

SUMMARY STATEMENT

ITEM NO.: DRPA-17-017

SUBJECT: Third Party Administrator for the DRPA and PATCO Workers' Compensation, General Liability/Bodily Injury and Risk Control Services

COMMITTEE:

Finance Committee

COMMITTEE MEETING DATE:

March 1, 2017

BOARD ACTION DATE:

March 15, 2017

PROPOSAL:

That the Board authorize staff to negotiate a contract with Qual-Lynx, Inc. to report, investigate and process all DRPA and PATCO (hereinafter referred to collectively as the "Authority") workers' compensation, general liability claims/bodily injury and risk control services.

Contractor: Qual-Lynx

Amount: \$462,769.00

Year 1	\$88,975.00
Year 2	\$90,729.00
Year 3	\$92,518.00
Year 4	\$94,343.00
Year 5	\$96,204.00

Other Proposers: TriStar \$1,373,976.00 over five (5) years.

PURPOSE:

This contract will provide third-party claims administration services for the Authority's workers' compensation and general liability programs. The Authority will also require that Qual-Lynx provide medical bill re-pricing/network access services ("MR") and Loss Control Services (LCS) in connection with the workers' compensation and general liability programs. Qual-Lynx will be required to coordinate its services and activities with designated DRPA claims administration personnel, the DRPA's Legal Department, and other financial and outside legal professionals.

BACKGROUND:

On February 5, 2016, staff issued a Request for Qualifications to provide third-party claims administration services for the Authority's workers' compensation and general liability programs ("RFQ"). The

RFQ was subsequently reissued on June 2, 2016 to allow for firms to submit separately for workers' compensation and general liability programs. On June 22, 2016, the following ten (10) insurance services firms submitted statements of qualifications in response to the RFQ: Amerihealth; Claims Resolution; Corvel; Gallagher Bassett; Inservco; Qual-Lynx; Sedgwick; Tristar; Work Partner; and York.

The statements of qualification were reviewed by a committee (hereinafter the "Committee") consisting of staff members from the Authority's Legal and Claims Administration Departments. The evaluation procedures utilized by the Committee were established in advance of the submission of the responses to its request for qualifications, and those procedures were established in a manner consistent with existing Board policies. The Committee determined that five (5) firms met the qualifications necessary to be invited to submit a Request for Proposal.

On December 2, 2016, the Authority forwarded a Request for Proposal ("RFP") to the following five (5) qualified firms: Inservco; Qual-Lynx; Sedgwick; Tri-Star and York. The Authority received two (2) responses to its RFP on January 11, 2017. The responding proposers were Qual-Lynx and TriStar. A detailed evaluation process was again established. All three (3) members of the committee received copies of the two (2) proposals. The Committee conducted a thorough review of the responses. The Committee met and developed a composite technical score for each of the proposers. A total score was developed for each proposer.

After this phase of the proposal review, the Committee determined that Qual-Lynx was the highest ranked firm. Qual-Lynx submitted the most comprehensive response to the Authority's RFP. The technical proposals submitted by Qual-Lynx and TriStar were deemed to be essentially equivalent. The price quotation submitted by TriStar however was substantially higher than that of Qual-Lynx. As such, the proposal of TriStar was initially ranked second to that of Qual-Lynx.

Based upon the foregoing, the review committee has determined that the proposal submitted by Qual-Lynx provides the best value to the

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**Third Party Administrator for the DRPA
and PATCO Workers' Compensation,
General Liability/Bodily Injury and Risk
Control Services**

Authority in connection with the administration of its workers' compensation and general liability/bodily injury programs and risk control services.

The entire selection process was facilitated and documented by the Review Committee Chairperson and Contract Administrator.

SUMMARY:	Amount:	\$462,769.00
	Source of Funds:	Revenue and General Fund
	Capital Project #:	N/A
	Operating Budget:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	5 years
	Other Parties Involved:	N/A

DRPA-17-017
Finance Committee: March 1, 2017
Board Date: March 15, 2017
Third Party Administrator for the DRPA and PATCO
**Workers' Compensation, General Liability/
Bodily Injury and Risk Control Services**

RESOLUTION

RESOLVED: That the Board of Commissioners accept the proposal of Qual-Lynx, Inc. for the performance of third-party claims administration as set for in this summary statement and resolution; and

RESOLVED: That the Board of Commissioners authorize staff to negotiate a five (5) year contract with Qual-Lynx, Inc. to report, investigate and process all DRPA and PATCO workers' compensation, general liability claims/bodily injury and risk control services, in accordance with proposal submitted by Qual-Lynx, and in the amount of \$462,769.00.

RESOLVED: The Chairman, Vice Chairman and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chairman, Vice Chairman and Chief Executive Officer and if thereafter either the Chairman or Vice Chairman is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chairman and Vice Chairman are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

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	Operating Budget:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	Five (5) years
	Other Parties Involved:	N/A