claimant and respective agency contact within twenty-one (21) days after a claim is filed, and shall provide in detail the reasons for such denial or deferrals, and appeal rights, or shall approve compensation pay to the claimant.
- C.5.5.2** The Contractor shall research past claims information and document all ISO reports, including former claims, if any, and injuries reported from those claims in the case file.
- C.5.5.3** The Contractor shall process all wage benefits and issue payments within five (5) calendar days of benefits due after the Continuation of Pay (COP) period ends.
- C.5.5.4** The Contractor shall investigate all claims, both medical and wage replacement, to determine compensability prior to any payment being authorized.
- C.5.6** **Subrogation**
- C.5.6.1** The Contractor shall investigate and pursue all cases involving possible third party recoveries.
- C.5.6.2** The Contractor shall notify the COTR of any cases involving potential subrogation and shall send letter notification of potential lien to all potential third party tort feasons.
- C.5.6.3** The Contractor shall document subrogation activities in the claim file and send updated lien letters. The Contractor may not compromise any liens without approval from the COTR.
- C.5.6.4** The Contractor shall ensure that preservation of evidence is maintained throughout the life of the claimant file.

Third Party Administration Services for Disability Compensation Program

- C.5.6.5** The Contractor shall preserve all physical evidence, including electronic evidence, photographs, videos, physical dimensions and conditions that may provide subrogation potential and address compensability issues.
- C.5.6.6** The Contractor shall provide the COTR and OAG with assistance in obtaining additional information, conducting investigations and providing litigation support.
- C.5.6.8** The Contractor shall notify the claimant and all involved parties of the notice of lien.
- C.5.6.9** The Contractor shall enter and maintain the injury and subrogation information, including clear and specific injury code data into the claims system.
- C.5.6.10** The Contractor shall follow up on the notice of lien with notice to claim file.

C.5.7 Activity Checks and Surveillance

- C.5.7.1** The Contractor shall hold annual face-to-face visits with both claimant and beneficiaries in fatal and total permanency cases and in temporary total disability (TTD) cases that are more than two years old.
- C.5.7.2** The Contractor shall determine when activity checks and surveillance are required and shall obtain approval, from the COTR, for activity checks and surveillance prior to initiation. The Contractor shall notify the COTR of activity checks and surveillance reports initiated and completed; and shall discuss them with the Contractor's designated claim personnel when there are indications of potential fraud, including any suspicious behavior as reported by the doctor, or when the medical information does not coincide with the claimant's reported activity.
- C.5.7.3** The Contractor shall ensure that all surveillance assignments are documented in writing.
- C.5.7.3.1** The Contractor shall provide the investigator with a description of the claimant, information related to the claimant, the reason for the request, the number of hours to work on the case and any other pertinent information to increase the potential for significant findings.

C.5.8 Medical Management

- C.5.8.1** The Contractor shall establish and maintain a panel of local preferred physicians, specialists, clinic and hospitals (orthopedic, neurology) for the DCORM's Disability Compensation Program (DCP) based on the District's population and type of claims.

Third Party Administration Services for Disability Compensation Program

- C.5.8.2** The Contractor shall maintain and provide a listing of Preferred Provider Organizations (PPO) to employees upon notification of injury or illness. IN addition, the Contractor shall provide access to its PPO network on its website. To the maximum extent possible, the Contractor shall include providers within its PPO to accommodate the District's 100 out-of-area benefits recipients. The Contractor shall customize its PPO Network, i.e. provide a District-specific PPO including the addition or deletion of specific providers to meet the needs of the District, upon request of the COTR.
- C.5.8.3** The Contractor shall expand, as the Contractor deems necessary or at the District's request, during the contract term, its network with providers to meet the District's requirements.
- C. 5.8.4** The Contractor shall maintain its PPO Directory on the Contractor's website with accessibility online 365 days a year, 7 days a week, 24 hours per day.
- C.5.8.5** The Contractor shall maintain a 1-800 Help Desk phone number to receive questions and provide panel network information in accordance to the District of Columbia business hours (8:15 am – 4:45 pm).
- C.5.8.6** The Contractor shall arrange and control in-network, out-of-network and out-of-area medical management services to include but not limited to prospective utilization approval and case management.
- C.5.8.7** The Contractor shall document in the file the evaluation of the quality and appropriateness of the medical treatment.
- C.5.8.8** The Contractor shall verify ongoing disability with supporting medical documentation.
- C.5.9 Onsite Nurse Case Management**
- C.5.9.1** The Contractor shall assign a Telephonic Nurse Case Manager TCM to all cases where lost time will exceed two weeks.
- C.5.9.2** The Contractor shall ensure that TCM makes contact with the claimant within one (1) business day of receipt of the assignment and shall contact the agency contact person within two (2) business days.
- C.5.9.3** The Contractor shall ensure that TCM is involved in medical coordination and determination of medical necessity and denial of medical care based on the appropriateness of medical services with required tracking and follow up. TCM shall be assigned on all cases where the injured worker does not return to work within the estimated length of disability for the injury or illness sustained.

- C.5.9.4** The Contractor shall ensure that TCM reports include action plans and are provided at 30 day intervals or sooner if there is a significant case development.
- C.5.9.5** The Contractor shall ensure that all TCM's are licensed nurses and accredited in a clinical setting and possess experience as a NCM in the state where they are performing case management.
- C.5.9.6** The Contractor shall ensure that the TCM and the claims adjuster document the case file notes electronically. TCMs shall document file notes for all cases on a monthly basis.
- C.5.9.7** Field Nurse Case Management
- C.5.9.8** The Contractor shall consider and make a recommendation to the COTR regarding assignment of services on each case where lost time exceeds four (4) months, or sooner if the nature of the injury dictates such consideration and recommendation. Contractor shall obtain written COTR approval for all recommended services prior to scheduling.
- C.5.10 Vocational Rehabilitation Services**
- C.5.10.1** The Contractor shall submit a request to the COTR and obtain written COTR approval for all recommended rehabilitation services prior to scheduling.
- C.5.10.2** The Contractor shall ensure that all vocational rehabilitation counselors utilized for this contract are licensed and accredited in the jurisdiction where they are performing vocational services and that each possesses experience in vocational rehabilitation or in a clinical setting.
- C.5.11 Additional Medical Examinations (AME)**
- C.5.11.1** The Contractor shall schedule additional medical examinations when one or more of the events listed in C.5.11.1.1 through C.5.11.1.5 occur:
- C.5.11.1.1** Diagnosis does not match claim, proposed disability duration is significantly longer than guidelines in the client service plan, and treatment does not match diagnosis;
- C.5.11.1.2** Claim management indicators are conflicting (in which case, the Contractor shall provide input to confirm the basis for continued eligibility under the Comprehensive Merit Personnel Act of 1978, as amended);
- C.5.11.1.3** Surgery is recommended;
- C.5.11.1.4** There is a question on the underlying opinion of the treating physician;

Third Party Administration Services for Disability Compensation Program

- C.5.11.1.5** The file indicates a reason to verify the consistency of treatment or that the care provided is appropriate, adequate and solely for the injury incurred in the performance of duty;
- C.5.11.2** The Contractor shall forward all requests for additional medical examination(s) to the physician in writing.
- C.5.11.3** The Contractor shall ensure that each request for additional medical examination(s) explain the reasons for the examination.
- C.5.11.4** The Contractor shall provide the physician providing the additional medical examination(s) with all medical records, including but not limited to, doctors notes, X-rays, diagnostics notes and reports at least seven (7) days prior to the exam (except in emergency situations).
- C.5.11.5** The Contractor shall contact the claimant prior to the additional medical examination and explain the process, confirm claimant's attendance and shall make any necessary travel arrangements.
- C.5.11.6** The Contractor shall document a missed appointment by a claimant, arrange a follow up appointment and contact the claimant by phone within one (1) business day of scheduling.
- C.5.11.7** The Contractor shall provide written follow up to claimant within seventy-two (72) hours of the contact concerning the need to cure the missed appointment and the new appointment date.
- C.5.12 Utilization Review**
- C.5.12.1** The Contractor shall provide cost management services to include but not limited to the items listed in C.5.12.1.1 through C.5.12.1.8 herein:
- C.5.12.1.1** Analysis of diagnosis based on objective findings;
- C.5.12.1.2** A quarterly savings report to be submitted to the COTR showing savings between submitted and re-priced medical charges;
- C.5.12.1.3** Hospital Medical Pre-Certification. The Contractor shall request pre-certification for all surgical intervention and treatment;
- C.5.12.1.4** Fee bill audits. The Contractor shall audit all in-hospital or out-patient bills or surgical procedures in excess of \$5,000.
- C.5.12.1.5** Fee schedule reduction;
- C.5.12.1.6** Adjustment of all medical bills to the fee schedule or "usual and customary" fees, (with a turnaround time of no greater than ten (10) consecutive days);

- C.5.12.1.7 PPO discounting; and
- C.5.12.1.8 Usual and customary review (UCR) to include a fee negotiation agreement with the treating physician, care provider and medical facility.
- C.5.12.2 The Contractor shall ensure all medical bills are reviewed for causality and relation to the injury.
- C.5.12.3 The Contractor shall provide the COTR in an electronic format, weekly pre-fund and supplemental pre-fund reports that include detail and summary information to support all invoices and estimates of amounts needed for wage replacement payments.
- C.5.12.4 The Contractor shall utilize, but shall not be limited to, the utilization of Presly Reed source, as the standard disability duration guideline.
- C.5.12.5 The Contractor shall document why subsequent treatment is required for the diagnosis listed in C.5.12.5.1 through C.5.12.5.5 herein:
 - C.5.12.5.1 Back pain (all ICD-9 codes);
 - C.5.12.5.2 Wrist pain (all ICD-9 codes);
 - C.5.12.5.3 Knee strain (all ICD-9 codes);
 - C.5.12.5.4 Ankle strains (all ICD-9 codes); and
 - C.5.12.5.5 Fractures (all ICD-9 codes).
- C.5.12.6 The Contractor shall establish and maintain a Utilization Review Program that has at a minimum the American Accreditation HealthCare Commission (URAC) certification. The Contractor shall provide a copy of the certification to the COTR within 60 days after the end of the transition period.
- C.5.13 **Return to Work (RTW)**
 - C.5.13.1 The Contractor shall ensure that the NCM is familiar with the District of Columbia job functions of the claimant and that this information is communicated to the treating physician.
 - C.5.13.2 The Contractor shall develop a RTW plan with a timeline recorded in the file within two (2) business days of receipt of a lost time case. The Contractor shall obtain written COTR approval for all RTW plans prior to initiation of the plan.
 - C.5.13.3 The Contractor shall meet weekly with the COTR to discuss all ongoing lost time cases to encourage RTW.

C.5.13.4 The Contractor shall pro-actively work with treating physicians to determine what employees can do, as well as to obtain objective work restrictions.

C.5.14 **Litigation Support**

C.5.14.1 The Contractor shall provide the COTR litigation support and shall cooperate in preparing for litigation involving fraud, false claims, and subrogation or coordination of benefits, including production of documents, making witnesses available and advising the OAG during litigation.

C.5.14.2 The Contractor shall prepare a copy of the file and shall include a detailed summary of the facts surrounding the disputed matter and the applicable code relied on in the denial.

C.5.14.3 The Contractor shall transmit file to COTR within five (5) days of request along with recommendations to the COTR regarding defense or payment.

C.5.14.4 The Contractor shall notify the COTR of dates and location of DCP hearings via e-mail within one (1) business day of receipt of the notice of hearing. This requirement also applies to (but is not limited to) mediations, settlement conferences, and subpoenas.

C.5.14.5 The Contractor shall communicate the outcomes of all hearings, meetings and conferences to the COTR via email within one (1) business day after the event and shall document the claim file with such outcomes.

C.5.15 **Payment of Claims**

C.5.15.1 The Contractor shall process claims paid to employees by the District in accordance with C.5.15.1.1 through C.5.15.1.5 listed herein:

C.5.15.1.1 Accurately calculate payment for employee compensation, including but not limited to verification of an employee's average wage from the appropriate District agency contact person and calculation of loss of wage benefits;

C.5.15.1.2 Verify the relationship of dependents for assigned payments (via birth certificates, guardianship or adoptions papers);

C.5.15.1.3 Submit for COTR review, weekly pre-fund report that includes both vendor and claimant payments every Wednesday of the preceding pay date;

C.5.15.1.4 Generate a pre-fund report on a weekly basis and transmit that report to the COTR for approval. Once approval is obtained, the Office of Risk Management funds the account. Once the account is funded the contractor shall issue the weekly checks. All wage checks should include itemization of benefit deductions; and

- C.5.15.1.5** Issue daily checks upon DCORM's authorization and provide direct deposit for those DCORM deem appropriate.
- C.5.15.1.6** The Contractor shall approve all medical and vendor bills for services utilizing the appropriate fee reduction methods and ensure that bills are paid within thirty (30) days of receipt.
- C.5.15.1.7** Notwithstanding COTR's approval to pay, immediately upon notification by the District, the Contractor shall reimburse the District for any incorrect, duplicate or erroneous payments caused by the Contractor's own error, negligence, employee fraud or theft.
- C.5.15.1.7.1** The Contractor shall document any overpayment immediately with specifics being given in writing to DCORM's Disability Compensation Manager. Any overpayment resulting from the Contractor's mismanagement or negligence will be the Contractor's responsibility. The Contractor shall have 60 days from the date of notification to DCORM to recoup the overpayment from the claimant. In the event that overpayments have not been collected from the claimant within the 60 days, the Contractor shall reimburse DCORM the full value of the overpayment within the next 30 days.
- C.5.16 Settlements**
- C.5.16.1** The Contractor shall consult with the COTR to have all proposed settlements approved.
- C.5.16.2** The Contractor shall identify claims with possible adverse liability and make recommendations for settlement as soon as the file review indicates within two (2) business days of known information.
- C.5.16.3** The Contractor shall send a written request for settlement authority to the COTR on all cases prior to initiation of settlement negotiations. The written request shall include at a minimum, the items listed in C.5.16.3.1 through C.5.16.3.11 herein:
- C.5.16.3.1** Claim number, Date of Injury (DOI), name job, years of service;
- C.5.16.3.2** Injury description;
- C.5.16.3.3** Objective findings;
- C.5.16.3.4** Lost-time weeks;
- C.5.16.3.5** Final diagnosis and prognosis;
- C.5.16.3.6** Current employment status;

- C.5.16.3.7 Attorney involvement;
 - C.5.16.3.8 PPD exposure amount;
 - C.5.16.3.9 Calculation/formula for settlement;
 - C.5.16.3.10 Financials for indemnity, medical and allocated loss expense (paid and reserved); and
 - C.5.16.3.11 Recovery potential of any subrogation.
- C.5.17 Reserves**
- C.5.17.1 The Contractor shall determine, on a probable ultimate cost basis, a reserve amount with the initial reserve set within fourteen (14) days of receipt of the claim.
 - C.5.17.2 The Contractor shall determine a reserve amount based on current medical diagnosis and other factual information, including disability duration guidelines and shall confirm the reserve accuracy at each diary review.
 - C.5.17.3 The Contractor shall avoid using "stepladder" or stair step reserving to meet the current expenditures on the claim and reserve to meet the probable or expected total cost of the claim based on current available information.
 - C.5.17.4 The Contractor shall notify the COTR in writing of any initial reserves or reserve adjustment greater than \$50,000.
- C.5.18 Diary/Plan of Action/File Management**
- C.5.18.1 The Contractor shall maintain a thirty (30) day diary on all files unless circumstances of the file development warrant extending the diary. In the event the diary is extended, the basis for the extension shall be clearly documented in the file notes. Under no circumstances shall diary reviews exceed ninety (90) days.
 - C.5.18.2 The Contractor shall review Temporary and Total Disability (TTD) files on a monthly basis.
 - C.5.18.3 The Contractor shall develop a plan of action in the file with a timeline that provides information on how the claim adjuster intends to move the claim to closure.
 - C.5.18.4 The Contractor shall ensure that the Claims Supervisor reviews and documents his or her activities to the claim file at the initial time of setup. The Contractor's Claim Supervisor shall review the file thirty days after setup.

- C.5.18.5** The Contractor shall clearly document any supervisory direction as a value-added contribution to the overall claim file. The claim file shall reflect supervisory guidance by direct memorandum or file entries in the case history on a continuing basis.
- C.5.18.6** The Contractor shall send written notification to claimant of reassignment of claims adjuster, to include name of new adjuster, claim number, and contact phone number.
- C.5.18.7** The Contractor shall obtain notarized income verification and continuing disability statements annually on all open cases where disability extends beyond one year.
- C.5.18.8** The Contractor shall document in the claim file all efforts at placing employees in positions in the District Government with reduced capacity or light duty restrictions prior to seeking retraining or vocational rehabilitation.
- C.5.18.9** The Contractor shall document in the case file determination of appropriateness of rehabilitation and vocational service.
- C.5.18.10** The Contractor shall include all required executed District claim forms in all files including all applicable attachments on NODs 1 and 2.
- C.5.18.11** The Contractor shall send all AME medical reports to the treating physician within five (5) business days of receipt.
- C.5.18.12** The Contractor shall document on appropriate NOD all continuation of compensation of payment determinations. A copy of the NOD shall be faxed the same day as the date the NOD was issued to DCORM with all reasons for the decision to be included in the NOD. Contractor shall submit evidence that all NODs were sent via certified, first-class mail.
- C.5.18.13** The Contractor shall maintain a 95% upheld rate of determinations through all levels of appeal.
- C.5.18.14** An initial file summary including compensability resolution, medical documentation, reserve justification and plan of action will be completed and documented in the case notes on all case files within thirty (30) days of receipt of the claim.
- C.5.18.15** The Contractor shall complete and document updated case analysis summaries no less than thirty (30) days after completion of the initial summary. These summaries shall include any and all information that relates to the direction and value of the case, plan of action and target date of completion and closure of the claim.

C.5.19 Reopen or Reestablish Case Files

C.5.19.1 The Contractor shall reopen, reconstruct or reestablish case files including the processing and adjudication of claims involving recurrences of disability.

C.5.19.2 The Contractor shall identify and reconstruct lost files.

C.5.20 Leave Buy-Back Requests

C.5.20.1 The Contractor shall calculate and confirm Leave Buy-Back requests for COTR authorization.

C.5.21 Communication/Reviews

C.5.21.1 The Contractor shall meet with the COTR monthly.

C.5.21.2 The Contractor shall make all files available to the COTR immediately upon request.

C.5.21.3 The Contractor shall respond within thirty (30) days of receipt of audit evaluations and shall review reports with answers to findings and a plan of action where indicated.

C.5.21.4 The Contractor shall notify the COTR within one (1) business day of any unforeseen problems that arise for which Contractor cannot determine an appropriate course for resolution.

C.5.21.5 The Contractor shall provide the COTR with detailed monthly claims summary reports sorted by agency, date of report with specific detail and criteria which includes at a minimum the following:

C.5.21.5.1 All open claims and claims closed during the month for each Agency and claims which had payment during the month; Comp and Medical Claims reported during the month; Claims re-opened during the month; Number of claims closed during the month; Current pending claims (lost time and medical); Claimant Name and Claim Number; Date of report of claim; Event Date; Body Parts; Cause; Injury; Status of Claim (open or close); Type; Days lost; Comp paid for each claim to date; Medical paid for each claim to date; Current reserves for Comp and Medical as of the end of the month; Total incurred (Comp Paid + Med Paid + Comp Reserve + Med Reserve); Total for agency; and a grand total.

C.5.22 Information Systems (IS)

C.5.22.1 The Contractor shall provide the COTR with 24 hour, 7 days a week access to claimants' files electronically via web-based or electronic linkage.

C.5.22.2 The Contractor shall have e-mail and voice mail capabilities for twenty (20) two-minute messages for adjusters and employees. The Contractor shall comply with the District-wide Customer Service Voice Mail and Telephone Standards. (Attachment J.1.5)

C.5.22.3 The prompt return of all calls is essential. The Contractor shall return calls from a claimant, OAG, DCORM within twenty-four (24) hours or the next business day. Under no circumstances, shall a call be returned in excess of twenty-four (24) hours or the next business day from date of receipt.

C.6 PERFORMANCE MEASURES AND STANDARDS

As noted in Section B.3, if the Contractor’s composite audit score, as defined in Section C.3.7, exceeds 90%, the Contractor will earn an incentive fee. If the Contractor earns a composite audit score of less than 85%, the District will reduce the contractor’s payment in accordance with Section G.4.

C.6.1 The District will use a random sample of case files to conduct the quarterly performance audits. The sample size will be 5% of the all open indemnity claims. The District will use the evaluation report similar to the one provided in Attachment J.1.6, which shows the performance measures and associated weights used to determine the Contractor’s composite audit score.

C.6.2 The District will evaluate the Contractor’s performance against the following performance measures/standards:

PERFORMANCE MEASURES AND STANDARDS	
Performance Measure	Performance Standard
1. Investigations	Case files created and assigned same day as received. (C.5.4.1) 3-Point 24 hour employees, employer and healthcare provider contact evidenced and documented on all lost time cases. Contact witness where applicable. (C.5.4.4) NOD notice issued within 21 days of initial case date. (C.5.5.1) Recorded statements obtained and file documented. (C.5.4.7) Initial Investigation (C.5.4.2) -Compensability determination made within 21 days Subrogation activities documented in the claim notes and

Third Party Administration Services for Disability Compensation Program

PERFORMANCE MEASURES AND STANDARDS	
Performance Measure	Performance Standard
	lien letters sent and updated (C.5.6.1)
2. Payment of Claims	Benefits accurately calculated and documented on all Files to include calculation workup and all related changes during the life of the claim. (C.5.15.1.1) All wage checks will include itemization of deductions, gross and net pay detail in the check stub. (C.5.15.1.4)
3. Medical Management	Ongoing Contact with physician or Nurse Case Manager. Evaluation of the quality and appropriateness of the medical treatment plan is to be documented in the file. (C.5.8.7 & 8) AME/Expert Addressed ME medical reports sent to treating physician within five (5) days of receipt. (C.15.18.11) RTW/Modified Duty plan developed and documented in file (C.5.13.2)
4. Reserves	Determine initial reserves within fourteen days of receipt of claim. (C.5.17.1) Avoidance of use of “stepladder” or stair step reserving to meet current reserves (C.5.17.3)
5. Claims Management	Stated Diary Date/Compliance - All open files should be on diary and reviewed as the case dictates, but at a minimum every 30 days. (C.5.18.1) Development of plan of action within thirty days of receipt of claim (C.5.18.3 and C.5.18.14) Maintenance of 95% upheld rate of determinations through all levels of appeal (C.5.18.13) Proactive handling of claims in accordance with C.5.18.6 through C.5.18.12 and C.5.18.15.
6. Litigation Management	Preparation of file copy including detailed summary of facts within 5 days of request of the COTR (C.5.14.1 through C.5.14.3) Notification of DCP hearings and outcomes with timeframes specified in C.5.14.4 and C.5.14.5.

Third Party Administration Services for Disability Compensation Program

PERFORMANCE MEASURES AND STANDARDS	
Performance Measure	Performance Standard
7. Supervision	Documented Claims Supervisor review of file at time of setup (C.5.18.4) Claims Supervisor performed 30 Day Review (C.5.18.4) Documented supervisory direction (C.5.18.5)

SECTION D - PACKAGING AND MARKING

This section is not applicable.

SECTION E - INSPECTION AND ACCEPTANCE

E.1 The inspection and acceptance requirements for the resultant contract shall be governed by clause number six (6), Inspection of Services, of the Government of the District of Columbia's Standard Contract Provisions for use with Supplies and Services Contracts, dated March 2007.

E.2 Quality Assurance

In addition to the results of its Quarterly Performance Audits, as specified in Section B.3.2, the District will continuously evaluate the Contractor's performance under this contract. District personnel will record all surveillance observations. When an observation indicates defective performance, the COTR will notify the contract manager or a representative at the site to initial the observance. The initialing of the observation does not necessarily constitute concurrence with the observation, only acknowledgement that he or she has been made aware of the defective performance. District surveillance of tasks not listed may occur during the performance period of this contract. Such surveillance will be done according to the standard inspection procedures or other contract provisions. Any action taken by the COTR as a result of surveillance will be according to the terms of this contract.

SECTION F - DELIVERIES OR PERFORMANCE

F.1 TERM OF CONTRACT

The base period of the contract shall be for a period of three (3) years from date of award specified on page one (1) of the contract.

F.2 OPTION TO EXTEND THE TERM OF THE CONTRACT

F.2.1 The District may extend the term of this contract for a period of two (2) – one year option periods, or successive fractions thereof, by written notice to the Contractor before the expiration of the contract; provided that the District will give the Contractor a preliminary written notice of its intent to extend at least thirty (30) days before the contract expires. The preliminary notice does not commit the District to an extension. The exercise of this option is subject to the availability of funds at the time of the exercise of this option. The Contractor may waive the thirty (30) day preliminary notice requirement by providing a written waiver to the Contracting Officer prior to expiration of the contract.

F.2.2 If the District exercises this option, the extended contract shall be considered to include this option provision.

F.2.3 The price for the option period shall be as specified in the contract.

F.2.4 The total duration of this contract, including the exercise of any options under this clause, shall not exceed five (5) years.

F.3 DELIVERABLES

The deliverables of this contract are set forth below:

F.3.1 The Contractor shall submit all deliverables to the Contracting Officer's Technical Representative (COTR) identified in Section G.10, D.C. Office of Risk Management, One Judiciary Square, 441 4th St. N.W. Suite 800 South, Washington, D.C. 20001, between the hours of 8:30 A.M. to 5:00 P.M., Monday through Friday, exclusive of holidays.

F.3.2 The Contractor shall prepare deliverables including, but not limited to, monthly reports and written findings in individual cases. The COTR reserves the right to reject any and all deliverables which, in the sole judgment of the COTR, do not adequately represent the intended level of completion or standard of performance, do not include all relevant information or data, or do not include all documents specified or reasonably necessary for the purposes for which the DCORM requires the deliverables. Partial or incomplete deliverables may be accepted for review only when required for a specific and well-defined purpose and when consented to in advance by the COTR. The COTR shall not consider

such deliverables as satisfying the specific submittal requirements as set forth herein. Partial or incomplete deliverables shall in no way relieve the Contractor of its contractual requirements and commitments. Each month the Contractor shall submit statistical, status, annual, final and other reports supported by internal and external documentation and as appropriate or requested, in the timeframe stated herein.

F.3.3 The Contractor shall provide the following deliverables:

CLIN	Deliverable	Quantity	Format/Method of Delivery	Due Date
0001	Transition Plan for COTR's approval as stated in Section C.5.2.1.1	1 Copy	Electronic Copy to COTR	5 days following contract execution
0002,1002, 2002	Activity checks and surveillance requests and reports as stated in Section C.5.7.2	1 Copy	Electronic Copy to COTR	Requests as required for a claim. Reports upon completion.
0002,1002, 2002	Recommendation regarding assignment of Field Nurse Case Management services as stated in Section C.5.9.8	1 Copy	Electronic Copy to COTR	Requests as required for a claim
0002,1002, 2002	Request for Rehabilitation Services as stated in Section C.5.10.1	1 Copy	Electronic Copy to COTR	Requests as required for a claim
0002,1002, 2002	Quarterly Savings Report as stated in Section C.5.12.1.2	1 Copy	Electronic and Hard Copy to COTR	Within 5 days after the end of each Quarter
0002,1002, 2002	Weekly Pre-Fund and Supplemental Pre-Fund Reports as stated in	1 Copy	Electronic and Hard Copy to COTR	Weekly – Every Tuesday by 10:00am

Third Party Administration Services for Disability Compensation Program

CLIN	Deliverable	Quantity	Format/Method of Delivery	Due Date
	Section C.5.12.3			
0002,1002, 2002	Utilization Review Program Certificate as stated in Section C.5.12.6	1 Copy	Hard Copy to COTR	Within 60 days after end of transition period
0002, 1002, 2002	Weekly Discussions with COTR as stated in Section C.5.13.3	n/a	Via Telephone	Weekly
0002, 1002, 2002	Claim file in support of litigation as stated in C.5.14.2 and C.5.14.3	1 Copy	Hard Copy	Within 5 days of request by COTR
0002, 1002, 2002	Notification of DCP hearings as stated in C.5.14.4	n/a	Via email	Within 1 business day of receipt of notice of hearing
0002, 1002, 2002	Outcome of hearings, meetings, and conferences as stated in C.5.14.5	n/a	Via email	Within 1 business day of event
0002, 1002, 2002	Weekly pre-fund report as stated in Sections C.5.15.1.3 and C.5.15.1.4	1 Copy	Electronic copy	Weekly – Wednesday of the preceding pay date
0002, 1002, 2002	Daily Checks as stated in Section C.5.15.1.5	1 Copy	Check or Direct Deposit	Upon receipt of authorization from COTR
0002, 1002, 2002	Settlement recommendations as stated in Section C.5.16.2	1 Copy	Electronic copy to COTR	Within 2 business days of known information
0002,1002, 2002	Written Request for Settlement Authority as stated in Section C.5.16.3	1 Copy	Electronic and Hard copy to COTR	As Needed

CLIN	Deliverable	Quantity	Format/Method of Delivery	Due Date
0002, 1002, 2002	Written Notice of reserves to COTR as stated in Section C.5.17.4	1 Copy	Electronic and Hardcopy to COTR	As Needed
0002, 1002, 2002	Monthly Meeting with COTR as stated in Section C.5.21.1	n/a	Face-to-Face	Within ten days after the beginning of each month
0002, 1002, 2002	Notification of unforeseen problems as stated in Section C.5.21.4	1 Copy	Electronic copy to COTR	Within one business day of any unforeseen problems
0002, 1002, 2002	Monthly Claims Summary Report as stated in Section C.5.21.5	1 Copy	Electronic and Hard Copy to COTR	Within five days after the beginning of each month
0002, 1002, 2002	Quality Control Program as described in Section H.7.1	1 Copy	Electronic and Hard Copy to COTR	Within thirty (30) days of contract award
0002, 1002, 2002	Quality Control Instructions and Actions taken as stated in Section H.7.1.3	1 Copy	Electronic and Hard Copy to COTR	As Needed

F.3.4 The Contractor shall submit to the District as a deliverable any reports that are required pursuant to H.6.5 of the 51% District Residents New Hires Requirements and First Source Employment Agreement. If the report is not submitted as part of the deliverables, the District will not make final payment to the Contractor.

SECTION G - CONTRACT ADMINISTRATION DATA

G.1 INVOICE PAYMENT

G.1.1 The District will make payments to the Contractor, upon the submission of proper invoices or vouchers, at the prices stipulated in this contract, for services performed and accepted, less any discounts, allowances or adjustments provided for in this contract.

G.1.2 Should the District reduce payment of an invoice to the Contractor, the District will provide a written notice to the Contractor of the reason for the adjustment.

G.1.3 The District will pay the Contractor on or before the 30th day after receiving a proper invoice from the Contractor.

G.1.4 Upon contract expiration or termination, the District will hold the Contractor's final monthly payment in order to assess any incentives or disincentives for the last quarter.

G.2 INVOICE SUBMITTAL

G.2.1 The Contractor shall submit proper invoices on a monthly basis as specified in Section G.4 of this contract. The Contractor shall submit proper invoices on a monthly basis or as otherwise specified in Section G.4. Invoices shall be prepared in duplicate and submitted to the agency Chief Financial Officer (CFO) with concurrent copies to the Contracting Officer's Technical Representative (COTR) specified in Section G.10 below. The address of the CFO is:

Office of Finance and Resource Management
Attention: Accounts Payable
441 4th Street, N.W., Suite 890N
Washington, D.C. 20001

G.2.2 To constitute a proper invoice, the contractor shall submit the following information:

G.2.2.1 Contractor's name, Federal tax I.D. number, and invoice date (contractors are encouraged to date invoices as close to the date of mailing or transmittal as possible.);

G.2.2.2 Contract number and Purchase Order number. Assignment of an invoice number by the contractor is also recommended;

G.2.2.3 Description, price, quantity and the date(s) that the services were actually performed.

- G.2.2.4 Other supporting documentation or information, as required by the Contracting Officer;
- G.2.2.5 Name, title, telephone number and complete mailing address of the responsible official to whom payment is to be sent;
- G.2.2.6 Name, title, phone number of person preparing the invoice;
- G.2.2.7 Name, title, phone number and mailing address of person (if different from the person identified in G.2.2.6 above to be notified in the event of a defective invoice); and
- G.2.2.8 Authorized signature

G.3 FIRST SOURCE AGREEMENT REQUEST FOR FINAL PAYMENT

- G.3.1 For contracts subject to the 51% District Residents New Hires Requirements and First Source Employment Agreement, final request for payment must be accompanied by the report or a waiver of compliance discussed in H.11.6.
- G.3.2 No final payment shall be made to the Contractor until the COTR has received the CO's final determination or approval of waiver of the Contractor's compliance with 51% District Resident's New Hires Requirements and First Source Employment Agreement.

G.4 METHOD OF PAYMENT

- G.4.1 The District will pay the Contractor for transition services (CLIN 0001) upon the completion of services and the baseline amount of compensation for CLIN 0002, 1002 and 2002 in monthly installments as outlined in Section B.2.
- G.4.2 The District will make incentive payments or deduct disincentive amounts from invoices on a quarterly basis, in accordance with Section B.3.

G.5 ASSIGNMENT OF CONTRACT PAYMENTS

- G.5.1 In accordance with 27 DCMR 3250, the Contractor may assign funds due or to become due as a result of the performance of this contract to a bank, trust company, or other financing institution.
- G.5.2 Any assignment shall cover all unpaid amounts payable under this contract, and shall not be made to more than one party.
- G.5.3 Notwithstanding an assignment of contract payments, the Contractor, not the assignee, is required to prepare invoices. Where such an assignment has been made, the original copy of the invoice must refer to the

assignment and must show that payment of the invoice is to be made directly to the assignee as follows:

Pursuant to the instrument of assignment dated _____,
make payment of this invoice to _____
(Name and address of assignee).

G.6 THE QUICK PAYMENT CLAUSE

G.6.1 Interest Penalties to Contractors

G.6.1.1 The District will pay interest penalties on amounts due to the Contractor under the Quick Payment Act, D.C. Official Code §2-221.01 et seq., for the period beginning on the day after the required payment date and ending on the date on which payment of the amount is made. Interest shall be calculated at the rate of 1% per month. No interest penalty shall be paid if payment for the completed delivery of the item of property or service is made on or before:

- a) the 3rd day after the required payment date for meat or a meat product;
- b) the 5th day after the required payment date for an agricultural commodity; or
- c) the 15th day after the required payment date for any other item.

G.6.1.2 Any amount of an interest penalty which remains unpaid at the end of any 30-day period shall be added to the principal amount of the debt and thereafter interest penalties shall accrue on the added amount.

G.6.2 Payments to Subcontractors

G.6.2.1 The Contractor must take one of the following actions within 7 days of receipt of any amount paid to the Contractor by the District for work performed by any subcontractor under a contract:

- a) Pay the subcontractor for the proportionate share of the total payment received from the District that is attributable to the subcontractor for work performed under the contract; or
- b) Notify the District and the subcontractor, in writing, of the Contractor's intention to withhold all or part of the subcontractor's payment and state the reason for the nonpayment.

G.6.2.2 The Contractor must pay any subcontractor or supplier interest penalties on amounts due to the subcontractor or supplier beginning on the day after the payment is due and ending on the date on which the payment is made. Interest shall be calculated at the rate of 1% per month. No interest penalty shall be paid on the following if payment for the completed delivery of the item of property or service is made on or before:

- a) the 3rd day after the required payment date for meat or a meat product;

- b) the 5th day after the required payment date for an agricultural commodity; or
- c) The 15th day after the required payment date for any other item.

G.6.2.3 Any amount of an interest penalty which remains unpaid by the Contractor at the end of any 30-day period shall be added to the principal amount of the debt to the subcontractor and thereafter interest penalties shall accrue on the added amount.

G.6.2.4 A dispute between the Contractor and subcontractor relating to the amounts or entitlement of a subcontractor to a payment or a late payment interest penalty under the Quick Payment Act does not constitute a dispute to which the District of Columbia is a party. The District of Columbia may not be interpleaded in any judicial or administrative proceeding involving such a dispute.

G.7 CONTRACTING OFFICER (CO)

Contracts may be entered into and signed on behalf of the District Government only by Contracting Officers. The address and telephone number of the Contracting Officer is:

Gena Johnson
Office of Contracting and Procurement
441 4th Street, NW
Suite 700S
Washington, D.C. 20001
(202) 727-0252

G.8 AUTHORIZED CHANGES BY THE CONTRACTING OFFICER

G.8.1 The Contracting Officer is the only person authorized to approve changes in any of the requirements of this contract.

G.8.2 The Contractor shall not comply with any order, directive or request that changes or modifies the requirements of this contract, unless issued in writing and signed by the Contracting Officer.

G.8.3 In the event the Contractor effects any change at the instruction or request of any person other than the Contracting Officer, the change will be considered to have been made without authority and no adjustment will be made in the contract price to cover any cost increase incurred as a result thereof.

G.9 CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR)

G.9.1 The COTR is responsible for general administration of the contract and advising the Contracting Officer as to the Contractor's compliance or

noncompliance with the contract. In addition, the COTR is responsible for the day-to-day monitoring and supervision of the contract, of ensuring that the work conforms to the requirements of this contract and such other responsibilities and authorities as may be specified in the contract. The COTR for this contract is:

Kelly Valentine
Director
D.C. Office of Risk Management
441 4th Street, N.W., Suite 800 South
Washington, D.C. 20001
202-727-8600

G.9.2 It is understood and agreed that the COTR shall not have the authority to make changes in the specifications/scope of work or terms and conditions of the contract.

G.9.3 Contractor may be held fully responsible for any changes not authorized in advance, in writing, by the Contracting Officer, may be denied compensation or other relief for any additional work performed that is not so authorized, and may also be required, at no additional cost to the District, to take all corrective action necessitated by reason of the unauthorized changes.

SECTION H - SPECIAL CONTRACT REQUIREMENTS

H.1 HIRING OF DISTRICT RESIDENTS AS APPRENTICES AND TRAINEES

H.1.1 For all new employment resulting from this contract or subcontracts hereto, as defined in Mayor's Order 83-265 and implementing instructions, the Contractor shall use its best efforts to comply with the following basic goal and objectives for utilization of bona fide residents of the District of Columbia in each project's labor force:

H.1.1.1 at least fifty-one (51) percent of apprentices and trainees employed shall be residents of the District of Columbia registered in programs approved by the District of Columbia Apprenticeship Council.

H.1.2 The Contractor shall negotiate an Employment Agreement with the DOES for jobs created as a result of this contract. The DOES shall be the Contractor's first source of referral for qualified applicants, trainees, and other workers in the implementation of employment goals contained in this clause.

H.2 DIVERSION, REASSIGNMENT, AND REPLACEMENT OF KEY PERSONNEL

The following positions are considered to be key personnel: Contract Manager, Claims Supervisor, Claims Manager, Senior Claims Adjusters and Nurse Case Managers. The key personnel specified in the contract are considered to be essential to the work being performed hereunder. Prior to diverting any of the specified key personnel for any reason, the Contractor shall, if possible, notify the Contracting Officer's Technical Representative (COTR) at least fourteen (14) calendar days in advance and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact upon the contract. Proposed substitutions of personnel shall be subject to prior review and approval of the COTR.

H.3 DEPARTMENT OF LABOR WAGE DETERMINATIONS

The Contractor shall be bound by the Wage Determination No. 2005-2103 (Revision 4, dated 7/5/07) issued by the U.S. Department of Labor in accordance with the Service Contract Act of 1965, as amended (41 U.S.C. 351 et seq., 358) and incorporated herein as Attachment J.2 of this contract. The Contractor shall be bound by the wage rates for the term of the Contract. If an option is exercised, the Contractor shall be bound by the applicable wage rate at the time of the option. If the option is exercised and the Contracting Officer for the option obtains a revised wage determination, that determination is applicable for the option periods; the Contractor may be entitled to an equitable adjustment.

H.4 AUDITS, RECORDS, AND RECORD RETENTION

H.4.1 At any time or times before final payment and three (3) years thereafter, the Contracting Officer may have the Contractor's invoices or vouchers and statements of cost audited. For cost reimbursement contracts, any payment may be reduced by amounts found by the Contracting Officer not to constitute allowable costs as adjusted for prior overpayment or underpayment. In the event that all payments have been made to the Contractor by the District Government and an overpayment is found, the Contractor shall reimburse the District for said overpayment within thirty (30) days after written notification.

H.4.2 The Contractor shall establish and maintain books, records, and documents (including electronic storage media) in accordance with generally accepted accounting principles and practices which sufficiently and properly reflect all revenues and expenditures of funds provided by the District under the contract.

H.4.3 The Contractor shall retain all records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to the contract for a period of five (5) years after termination of the contract, or if an audit has been initiated and audit findings have not been resolved at the end of five (5) years, the records shall be retained until resolution of the audit findings or any litigation which may be based on the terms of the contract.

H.4.4 The Contractor shall assure that these records shall be subject at all reasonable times to inspection, review, or audit by Federal, District, or other personnel duly authorized by the Contracting Officer.

H.4.5 Persons duly authorized by the Contracting Officer shall have full access to and the right to examine any of the Contractor's contract and related records and documents, regardless of the form in which kept, at all reasonable times for as long as records are retained.

H.4.6 The Contractor shall include these aforementioned audit and record keeping requirements in all approved subcontracts and assignments.

H.5 PUBLICITY

The Contractor shall at all times obtain the prior written approval from the Contracting Officer before it, any of its officers, agents, employees or subcontractor, either during or after expiration or termination of the contract make any statement, or issue any material, for publication through any medium of communication, bearing on the work performed or data collected under this contract.

H.6 CONFLICT OF INTEREST

H.6.1 No official or employee of the District of Columbia or the Federal Government who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of this contract shall, prior to the completion of the project, voluntarily acquire any personal interest, direct or indirect, in the contract or proposed contract. (DC Procurement Practices Act of 1985, D.C. Law 6-85, D.C. Official Code Section 2-310.01 (2001), and Chapter 18 of the DC Personnel Regulations).

H.6.2 The Contractor represents and covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Contractor further covenants not to employ any person having such known interests in the performance of the contract.

H.7 QUALITY CONTROL PROGRAM

The Contractor shall provide a Quality Control Program (QC) during the performance of this contract as set forth in Sections H.7.1 through H.7.1.3 herein.

H.7.1 The Contractor shall have a Quality Control Program (QC) that ensures that all requirements of the contract are provided as specified. The Contractor shall continuously improve the QC and document it in a loose-leaf format. A copy of the Contractor's QC Program shall be provided to the COTR within thirty (30) days following contract award. The QC Program shall include, but not be limited to the elements set forth in H.7.1.1, H.7.1.2, and H.7.1.3 below:

H.7.1.1 Written work instructions/procedures, processes to implement contractual obligations. The Contractor shall audit the preparation and maintenance of, and compliance with, instructions as a function of its Quality Control Program to assure compliance with or timely changes to instructions. The Contractor shall place the COTR on the document distribution list for all formalized changes to the Contractor's Quality Control Program. The COTR will request a corrective action plan in the event the COTR desires changes to the QC or determines that the Contractor is not in compliance with the QC as written.

H.7.1.2 A method of early detection and correction of assignable conditions adverse to the quality of service, to include analysis of corrective action records (including customer complaints) in order to determine causes of defects. This method will include providing timely written explanations/documentation of the correction of the defectiveness and correction of cause in response to the District's corrective request. The QC Program shall assure that records are complete and reliable. Reliable records are objective evidence of the existing or past quality of services.

H.7.1.3 Written work instructions in accordance with Section H.7.1.1 to implement quality trend analysis and documentation of management action taken as a result of quality data (including Contractor and District records, complaints and audit results).

H.8 DISTRICT RESPONSIBILITIES

The Government of the District of Columbia will have the following responsibilities during the performance of this contract as set forth in Sections H.8.1 through H.8.5 herein.

H.8.1 The District will provide the Contractor orientation on administrative procedures, program goals and practices related to activities of the DCORM.

H.8.2 The administration of the DCP will be under the direction of the DCORM. The COTR will approve the Contractor's plan for administration and delivery of services to claimants, including program documents, pamphlets, I.D. cards, and any changes in awards. The COTR will guide and assist the Contractor in the dissemination of information by the Contractor to inform claimants of the Program provisions. The COTR will conduct periodic customer satisfaction surveys to evaluate the services provided including quality of care, responsiveness to requests for services, and the accessibility of network providers. The COTR will audit all invoices for claim fees, allocated expenses, including managed care fees and charges, RMIS charges and any other costs or fees associated with this program. The COTR will conduct ongoing audits to ensure compliance

H.8.3 The District, through DCORM, will be responsible for coordinating any and all litigation requirements.

H.8.4 The District will approve weekly pre-fund reports submitted by the Contractor. In addition, the District will randomly audit Pre-Fund Reports to ensure Contractor accuracy.

H.8.5 The COTR will provide the Contractor with specific details to be included in the monthly claim summary report.

H.8.6 The District will issue checks to claimants and vendors on its check stock. The District will distribute the checks with the exception of those checks which are identified for the Contractor to be held by the Contractor for pick up by the claimant or vendor.

H.9 GOVERNMENT-FURNISHED PROPERTY

H.9.1 The District shall deliver to the Contractor, at the time and locations stated in this contract, the following supplies, materials and equipment listed below in the District's facility:

1. Claims Files (hard copies), Claims Database (electronically), District Government forms, and File Storage; and
2. Computers and access to office equipment including telecommunications, facsimile, copiers and scanners.

If property suitable for its intended use is not delivered to the Contractor, the Contracting Officer shall equitably adjust affected provisions of this contract in accordance with the Changes clause in the Standard Contract Provisions (Attachment J.1) when:

H.9.1.1 The Contractor submits a timely written request for an equitable adjustment; and

H.9.1.2 The facts warrant an equitable adjustment.

H.9.2 Title to Government-furnished property shall remain in the Government. The Contractor shall use the Government-furnished property only in connection with this contract. The Contractor shall maintain adequate property controls records in accordance with sound industrial practice and will make such records available for Government inspection at all reasonable times.

H.9.3 Upon delivery of Government-furnished property to the Contractor, the Contractor assumes the risk and responsibility for its loss or damage, except:

H.9.3.1 Reasonable wear and tear;

H.9.3.2 To the extent property is consumed in performing this contract; or

H.9.3.3 As otherwise provided for by the provision of this contract.

H.9.4 Upon completing this contract, the Contractor shall follow the instructions of the Contracting Officer regarding the disposition of all Government-furnished property not consumed in performing this contract or previously delivered to the Government. The Contractor shall prepare for shipment, deliver f.o.b. origin, or dispose of the Government-furnished property, as may be directed or authorized by the Contracting Officer. The net proceeds of any such disposal shall be credited to the contract price or shall be paid to the Government as directed by the Contracting Officer.

H.10 GOVERNMENT-FURNISHED FACILITY

The District will provide Government-Furnished Facility at One-Judiciary Square, 441 4th Street, N.W. Washington, D.C. in accordance with H.10.1 through H.10.6 below.

H.10.1 Work will be performed at the facility located at 441 4th Street, N.W., Washington, D.C. This facility will remain the property of the District.

H.10.2 The District Government reserves the right to inspect all areas of the facility at any given time. The Contractor shall not use the facility for commercial work unless otherwise directed or permitted in writing by the Contracting Officer.

H.10.3 The District Government shall also provide Government-owned equipment, materials, tools, manuals and furniture located in the DCORM. All equipment added during the term of the contract, and approved by the Government prior to acquisition, shall become the property of the Government. The physical facility, office and shop equipment provided to the Contractor for the term of the contract shall be returned to the Government upon completion of the contract in the same condition they were provided to the Contractor, except for normal wear and tear.

H.10.4 Between the date of contract award and the date the Contractor actually occupies the facility, the COTR and the Contractor shall take a complete physical inventory of office and shop equipment. The COTR and the Contractor shall repeat the inventory annually.

H.10.5 The District Government will supply gas, water, and electricity at no cost to the Contractor. The facility will include telephones. Only long-distance phone calls associated with the management of the Disability Compensation Program shall be included in the Contractor's price.

H.10.6 The physical facility will be maintained by the Government, including repairs, maintenance, and/or renovations, with the Contractor being responsible for informing the Government of degraded conditions and the need for replacement or renovations. The Contractor shall not hold the District of Columbia liable for injury to persons or property caused by fire, theft, resulting from the operation of heating, air conditioning, or lighting apparatus, falling plaster, steam, gas, electricity, water, rain, or dampness, which may leak from or through any part of the facility, or pipes, appliances or plumbing, unless the need for such repairs are reported to the Government.

H.11 51% DISTRICT RESIDENTS NEW HIRES REQUIREMENTS AND FIRST SOURCE EMPLOYMENT AGREEMENT

H.11.1 The Contractor shall comply with the First Source Employment Agreement Act of 1984, as amended, D.C. Official Code, sec. 2-219.01 *et seq.* (“First Source Act”).

H.11.2 The Contractor shall enter into and maintain, during the term of the contract, a First Source Employment Agreement, in which the contractor shall agree that:

- (1) The first source for finding employees to fill all jobs created in order to perform this contract shall be the Department of Employment Services (“DOES”); and
- (2) The first source for finding employees to fill any vacancy occurring in all jobs covered by the First Source Employment Agreement shall be the First Source Register.

H.11.3 The Contractor shall submit to DOES, no later than the 10th each month following execution of the contract, a First Source Agreement Contract Compliance Report (“contract compliance report”) verifying its compliance with the First Source Agreement for the preceding month. The contract compliance report for the contract shall include the:

- (1) Number of employees needed;
- (2) Number of current employees transferred;
- (3) Number of new job openings created;
- (4) Number of job openings listed with DOES;
- (5) Total number of all District residents hired for the reporting period and the cumulative total number of District residents hired; and
- (6) Total number of all employees hired for the reporting period and the cumulative total number of employees hired, including:
 - (a) Name;
 - (b) Social Security number;
 - (c) Job title;
 - (d) Hire date;
 - (e) Residence; and
 - (f) Referral source for all new hires.

H.11.4 If the contract amount is equal to or greater than \$100,000, the contractor agrees that 51% of the new employees hired for the contract shall be District residents.

H.11.5 With the submission of the contractor’s final request for payment from the District, the contractor shall:

Third Party Administration Services for Disability Compensation Program

- (1) Document in a report to the Contracting Officer its compliance with the section H.11.4 of this clause; or
- (2) Submit a request to the Contracting Officer for a waiver of compliance with section H.11.4 and include the following documentation:
 - (a) Material supporting a good faith effort to comply;
 - (b) Referrals provided by DOES and other referral sources;
 - (c) Advertisement of job openings listed with DOES and other referral sources; and
 - (d) Any documentation supporting the waiver request pursuant to section H.11.6.

H.11.6 The Contracting Officer may waive the provisions of section H.11.4 if the Contracting Officer finds that:

- (1) A good faith effort to comply is demonstrated by the contractor;
- (2) The contractor is located outside the Washington Standard Metropolitan Statistical Area and none of the contract work is performed inside the Washington Standard Metropolitan Statistical Area which includes the District of Columbia; the Virginia Cities of Alexandria, Falls Church, Manassas, Manassas Park, Fairfax, and Fredericksburg, the Virginia Counties of Fairfax, Arlington, Prince William, Loudoun, Stafford, Clarke, Warren, Fauquier, Culpeper, Spotsylvania, and King George; the Maryland Counties of Montgomery, Prince Georges, Charles, Frederick, and Calvert; and the West Virginia Counties of Berkeley and Jefferson.
- (3) The contractor enters into a special workforce development training or placement arrangement with DOES; or
- (4) DOES certifies that there are insufficient numbers of District residents in the labor market possessing the skills required by the positions created as a result of the contract.

H.11.7 Upon receipt of the contractor's final payment request and related documentation pursuant to sections H.11.5 and H.11.6, the Contracting Officer shall determine whether the Contractor is in compliance with section H.11.4 or whether a waiver of compliance pursuant to section H.11.6 is justified. If the Contracting Officer determines that the Contractor is in compliance, or that a waiver of compliance is justified, the Contracting Officer shall, within two business days of making the determination forward a copy of the determination to the COTR.

H.11.8 Willful breach of the First Source Employment Agreement, or failure to submit the report pursuant to section H.11.5, or deliberate submission of falsified data, may be enforced by the Contracting Officer through imposition of penalties, including monetary fines of 5% of the total amount of the direct and indirect labor costs of the contract. The

contractor shall make payment to DOES. The contractor may appeal to the D.C. Contract Appeals Board as provided in the contract any decision of the contracting officer pursuant to this section H.11.8.

H.11.9 The provisions of sections H.11.4 through H.11.8 do not apply to nonprofit organizations.

H.12 DEBARRED PROVIDER RESTRICTION

Contractor certifies, by signing this contract, that the Contractor, its principals, subcontractors, and all providers or suppliers rendering medical services or supplies pursuant to this contract are not presently excluded from participation in Medicare and State health care programs by the United States Department of Health and Human Services. Furthermore, the Contractor certifies that no services or supplies rendered during the course of this contract shall be provided or supplied by any individual or entity that has been excluded in said manner.

H.13 AMERICANS WITH DISABILITIES ACT OF 1990 (ADA)

During the performance of the contract, the Contractor and any of its subcontractors shall comply with the ADA. The ADA makes it unlawful to discriminate in employment against a qualified individual with a disability.

See 42 U.S.C. 12101 et seq.

H.14 SECTION 504 OF THE REHABILITATION ACT OF 1973, as amended.

During the performance of the contract, the Contractor and any of its subcontractors shall comply with Section 504 of the Rehabilitation Act of 1973, as amended. This Act prohibits discrimination against disabled people in federally funded program and activities. See 29 U.S.C. 794 et seq.

H.15 WAY TO WORK AMENDMENT ACT OF 2006

H.15.1 Except as described in H.15.8 below, the Contractor shall comply with Title I of the Way to Work Amendment Act of 2006, effective June 8, 2006 (D.C. Law 16-118, D.C. Official Code §2-220.01 *et seq.*) (“Living Wage Act of 2006”), for contracts for services in the amount of \$100,000 or more in a 12-month period.

H.15.2 The Contractor shall pay its employees and subcontractors who perform services under the contract no less than the current living wage published on the OCP website at www.ocp.dc.gov.

Third Party Administration Services for Disability Compensation Program

- H.15.3** The Contractor shall include in any subcontract for \$15,000 or more a provision requiring the subcontractor to pay its employees who perform services under the contract no less than the current living wage rate.
- H.15.4** The Department of Employment Services may adjust the living wage annually and the OCP will publish the current living wage rate on its website at www.ocp.dc.gov.
- H.15.5** The Contractor shall provide a copy of the Fact Sheet attached as J._ to each employee and subcontractor who performs services under the contract. The Contractor shall also post the Notice attached as J._ in a conspicuous place in its place of business. The Contractor shall include in any subcontract for \$15,000 or more a provision requiring the subcontractor to post the Notice in a conspicuous place in its place of business.
- H.15.6** The Contractor shall maintain its payroll records under the contract in the regular course of business for a period of at least three (3) years from the payroll date, and shall include this requirement in its subcontracts for \$15,000 or more under the contract.
- H.15.7** The payment of wages required under the Living Wage Act of 2006 shall be consistent with and subject to the provisions of D.C. Official Code §32-1301 *et seq.*
- H.15.8** The requirements of the Living Wage Act of 2006 do not apply to:
- (1) Contracts or other agreements that are subject to higher wage level determinations required by federal law;
 - (2) Existing and future collective bargaining agreements, provided, that the future collective bargaining agreement results in the employee being paid no less than the established living wage;
 - (3) Contracts for electricity, telephone, water, sewer or other services provided by a regulated utility;
 - (4) Contracts for services needed immediately to prevent or respond to a disaster or eminent threat to public health or safety declared by the Mayor;
 - (5) Contracts or other agreements that provide trainees with additional services including, but not limited to, case management and job readiness services; provided that the trainees do not replace employees subject to the Living Wage Act of 2006;
 - (6) An employee under 22 years of age employed during a school vacation period, or enrolled as a full-time student, as defined by the respective institution, who is in high school or at an accredited institution of higher education and who works less than 25 hours per week; provided that he or she does not replace employees subject to the Living Wage Act of 2006;
 - (7) Tenants or retail establishments that occupy property constructed or improved by receipt of government assistance from the District of Columbia; provided, that the tenant or retail establishment did not receive direct government assistance from the District;

Third Party Administration Services for Disability Compensation Program

(8) Employees of nonprofit organizations that employ not more than 50 individuals and qualify for taxation exemption pursuant to section 501(c)(3) of the Internal Revenue Code of 1954, approved August 16, 1954 (68A Stat. 163; 26 U.S.C. § 501(c)(3));

(9) Medicaid provider agreements for direct care services to Medicaid recipients, provided, that the direct care service is not provided through a home care agency, a community residence facility, or a group home for mentally retarded persons as those terms are defined in section 2 of the Health-Care and Community Residence

Facility, Hospice, and Home Care Licensure Act of 1983, effective February 24, 1984 (D.C. Law 5-48; D.C. Official Code § 44-501); and

(10) Contracts or other agreements between managed care organizations and the Health Care Safety Net Administration or the Medicaid Assistance Administration to provide health services.

H.15.9

The Mayor may exempt a contractor from the requirements of the Living Wage Act of 2006, subject to the approval of Council, in accordance with the provisions of Section 109 of the Living Wage Act of 2006.

SECTION I - CONTRACT CLAUSES

I.1 APPLICABILITY OF STANDARD CONTRACT PROVISIONS

The Standard Contract Provisions for use with District of Columbia Government Supplies and Services Contracts dated March 2007 (“SCP”), are incorporated as Attachment J.1.1.

I.2 CONTRACTS THAT CROSS FISCAL YEARS

Continuation of this contract beyond the fiscal year is contingent upon future fiscal appropriations. In accordance with Section F.1, Term of Contract, in the event of cancellation of the contract because of non-appropriation of funds for fiscal year 2010, 2011, 2012 and 2013. There shall be a cancellation ceiling of zero.

I.3 CONFIDENTIALITY OF INFORMATION

All information obtained by the Contractor relating to any employee or customer of the District shall be kept in absolute confidence and shall not be used by the Contractor in connection with any other matters, nor shall any such information be disclosed to any other person, firm, or corporation, in accordance with the District and Federal laws governing the confidentiality of records.

I.4 TIME

Time, if stated in a number of days, will include Saturdays, Sundays, and holidays, unless otherwise stated herein.

I.5 RESTRICTION ON DISCLOSURE AND USE OF DATA

Offerors who include in their proposal data that they do not want disclosed to the public or used by the District Government except for use in the procurement process shall:

1.5.1 Mark the title page with the following legend:

"This proposal includes data that shall not be disclosed outside the District Government and shall not be duplicated, used or disclosed in whole or in part for any purpose except for use in the procurement process.

1.5.2 If however, a contract is awarded to this Offeror as a result of or in connection with the submission of this data, the District Government shall have the right to duplicate, use, or disclose the data to the extent consistent with the District’s needs in the procurement process. This restriction does

Third Party Administration Services for Disability Compensation Program

not limit the District's rights to use, without restriction, information contained in this data if it is obtained from another source. The data subject to this restriction are contained in sheets (insert numbers or other identification of sheets)."

I.5.3 Mark each sheet of data it wishes to restrict with the following legend:

"Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal."

I.6 RIGHTS IN DATA

I.6.1 "Data," as used herein, means recorded information, regardless of form or the media on which it may be recorded. The term includes technical data including case records and computer software. The term does not include information incidental to contract administration, such as financial, administrative, cost or pricing, or management information.

I.6.2 The term "Technical Data", as used herein, means recorded information, regardless of form or characteristic, of a scientific or technical nature. It may, for example, document research, experimental, developmental or engineering work, or be usable or used to define a design or process or to procure, produce, support, maintain, or operate material. The data may be graphic or pictorial delineations in media such as drawings or photographs, text in specifications or related performance or design type documents or computer printouts. Examples of technical data include research and engineering data, engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog item identifications, and related information, and computer software documentation. Technical data does not include computer software or financial, administrative, cost and pricing, and management data or other information incidental to contract administration.

I.6.3 The term "Computer Software", as used herein means computer programs and computer databases. "Computer Programs", as used herein means a series of instructions or statements in a form acceptable to a computer, designed to cause the computer to execute an operation or operations. "Computer Programs" include operating systems, assemblers, compilers, interpreters, data management systems, utility programs, sort merge programs, and automated data processing equipment maintenance diagnostic programs, as well as applications programs such as payroll, inventory control and engineering analysis programs. Computer programs may be either machine-dependent or machine-independent, and may be general purpose in nature or designed to satisfy the requirements of a particular user.

I.6.4 The term "computer databases", as used herein, means a collection of data in a form capable of being processed and operated on by a computer.

- I.6.5** All data first produced in the performance of this Contract shall be the sole property of the District. The Contractor hereby acknowledges that all data, including, without limitation, computer program codes, produced by Contractor for the District under this Contract, are works made for hire and are the sole property of the District; but, to the extent any such data may not, by operation of law, be works made for hire, Contractor hereby transfers and assigns to the District the ownership of copyright in such works, whether published or unpublished. The Contractor agrees to give the District all assistance reasonably necessary to perfect such rights including, but not limited to, the works and supporting documentation and the execution of any instrument required to register copyrights. The Contractor agrees not to assert any rights in common law or in equity in such data. The Contractor shall not publish or reproduce such data in whole or in part or in any manner or form, or authorize others to do so, without written consent of the District until such time as the District may have released such data to the public.
- I.6.6** The District shall have restricted rights in data, including computer software and all accompanying documentation, manuals and instructional materials, listed or described in a license or agreement made a part of this contract, which the parties have agreed will be furnished with restricted rights, provided however, notwithstanding any contrary provision in any such license or agreement, such restricted rights shall include, as a minimum the right to:
- I.6.6.1** Use the computer software and all accompanying documentation and manuals or instructional materials with the computer for which or with which it was acquired, including use at any District installation to which the computer may be transferred by the District;
- I.6.6.2** Use the computer software and all accompanying documentation and manuals or instructional materials with a backup computer if the computer for which or with which it was acquired is inoperative;
- I.6.6.3** Copy computer programs for safekeeping (archives) or backup purposes; and
- I.6.6.4** Modify the computer software and all accompanying documentation and manuals or instructional materials, or combine it with other software, subject to the provision that the modified portions shall remain subject to these restrictions.
- I.6.7** The restricted rights set forth in section I.6.6 are of no effect unless
- (i) the data is marked by the Contractor with the following legend:

RESTRICTED RIGHTS LEGEND

Use, duplication, or disclosure is subject to restrictions stated in Contract No. _____
With _____ (Contractor's Name) and

- (ii) If the data is computer software, the related computer software documentation includes a prominent statement of the restrictions applicable to the computer software. The Contractor may not place any legend on the computer software indicating restrictions on the District's rights in such software unless the restrictions are set forth in a license or agreement made a part of the contract prior to the delivery date of the software. Failure of the Contractor to apply a restricted rights legend to such computer software shall relieve the District of liability with respect to such unmarked software.

I.6.8 In addition to the rights granted in Section I.6.6 above, the Contractor hereby grants to the District a nonexclusive, paid-up license throughout the world, of the same scope as restricted rights set forth in Section I.6.6 above, under any copyright owned by the Contractor, in any work of authorship prepared for or acquired by the District under this contract. Unless written approval of the contracting Officer is obtained, the Contractor shall not include in technical data or computer software prepared for or acquired by the District under this contract any works of authorship in which copyright is not owned by the Contractor without acquiring for the District any rights necessary to perfect a copyright license of the scope specified in the first sentence of this paragraph.

I.6.9 Whenever any data, including computer software, are to be obtained from a subcontractor under this contract, the Contractor shall use Section I.6 in the subcontract, without alteration, and no other clause shall be used to enlarge or diminish the District's or the Contractor's rights in that subcontractor data or computer software which is required for the District.

I.6.10 For all computer software furnished to the District with the rights specified in Section I.6.5, the Contractor shall furnish to the District, a copy of the source code with such rights of the scope specified in Section I.6.5. For all computer software furnished to the District with the restricted rights specified in Section I.6.6, the District, if the Contractor, either directly or through a successor or affiliate shall cease to provide the maintenance or warranty services provided the District under this contract or any paid-up maintenance agreement, or if Contractor should be declared bankrupt or insolvent by the court of competent jurisdiction, shall have the right to obtain, for its own and sole use only, a single copy of the then current version of the source code supplied under this contract, and a single copy of the documentation associated therewith, upon payment to

the person in control of the source code the reasonable cost of making each copy.

I.6.11 The Contractor shall indemnify and save and hold harmless the District, its officers, agents and employees acting within the scope of their official duties against any liability, including costs and expenses, (i) for violation of proprietary rights, copyrights, or rights of privacy, arising out of the publication, translation, reproduction, delivery, performance, use or disposition of any data furnished under this contract, or (ii) based upon any data furnished under this contract, or based upon libelous or other unlawful matter contained in such data.

I.6.12 Nothing contained in this clause shall imply a license to the District under any patent, or be construed as affecting the scope of any license or other right otherwise granted to the District under any patent.

I.6.13 Paragraphs I.6.6, I.6.7, I.6.8, I.6.11 and I.6.12 above are not applicable to material furnished to the Contractor by the District and incorporated in the work furnished under contract, provided that such incorporated material is identified by the Contractor at the time of delivery of such work.

I.7 OTHER CONTRACTORS

The Contractor shall not commit or permit any act that will interfere with the performance of work by another District Contractor or by any District employee.

I.8 SUBCONTRACTS

I.8.1 The Contractor hereunder shall not subcontract any of the Contractor's work or services to any subcontractor without the prior, written consent of the Contracting Officer. Any work or service so subcontracted shall be performed pursuant to a subcontract agreement, which the District shall have the right to review and approve prior to its execution to the Contractor. Any such subcontract shall specify that the Contractor and the subcontractor shall be subject to every provision of this contract. Notwithstanding any such subcontractor approved by the District, the Contractor shall remain liable to the District for all Contractor's work and services required hereunder.

I.8.2 The Contractor shall subcontract 35 % of the total dollar value of this contract with businesses certified by the Small and Local Business Opportunity Commission (SLBOC) or the Department of Small and Local Business Development (DSLBD), as applicable, as local business enterprises, disadvantaged business enterprises, resident-owned businesses, local business enterprises with their principal offices located in an enterprise zone, small business enterprises, or longtime resident businesses. The Contractor shall submit, to the Contracting Officer,

within 5 days of the contract award, a notarized statement detailing its final subcontracting plan. Once the plan is approved by the Contracting Officer, changes will only occur with the prior written approval of the Contracting Officer and the Director of DSLBD.

I.8.3 The Contractor shall submit to the COTR and the Contracting Officer a quarterly report of the payments made to its LSDBE subcontractor.

I.9 CONTINUITY OF SERVICES

I.9.1 The Contractor recognizes that the services provided under this contract are vital to the District of Columbia and must be continued without interruption and that, upon contract expiration or termination, a successor, either the District or another contractor, at the District's option, may continue to provide these services. To that end, the Contractor agrees to:

I.9.1.1 Furnish phase-out, phase-in (transition) training; and

I.9.1.2 Exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor.

I.9.2 The Contractor shall, upon the Contracting Officer's written notice:

I.9.2.1 Furnish phase-in, phase-out services for up to 90 days after this contract expires and

I.9.2.2 Negotiate in good faith a plan with a successor to determine the nature and extent of phase-in, phase-out services required. The plan shall specify a training program and a date for transferring responsibilities for each division of work described in the plan, and shall be subject to the Contracting Officer's approval.

I.9.3 The Contractor shall provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the services called for by this contract are maintained at the required level of proficiency.

I.9.4 The Contractor shall allow as many personnel as practicable to remain on the job to help the successor maintain the continuity and consistency of the services required by this contract. The Contractor also shall disclose necessary personnel records and allow the successor to conduct on-site interviews with these employees. If selected employees are agreeable to the change, the Contractor shall release them at a mutually agreeable date and negotiate transfer of their earned fringe benefits to the successor.

I.9.5 Only in accordance with a modification issued by the Contracting Officer, the Contractor shall be reimbursed for all reasonable phase-in, phase-out costs (i.e., costs incurred within the agreed period after contract expiration

that result from phase-in, phase-out operations) and a fee (profit) not to exceed a pro rata portion of the fee (profit) under this contract.

I.10 INSURANCE

The Contractor shall obtain and maintain, during the entire period of performance under this contract, the types of insurance specified below. The Contractor shall submit a certificate of insurance giving evidence of the required coverages prior to commencing work. All insurance shall be written with responsible companies licensed by the District of Columbia's Department of Insurance, Securities and Banking. The Contractor shall require all subcontractors to carry the insurance required herein, or Contractor may, at its option, provide the coverage for any or all subcontractors, and if so, the evidence of insurance submitted shall so stipulate. All insurance provided by the Contractor as required by this section, except comprehensive automobile liability insurance, shall set forth the District as an additional named insured. In no event shall work be performed until the required certificates of insurance have been furnished. The insurance shall provide for 30 days' prior written notice to be given to the District in the event coverage is substantially changed, canceled or non-renewed. If the insurance provided is not in compliance with all the requirements herein, the District maintains the right to stop work until proper evidence is provided. The District does not currently purchase workers' compensation excess insurance coverage.

- I.10.1 Commercial General Liability Insurance**, \$1,000,000 limits per occurrence, District added as an additional insured.
- I.10.2 Automobile Liability Insurance**, \$1,000,000 per occurrence combined single limit.
- I.10.3 Worker's Compensation Insurance** according to the statutes of the District of Columbia, including Employer's Liability, \$100,000 per accident for injury, \$100,000 per employee for disease, \$500,000 policy limit disease.
- I.10.4 Umbrella/ Excess Liability Insurance**, \$5,000,000 limits per occurrence.
- I.10.5 Professional Liability Insurance**, \$1,000,000 limits per claim (note: such insurance is typically called medical malpractice insurance for doctors, professional liability insurance for lawyers and nurses, and errors and omissions liability insurance for all other "professions" with a professional liability exposure).
- I.10.6 Employee Fidelity Bonding** – The Contractor shall ensure that every person who has access to, or control over, Disability Compensation Program funds is covered by a fidelity bond against loss resulting from employee dishonesty.
- I. 10.7 Employee Practices Liability Insurance**, \$1,000,000 per occurrence. (This coverage provides protection for an employer against claims made

by employees, former employees, or potential employees. It covers discrimination (age, sex, race, disability, etc.), wrongful termination of employment, sexual harassment, and other employment-related allegations. It covers the company, including its Directors and Officers.)

I.11 EQUAL EMPLOYMENT OPPORTUNITY

In accordance with the District of Columbia Administrative Issuance System, Mayor's Order 85-85, dated June 10, 1985, the forms for completion of the Equal Employment Opportunity Information Report are incorporated herein as Attachment J.2.2. An award cannot be made to any Offeror who has not satisfied the equal employment requirements as set forth by the Office of Local Business Development.

I.12 ORDER OF PRECEDENCE

Any inconsistency in this solicitation shall be resolved by giving precedence in the following order: the Supplies or Services and Price/Cost Section (Section B), Specifications/Work Statement (Section C), the Special Contract Requirements (Section H), the Contract Clauses (Section I), and the SCP.

I.13 CONTRACTS IN EXCESS OF \$1 MILLION DOLLARS

Any contract in excess of \$1,000,000 shall not be binding or give rise to any claim or demand against the District until approved by the Council of the District of Columbia and signed by the Contracting Officer.

I.14 MULTIYEAR CONTRACT TERMS

This is a multi-year (three-years) contract for services for which some of the funds would otherwise be available for obligation only within the fiscal year for which appropriated. If these funds are not made available for the continuation of the contract into a subsequent fiscal year, the contract shall be canceled or terminated. In accordance with D.C. Official Code §1-301.05a and 1-204.51(c), the Council of the District of Columbia must approve award of any contract that has obligations that extend beyond the fiscal year for which appropriated.

SECTION J - LIST OF ATTACHMENTS

J.1 ATTACHMENTS

- J.1.1** Standard Contract Provisions for Use with District of Columbia Supplies and Services Contracts, March 2007
- J.1.2** Wage Determination No. 2005-2103 (Revision No. 4, dated 7/5/07)
- J.1.3** Historical Data
- J.1.4** Employee Concentration
- J.1.5** District-wide Customer Service Telephone and Voice Mail Standards
- J.1.6** Contractor Performance Evaluation Report
- J.1.7** Actuarial Analysis
- J.1.8** Illustrative Examples of Application of Incentives and Disincentives

J.2 INCORPORATED ATTACHMENTS *(The following forms, located at www.ocp.dc.gov shall be completed and incorporated with the offer.)*

- J.2.1** E.E.O. Information and Mayor's Order 85-85
- J.2.2** Tax Certification Affidavit
- J.2.3** First Source Employment Agreement
- J.2.4** Cost/Price Data Package

SECTION K: REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS

K.1 AUTHORIZED NEGOTIATORS

The offeror represents that the following persons are authorized to negotiate on its behalf with the District in connection with this request for proposals: (list names, titles, and telephone numbers of the authorized negotiators).

K.2 TYPE OF BUSINESS ORGANIZATION

K.2.1 The offeror, by checking the applicable box, represents that

(a) It operates as:

a corporation incorporated under the laws of the State of:

- an individual,
 a partnership,
 a nonprofit organization, or
 a joint venture.

(b) If the offeror is a foreign entity, it operates as:

- an individual,
 a joint venture, or
 a corporation registered for business in _____
(Country)

K.3 CERTIFICATION AS TO COMPLIANCE WITH EQUAL OPPORTUNITY OBLIGATIONS

Mayor's Order 85-85, "Compliance with Equal Opportunity Obligations in Contracts", dated June 10, 1985 and the Office of Human Rights' regulations, Chapter 11, "Equal Employment Opportunity Requirements in Contracts", promulgated August 15, 1986 (4 DCMR Chapter 11, 33 DCR 4952) are included as a part of this solicitation and require the following certification for contracts subject to the order. Failure to complete the certification may result in rejection of the offeror for a contract subject to the order. I hereby certify that I am fully aware of the content of the Mayor's Order 85-85 and the Office of Human Rights' regulations, Chapter 11, and agree to comply with them in performance of this contract.

Offeror _____ Date _____

Name _____ Title _____

Signature _____

Offeror ____ has ____ has not participated in a previous contract or subcontract subject to the Mayor's Order 85-85. Offeror ____ has ____ has not filed all required compliance reports, and representations indicating submission of required reports signed by proposed subofferors. (The above representations need not be submitted in connection with contracts or subcontracts which are exempt from the Mayor's Order.)

K.4 BUY AMERICAN CERTIFICATION

The offeror hereby certifies that each end product, except the end products listed below, is a domestic end product (See Clause 23 of the SCP, "Buy American Act"), and that components of unknown origin are considered to have been mined, produced, or manufactured outside the United States.

_____ EXCLUDED END PRODUCTS
_____ COUNTRY OF ORIGIN

K.5 DISTRICT EMPLOYEES NOT TO BENEFIT CERTIFICATION

Each offeror shall check one of the following:

_____ No person listed in Clause 13 of the SCP, "District Employees Not To Benefit" will benefit from this contract.

_____ The following person(s) listed in Clause 13 may benefit from this contract. For each person listed, attach the affidavit required by Clause 13 of the SCP.

K.6 CERTIFICATION OF INDEPENDENT PRICE DETERMINATION

(a) Each signature of the offeror is considered to be a certification by the signatory that:

- 1) The prices in this contract have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any offeror or competitor relating to:
 - (i) those prices
 - (ii) the intention to submit a contract, or
 - (iii) the methods or factors used to calculate the prices in the contract.

- 2) The prices in this contract have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before contract opening unless otherwise required by law; and
 - 3) No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit a contract for the purpose of restricting competition.
- (b) Each signature on the offer is considered to be a certification by the signatory that the signatory:
- 1) Is the person in the offeror's organization responsible for determining the prices being offered in this contract, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or
 - 2) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above:

(insert full name of person(s) in the organization responsible for determining the prices offered in this Contract and the title of his or her position in the offeror's organization);

As an authorized agent, does certify that the principals named in subdivision (b)(2) have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

As an agent, has not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above.

- (c) If the offeror deletes or modifies subparagraph (a)(2) above, the offeror must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure.

K.7 TAX CERTIFICATION

Each offeror must submit with its offer, a sworn Tax Certification Affidavit, incorporated herein as Attachment J.2.2.

SECTION L: INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

L.1 CONTRACT AWARD

L.1.1 Most Advantageous to the District

The District intends to award *a single* contract resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation will be most advantageous to the District, cost or price, technical and other factors, specified elsewhere in this solicitation considered.

L.1.2 Initial Offers

The District may award contracts on the basis of initial offers received, without discussion. Therefore, each initial offer should contain the offeror's best terms from a standpoint of cost or price, technical and other factors.

L.2 PROPOSAL FORM, ORGANIZATION AND CONTENT

One original and *five (5)* copies of the written proposals shall be submitted in two parts, titled "Technical Proposal" and "Price Proposal". Proposals shall be typewritten in 12 point font size on 8.5" by 11" bond paper. Telephonic, telegraphic, and facsimile proposals will not be accepted. Each proposal shall be submitted in a sealed envelope conspicuously marked: "Proposal in Response to Solicitation No. DCRK-2008-R-0042".

Offerors are directed to the specific proposal evaluation criteria found in Section M of this solicitation, Evaluation Factors. The Offeror shall respond to each factor in a way that will allow the District to evaluate the Offeror's response. The Offeror shall submit information in a clear, concise, factual and logical manner providing a comprehensive description of program supplies and services delivery thereof. The information requested below for the technical proposal shall facilitate evaluation and best value source selection for all proposals. The technical proposal must contain sufficient detail to provide a clear and concise representation of the requirements in Section C and describe how the work will be accomplished in sufficient detail to permit the District to evaluate it in accordance with Section M, Evaluation Factors.

L.2.1 TECHNICAL PROPOSAL

L.2.1.1 Section 1 – Technical Approach: Offeror shall submit a detailed approach and technical plan to complete the transition within 90 days from contract award. The Offeror must provide a project management plan detailing its organizational structure and staffing plan to successfully provide the required services. The Offeror must demonstrate its ability to

meet the performance standards listed in the solicitation and provide a sample of its quality assurance plan. The Offeror shall submit its detail approach to the following service components:

- (a) Case Management
- (b) Claim File Management
- (c) Cost Containment
- (d) Litigation Management
- (e) Settlements
- (f) Nurse Case Management
- (g) Claims Management Information Systems
- (h) Claim Reporting Service

L.2.1.2 **Section 2 – Technical Expertise:** The Offeror shall detail its experience in the management and operation of a large-scale claims administration programs comparable to that required in the RFP. The Offeror shall provide a list of clients and a brief narrative regarding the services. The Offeror must provide appropriate documentation of staff credentials and include evidence of staff orientation and training. The Offeror shall also provide resumes for the key personnel listed in Sections H.1.2 and L.20.1.

L.2.1.3 **Section 3 – Past Performance:** The Offeror shall submit four (4) relevant references from current or prior clients for which the Offeror has provided disability compensation claims management services. References from other jurisdictions are preferable. Provide name, address, email, fax and telephone number of the references. Describe the services that are or have been provided, the period of time that services have been provided to the customer and the dollar amount of the contract.

L.2.1.4 **Section 4 – Attachments:** The offeror shall complete and provide in this section, the following documents and pertinent information:

- A. Solicitation, Offer and Award form;
- B. Attachments referenced in Sections K, H and M of this solicitation;
- C. Representations and certifications and other statements of the offeror in Section K shall be completed and signed; and
- D. Other pertinent information

L.2.2 PRICE PROPOSAL

This section shall be submitted under a separate cover titled **“Price Proposal.”**

L.2.2.1 The Offeror’s proposal shall complete Attachment B - Price Schedule which will outline the total price for the entire project, as set forth in the Statement of Work. Offeror shall include a firm fixed price for the project inclusive of all costs.

L.2.2.2 The Offeror shall complete and submit Attachment J.2.4 Cost/Price Data Package.

L.3 PROPOSAL SUBMISSION DATE AND TIME, AND LATE SUBMISSIONS, LATE MODIFICATIONS, WITHDRAWAL OR MODIFICATION OF PROPOSALS AND LATE PROPOSALS

L.3.1 Proposal Submission

Proposals must be submitted no later than 2:00 pm local time on Friday, May 22, 2008. Proposals, modifications to proposals, or requests for withdrawals that are received in the designated District office after the exact local time specified above, are "late" and shall be considered only if they are received before the award is made and one (1) or more of the following circumstances apply:

- (a) The proposal or modification was sent by registered or certified mail not later than the fifth (5th) day before the date specified for receipt of offers;
- (b) The proposal or modification was sent by mail and it is determined by the Contracting Officer that the late receipt at the location specified in the solicitation was caused by mishandling by the District, or
- (c) The proposal is the only proposal received.

L.3.2 Withdrawal or Modification of Proposals

An offeror may modify or withdraw its proposal upon written, telegraphic notice, or facsimile transmission if received at the location designated in the solicitation for submission of proposals, but not later than the closing date for receipt of proposals.

L.3.3 Postmarks

The only acceptable evidence to establish the date of a late proposal, late modification or late withdrawal sent either by registered or certified mail shall be a U.S. or Canadian Postal Service postmark on the wrapper or on the original receipt from the U.S. or Canadian Postal Service. If neither postmark shows a legible date, the proposal, modification or request for withdrawal shall be deemed to have been mailed late. When the postmark shows the date but not the hour, the time is presumed to be the last minute of the date shown. If no date is shown on the postmark, the proposal shall be considered late unless the offeror can furnish evidence from the postal authorities of timely mailing.

L.3.4 Late Modifications

A late modification of a successful proposal, which makes its terms more favorable to the District, shall be considered at any time it is received and may be accepted.

L.3.5 Late Proposals

A late proposal, late modification or late request for withdrawal of an offer that is not considered shall be held unopened, unless opened for identification, until after award and then retained with unsuccessful offers resulting from this solicitation.

L.4 EXPLANATION TO PROSPECTIVE OFFERORS

If a prospective offeror has any questions relative to this solicitation, the prospective offeror shall submit the question in writing to the contact person, identified on page one. The prospective offeror shall submit questions no later than **fourteen (14)** days prior to the closing date and time indicated for this solicitation. The District will not consider any questions received less than **fourteen (14)** days before the date set for submission of proposals. The District will furnish responses promptly to all other prospective offerors. An amendment to the solicitation will be issued if that information is necessary in submitting offers, or if the lack of it would be prejudicial to any other prospective offerors. Oral explanations or instructions given before the award of the contract will not be binding.

L.5 FAILURE TO SUBMIT OFFERS

Recipients of this solicitation not responding with an offer should not return this solicitation. Instead, they should advise the Contracting Officer by letter or postcard whether they want to receive future solicitations for similar requirements. It is also requested that such recipients advise the Contracting Officer of the reason for not submitting a proposal in response to this solicitation. If a recipient does not submit an offer and does not notify the Contracting Officer that future solicitations are desired, the recipient's name may be removed from the applicable mailing list.

L.6 RESTRICTION ON DISCLOSURE AND USE OF DATA

L.6.1 Offerors who include in their proposal data that they do not want disclosed to the public or used by the District except for use in the procurement process shall mark the title page with the following legend:

"This proposal includes data that shall not be disclosed outside the District and shall not be duplicated, used or disclosed in whole or in part for any purpose except for use in the procurement process.

If, however, a contract is awarded to this offeror as a result of or in connection with the submission of this data, the District will have the right to duplicate, use, or disclose the data to the extent consistent with the District's needs in the procurement process. This restriction does not limit the District's rights to use, without restriction, information contained in this proposal if it is obtained from

another source. The data subject to this restriction are contained in sheets (insert page numbers or other identification of sheets).”

L.6.2 Mark each sheet of data it wishes to restrict with the following legend:

“Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal.”

L.7 PROPOSALS WITH OPTION YEARS

The offeror shall include option year prices in its price/cost proposal. An offer may be determined to be unacceptable if it fails to include option year pricing.

L.8 PROPOSAL PROTESTS

Any actual or prospective offeror or contractor who is aggrieved in connection with the solicitation or award of a contract, must file with the D.C. Contract Appeals Board (Board) a protest no later than 10 business days after the basis of protest is known or should have been known, whichever is earlier. A protest based on alleged improprieties in a solicitation which are apparent at the time set for receipt of initial proposals shall be filed with the Board prior to the time set for receipt of initial proposals. In procurements in which proposals are requested, alleged improprieties which do not exist in the initial solicitation, but which are subsequently incorporated into the solicitation, must be protested no later than the next closing time for receipt of proposals following the incorporation. The protest shall be filed in writing, with the Contract Appeals Board, 717 14th Street, N.W., Suite 430, Washington, D.C. 20004. The aggrieved person shall also mail a copy of the protest to the Contracting Officer for the solicitation.

L.9 SIGNING OF OFFERS

The offeror shall sign the offer and print or type its name on the Solicitation, Offer and Award form of this solicitation. Offers signed by an agent shall be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the Contracting Officer.

L.10 UNNECESSARILY ELABORATE PROPOSALS

Unnecessarily elaborate brochures or other presentations beyond those sufficient to present a complete and effective response to this solicitation are not desired and may be construed as an indication of the offeror's lack of cost consciousness. Elaborate artwork, expensive paper and bindings, and expensive visual and other presentation aids are neither necessary nor desired.

L.11 RETENTION OF PROPOSALS

All proposal documents will be the property of the District and retained by the District, and therefore will not be returned to the offerors.

L.12 PROPOSAL COSTS

The District is not liable for any costs incurred by the offerors in submitting proposals in response to this solicitation.

L.13 ELECTRONIC COPY OF PROPOSALS FOR FREEDOM OF INFORMATION ACT REQUESTS

In addition to other proposal submission requirements, the offeror must submit an electronic copy of its proposal, redacted in accordance with any applicable exemptions from disclosure in D.C. Official Code § 2-534, in order for the District to comply with Section 2-536(b) that requires the District to make available electronically copies of records that must be made public. The District's policy is to release documents relating to District proposals following award of the contract, subject to applicable FOIA exemption under Section 2-534(a)(1).

L.14 CERTIFICATES OF INSURANCE

The Contractor shall submit certificates of insurance giving evidence of the required coverages as specified in Section I.8 prior to commencing work. Evidence of insurance shall be submitted within fourteen (14) days of contract award to:

Name of Contracting Officer
Address of Contracting Officer
Phone Number/E-mail Address

L.15 ACKNOWLEDGMENT OF AMENDMENTS

The offeror shall acknowledge receipt of any amendment to this solicitation (a) by signing and returning the amendment; (b) by identifying the amendment number and date in the space provided for this purpose in Section A, Solicitation, Offer and Award form; or (c) by letter or telegram including mailgrams. The District must receive the acknowledgment by the date and time specified for receipt of offers. Offerors' failure to acknowledge an amendment may result in rejection of the offer.

L.16 BEST AND FINAL OFFERS

If, subsequent to receiving original proposals, negotiations are conducted, all offerors within the competitive range will be so notified and will be provided an opportunity to submit written best and final offers at the designated date and time. Best and Final Offers will be subject to the Late Submissions, Late Modifications and Late Withdrawals of Proposals provision of the solicitation. After receipt of best and final offers, no discussions will be reopened unless the Contracting Officer determines that it is clearly in the District's best interest to do so, e.g., it is clear that information available at that time is inadequate to reasonably justify Contractor selection and award based on the best and final offers received. If

discussions are reopened, the Contracting Officer shall issue an additional request for best and final offers to all offerors still within the competitive range.

L.17 LEGAL STATUS OF OFFEROR

Each proposal must provide the following information:

L.17.1 Name, address, telephone number and federal tax identification number of offeror;

L.17.2 A copy of each District of Columbia license, registration or certification that the offeror is required by law to obtain. This mandate also requires the offeror to provide a copy of the executed "Clean Hands Certification" that is referenced in D.C. Official Code §47-2862 (2001), if the offeror is required by law to make such certification. If the offeror is a corporation or partnership and does not provide a copy of its license, registration or certification to transact business in the District of Columbia, the offer shall certify its intent to obtain the necessary license, registration or certification prior to contract award or its exemption from such requirements; and

L.17.3 If the offeror is a partnership or joint venture, the names and addresses of the general partners or individual members of the joint venture, and copies of any joint venture or teaming agreements.

L.18 FAMILIARIZATION WITH CONDITIONS

Offerors shall thoroughly familiarize themselves with the terms and conditions of this solicitation, acquainting themselves with all available information regarding difficulties which may be encountered, and the conditions under which the work is to be accomplished. Contractors will not be relieved from assuming all responsibility for properly estimating the difficulties and the cost of performing the services required herein due to their failure to investigate the conditions or to become acquainted with all information, schedules and liability concerning the services to be performed.

L.19 STANDARDS OF RESPONSIBILITY

The prospective contractor must demonstrate to the satisfaction of the District the capability in all respects to perform fully the contract requirements; therefore, the prospective contractor must submit the documentation listed below, within five (5) days of the request by the District.

L.19.1 Evidence of adequate financial resources, credit or the ability to obtain such resources as required during the performance of the contract.

L.19.2 Evidence of the ability to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments.

- L.19.3** Evidence of the necessary organization, experience, accounting and operational control, technical skills or the ability to obtain them.
- L.19.4** Evidence of compliance with the applicable District licensing and tax laws and regulations.
- L.19.5** Evidence of a satisfactory performance record, record of integrity and business ethics.
- L.19.6** Evidence of the necessary production, construction and technical equipment and facilities or the ability to obtain them.
- L.19.7** Evidence of other qualifications and eligibility criteria necessary to receive an award under applicable laws and regulations
- L.19.8** If the prospective contractor fails to supply the information requested, the Contracting Officer shall make the determination of responsibility or nonresponsibility based upon available information. If the available information is insufficient to make a determination of responsibility, the Contracting Officer shall determine the prospective contractor to be nonresponsible.

L.20 KEY PERSONNEL

L.20.1 The District considers the following positions to be key personnel for this contract: Contract manager, Claims Supervisor, Claims Manager, Senior Claims Adjusters and Nurse Case Managers.

L.20.2 The offeror shall set forth in its proposal the names and reporting relationships of the key personnel the offeror will use to perform the work under the proposed contract. Their resumes shall be included. The hours that each will devote to the contract shall be provided in total and broken down by task.

SECTION M - EVALUATION FACTORS

M.1 EVALUATION FOR AWARD

The contract will be awarded to the responsible offeror whose offer is most advantageous to the District, based upon the evaluation criteria specified below. Thus, while the points in the evaluation criteria indicate their relative importance, the total scores will not necessarily be determinative of the award. Rather, the total scores will guide the District in making an intelligent award decision based upon the evaluation criteria.

M.2 TECHNICAL RATING

The Technical Rating Scale is as follows:

<u>Numeric Rating</u>	<u>Adjective</u>	<u>Description</u>
0	Unacceptable	Fails to meet minimum requirements; e.g., no demonstrated capacity, major deficiencies which are not correctable; offeror did not address the factor.
1	Poor	Marginally meets minimum requirements; major deficiencies which may be correctable.
2	Minimally Acceptable	Marginally meets minimum requirements; minor deficiencies which may be correctable.
3	Acceptable	Meets requirements; no deficiencies.
4	Good	Meets requirements and exceeds some requirements; no deficiencies.
5	Excellent	Exceeds most, if not all requirements; no deficiencies.

For example, if a sub factor has a point evaluation of 0 to 6 points, and (using the Technical Rating Scale) the District evaluates as "good" the part of the proposal applicable to the sub factor, the score for the sub factor is 4.8 (4/5 of 6). The sub factor scores will be added together to determine the score for the factor level.

M. 3 EVALUATION CRITERIA

Proposals will be evaluated based on the following technical evaluation factors listed in descending order of importance.

M.3.1 TECHNICAL CRITERIA (70 Points)

M.3.1.1 Technical Approach (Total Points Possible: 40 points)

The Offeror has a complete understanding of and the ability to meet DCORM's requirements and objectives, as demonstrated by the offeror's management approach, including its project management plan, organizational structure; and quality control mechanisms as demonstrated by its sample quality assurance plan. For this subfactor, the District will evaluate the Offeror's approach to the following service components:

- (a) Case Management
- (b) Claim File Management
- (c) Cost Containment
- (d) Litigation Management
- (e) Settlements
- (f) Nurse Case Management
- (g) Claims Management information systems
- (h) Claim reporting Service

M.3.1.2 Technical Expertise (Total Points Possible: 20 points)

The Offeror has demonstrated relevant experience in management and operation of large-scale claims administration services for one or more self-insured public entities. The Offeror has provided appropriate documentation of staff credentials and has proposed key personnel that possess the necessary qualifications for and experience providing worker's compensation claims services.

M.3.1.3 Past Performance (Total Points Possible: 10 points)

The Offeror has demonstrated its ability to perform the requirements of this RFP by its relevant, successful past performance on similar contracts. Past performance is the assessment of the future performance risk as reflected by actual past and current performance.

In evaluating the Offeror's successful past performance, the District will review the extent that the client references provided rated the Offeror's performance as satisfactory or better in the areas of:

- A) Quality of services-(capability to comply and meet or exceed contract requirements)
- B) Timeless of Performance (deliverables completed on time)
- C) Business Relations (ability to provide effective management, problem resolution and proven customer satisfaction)
- D) Demonstrated efficiency and effectiveness of performance for proposed RMIS

M.3.2 PRICE CRITERIA (30 Points)

The price evaluation will be objective. The offeror with the lowest price for the base period and option years will receive the maximum price points. All other proposals will receive a proportionately lower total score. The following formula will be used to determine each offeror's evaluated price score:

$$\frac{\text{Lowest price proposal}}{\text{Price of proposal being evaluated}} \times 30 = \text{Evaluated price score}$$

M.3.3 PREFERENCE (12 Points)

M.3.4 TOTAL (112 Points)

M.4 EVALUATION OF OPTION YEARS

The District will evaluate offers for award purposes by evaluating the total price for all options as well as the base period. Evaluation of options shall not obligate the District to exercise them. The total District's requirements may change during the option years. Quantities to be awarded will be determined at the time each option is exercised.

M.5 OPEN MARKET CLAUSES WITH LSDBE SUBCONTRACTING SET-ASIDE (SUPPLIES AND SERVICES)

Preferences for Local Businesses, Disadvantaged Businesses, Resident-owned Businesses, Small Businesses, Longtime Resident Businesses, or Local Businesses with Principal Offices Located in an Enterprise Zone

Under the provisions of the "Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005" (the Act), Title II, Subtitle N, of the "Fiscal Year 2006 Budget Support Act of 2005", D.C. Law 16-33, effective October 20, 2005, the District shall apply preferences in evaluating bids or proposals from businesses that are small, local, disadvantaged, resident-owned, longtime resident, or local with a principal office located in an enterprise zone of the District of Columbia.

M.5.1 Required Subcontracting Set-Aside

35 % of the total dollar value of this contract has been set-aside for performance through subcontracting with businesses certified by the Small and Local Business Opportunity Commission (SLBOC) or the Department of Small and Local Business Development (DSLBD), as applicable, as local business enterprises, disadvantaged business enterprises, resident-owned businesses, local business enterprises with their principal offices located in an enterprise zone, small business enterprises, or longtime resident businesses. Any prime contractor

responding to this solicitation shall submit within 5 days of the contracting officer's request, a notarized statement detailing its subcontracting plan. Once the plan is approved by the contracting officer, changes will only occur with the prior written approval of the contracting officer and the Director of DSLBD.

M.5.2 General Preferences

For evaluation purposes, the allowable preferences under the Act for this procurement are as follows:

- M.5.2.1 Three percent reduction in the bid price or the addition of three points on a 100-point scale for a small business enterprise (SBE) certified by the Small and Local Business Opportunity Commission (SLBOC) or the Department of Small and Local Business Development (DSLBD), as applicable;
- M.5.2.2 Five percent reduction in the bid price or the addition of five points on a 100-point scale for a resident-owned business enterprise (ROB) certified by the SLBOC or the DSLBD, as applicable;
- M.5.2.3 Ten percent reduction in the bid price or the addition of ten points on a 100-point scale for a longtime resident business (LRB) certified by the SLBOC or the DSLBD, as applicable;
- M.5.2.4 Two percent reduction in the bid price or the addition of two points on a 100-point scale for a local business enterprise (LBE) certified by the SLBOC or the DSLBD, as applicable;
- M.5.2.5 Two percent reduction in the bid price or the addition of two points on a 100-point scale for a local business enterprise with its principal office located in an enterprise zone (DZE) and certified by the SLBOC or the DSLBD, as applicable; and
- M.5.2.6 Two percent reduction in the bid price or the addition of two points on a 100-point scale for a disadvantaged business enterprise (DBE) certified by the SLBOC or the DSLBD, as applicable.

M.5.3 Application of Preferences

The preferences shall be applicable to prime contractors as follows:

- M.5.3.1 Any prime contractor that is an SBE certified by the SLBOC or the DSLBD, as applicable, will receive a three percent (3%) reduction in the bid price for a bid submitted by the SBE in response to an Invitation for Bids (IFB) or the addition of three points on a 100-point scale added to the overall score for proposals submitted by the SBE in response to a Request for Proposals (RFP).

Third Party Administration Services for Disability Compensation Program

- M.5.3.2 Any prime contractor that is an ROB certified by the SLBOC or the DSLBD, as applicable, will receive a three percent (3%) reduction in the bid price for a bid submitted by the ROB in response to an IFB or the addition of three points on a 100-point scale added to the overall score for proposals submitted by the ROB in response to an RFP.
- M.5.3.3 Any prime contractor that is an LRB certified by the SLBOC or the DSLBD, as applicable, will receive a ten percent (10%) reduction in the bid price for a bid submitted by the LRB in response to an IFB or the addition of ten points on a 100-point scale added to the overall score for proposals submitted by the LRB in response to an RFP.
- M.5.3.4 Any prime contractor that is an LBE certified by the SLBOC or the DSLBD, as applicable, will receive a two percent (2%) reduction in the bid price for a bid submitted by the LBE in response to an IFB or the addition of two points on a 100-point scale added to the overall score for proposals submitted by the LBE in response to an RFP.
- M.5.3.5 Any prime contractor that is a DZE certified by the SLBOC or the DSLBD, as applicable, will receive a two percent (2%) reduction in the bid price for a bid submitted by the DZE in response to an IFB or the addition of two points on a 100-point scale added to the overall score for proposals submitted by the DZE in response to an RFP.
- M.5.3.6 Any prime contractor that is a DBE certified by the SLBOC or the DSLBD, as applicable, will receive a two percent (2%) reduction in the bid price for a bid submitted by the DBE in response to an IFB or the addition of two points on a 100-point scale added to the overall score for proposals submitted by the DBE in response to an RFP.

M.5.4 Maximum Preference Awarded

Notwithstanding the availability of the preceding preferences, the maximum total preference to which a certified business enterprise is entitled under the Act for this procurement is twelve percent (12%) for bids submitted in response to an IFB or the equivalent of twelve (12) points on a 100-point scale for proposals submitted in response to an RFP. There will be no preference awarded for subcontracting by the prime contractor with certified business enterprises.

M.5.5 Preferences for Certified Joint Ventures

When the SLBOC or the DSLBD, as applicable, certifies a joint venture, the certified joint venture will receive preferences as a prime contractor for categories in which the joint venture and the certified joint venture partner are certified, subject to the maximum preference limitation set forth in the preceding paragraph.

M.5.6 Vendor Submission for Preferences

M.5.6.1 Any vendor seeking to receive preferences on this solicitation must submit at the time of, and as part of its bid or proposal, the following documentation, as applicable to the preference being sought:

M.5.6.1.1 Evidence of the vendor's or joint venture's certification by the SLBOC as an SBE, LBE, DBE, DZE, LRB, or RBO, to include a copy of all relevant letters of certification from the SLBOC; or

M.5.6.1.2 Evidence of the vendor's or joint venture's provisional certification by the DSLBD as an SBE, LBE, DBE, DZE, LRB, or RBO, to include a copy of the provisional certification from the DSLBD.

M.5.6.2 Any vendor seeking certification or provisional certification in order to receive preferences under this solicitation should contact the:

Department of Small and Local Business Development
ATTN: LSDBE Certification Program
441 Fourth Street, N.W., Suite 970N
Washington, DC 20001

M.5.6.3 All vendors are encouraged to contact the DSLBD at (202) 727-3900 if additional information is required on certification procedures and requirements.

M.5.7 Subcontracting Plan

Any prime contractor responding to a solicitation in which there is an LBE, DBE, SBE, DZE, LRB, or ROB subcontracting set-aside, shall submit, within 5 days of the contracting officer's request, a notarized statement detailing its subcontracting plan. Each subcontracting plan shall include the following:

M.5.7.1 A description of the goods and services to be provided by the LBEs, DBEs, SBEs, DZEs, LRBs, or ROBs;

M.5.7.2 A statement of the dollar value, by type of business enterprise, of the bid or proposal that pertains to the subcontracts to be performed by the LBEs, DBEs, SBEs, DZEs, LRBs, or ROBs;

M.5.7.3 The names and addresses of all proposed subcontractors who are LBEs, DBEs, SBEs, DZEs, LRBs, or ROBs;

M.5.7.4 The name of the individual employed by the prime contractor who will administer the subcontracting plan, and a description of the duties of the individual;

Third Party Administration Services for Disability Compensation Program

- M.5.7.5 A description of the efforts the prime contractor will make to ensure that LBEs, DBEs, ROBs, SBEs, LRBs, or DZEs will have an equitable opportunity to compete for subcontracts;
- M.5.7.6 In all subcontracts that offer further subcontracting opportunities, assurances that the prime contractor will include a statement, approved by the contracting officer, that the subcontractor will adopt a subcontracting plan similar to the subcontracting plan required by the contract;
- M.5.7.7 Assurances that the prime contractor will cooperate in any studies or surveys that may be required by the contracting officer, and submit periodic reports, as requested by the contracting officer, to allow the District to determine the extent of compliance by the prime contractor with the subcontracting plan;
- M.5.7.8 List the type of records the prime contractor will maintain to demonstrate procedures adopted to comply with the requirements set forth in the subcontracting plan, and include assurances that the prime contractor will make such records available for review upon the District's request; and
- M.5.7.9 A description of the prime contractor's recent effort to locate LBEs, DBEs, SBEs, DZEs, LRBs, and ROBs, and to award subcontracts to them.

M.5.8 Enforcement and Penalties for Willful Breach of Subcontracting Plan

The willful breach by a contractor of a subcontracting plan for utilization of local, small, or disadvantaged businesses in the performance of a contract, the failure to submit any required subcontracting plan monitoring or compliance report, or the deliberate submission of falsified data may be enforced by the DSLBD through the imposition of penalties, including monetary fines of \$15,000 or 5% of the total amount of the work that the contractor was to subcontract to local, small, or disadvantaged businesses, whichever is greater, for each such breach, failure, or falsified submission.

M.6 EVALUATION OF PROMPT PAYMENT DISCOUNT

- M.6.1** Prompt payment discounts shall not be considered in the evaluation of offers. However, any discount offered will form a part of the award and will be taken by the District if payment is made within the discount period specified by the offeror.
- M.6.2** In connection with any discount offered, time will be computed from the date of delivery of the supplies to carrier when delivery and acceptance are at point of origin, or from date of delivery at destination when delivery, installation and acceptance are at that, or from the date correct invoice or voucher is received in the office specified by the District, if the latter date is later than date of delivery. Payment is deemed to be made for the purpose of earning the discount on the date of mailing of the District check.