



citycounty insurance services
cisoregon.org

Request for Proposals (RFP)

Claims Audits for Liability, Auto and Property

CIS (Citycounty Insurance Services)
15875 Boones Ferry Road #1469
Lake Oswego, OR 97035
(503) 763-3800

RFP Schedule	
Issuance of RFP:	July 30, 2024
Submission of Questions about the RFP:	August 16, 2024, 5:00 p.m. (PT)
Proposal Due:	August 30, 2024, 5:00 p.m. (PT)
Anticipated Contract Award:	September 30, 2024

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**REQUEST FOR PROPOSALS
FOR
Claims Audits for
Liability, Auto and Property**

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I. INTRODUCTION

A. PURPOSE

The purpose of this Request for Proposals (RFP) is to solicit offers from qualified vendors to audit liability, auto, and property claims for CIS and the Oregon Public Entity Excess Pool (OPEEP).

B. BACKGROUND

CIS (Citycounty Insurance Services) is a public entity that provides insurance and risk management services to Oregon cities and counties and other public entities created by these cities and counties. Based in Wilsonville, CIS was formed in 1981 by its parent organizations, the League of Oregon Cities and Association of Oregon Counties. The majority of cities and counties in Oregon participate in one or more CIS programs (property, liability and health benefits). These participating entities are considered CIS members.

OPEEP is a risk pool of self-insured cities, counties, and other risk pools that provides administration of joint risk retention, group purchasing of insurance and reinsurance. OPEEP currently operates a self-insurance program and purchases reinsurance for tort liability in accordance with ORS 30.282. OPEEP has seven members: Clackamas County Oregon, Deschutes County Oregon, Washington County Oregon, Douglas County Oregon, the City of Medford, Oregon, Metro, and the CIS Trust.

OPEEP and CIS are separate entities, but CIS provides financial, legal, administrative, claims consulting and Board management support for OPEEP. OPEEP has no staff and relies on CIS financial systems and internal controls.

OPEEP is directed by a board of trustees made up of representatives from the participating entities.

II. SCOPE OF WORK

The successful vendor shall provide audits of OPEEP's claims and CIS' auto, liability, and property claims. Duties will include, but not be limited to, the following:

CIS self-administers claims. CIS receives approximately 140 general and auto liability, auto physical damage, and property claims per month. CIS employs 10 adjusters, two supervisors and a director to administer liability and property claims.

CIS developed an internal claims management system called Compass. Claims are both in hard files and on Compass. The audit may be done remotely since we have paperless files.

The audits shall include, but not be limited to, the following:

- 1) Review of CIS standards and practices guidelines and how claims are handled within the guidelines.
- 2) Review compliance with prior audit recommendations. Prior audits will be provided to the successful proposer.
- 3) Evaluation of CIS' current oversight procedures and settlement authority process given CIS' current retention, as compared to recommended best practices.
- 4) Evaluation of CIS' deductible billing procedures.
- 5) Evaluation of internal controls of the claims department.
- 6) Evaluation of the litigation management process including procedures and criteria for selecting attorneys, establishment of reporting procedures, ongoing monitoring, case management, and appropriate management of legal expenses.
- 7) Evaluation of claim reserve practices, including adequacies of reserves postings, and timeliness of reserve changes.
- 8) Evaluation of control of liability claims, including use of available defenses and immunities, coverage analysis, promptness of initial contact, and investigation.
- 9) Evaluation of workload of staff, including overall workload of office and caseloads of individual adjusters.
- 10) Evaluation of the claims management process including diary control, adequacy of claims handling procedures and supervisory claims quality control.
- 11) Evaluation of the claims management information systems with regard to accuracy, tracking of claims, distribution to members and agents and the usefulness of information to members and CIS staff.
- 12) Assessment of file documentation.
- 13) Determination of whether claims were handled in a timely and efficient manner.
- 14) Evaluation of the process for communicating with excess and reinsurance carriers including compliance with reporting procedures.
- 15) Evaluation of subrogation and recovery practices.
- 16) Evaluation of cost savings alternatives such as bill review.
- 17) Evaluation of use of outside contractors such as investigation services and outside adjusters.

File Selection

The auditor shall use appropriate sampling techniques that will provide a 90% level of confidence. The auditor shall outline the sampling techniques and methodology in the response. For each audit of OPEEP's claim files, we expect audits of a minimum of 60 files, approximately 10 for each member. For each audit of CIS' claim files, we expect audits of a minimum of 120 liability, auto, and property files. Audits should include the following:

- Open files from each adjuster
- Open files in litigation
- A representative number of files from all lines of coverage
- Closed files for each adjuster

Additional information about the scope of work and answers to commonly asked questions are included in [Appendix B](#) of this RFP.

CIS Claims History

as of 5.31.2023

Coverage Year	GL Claims	AL Claims	APD Claims	PR Claims	GL Litigated	AL Litigated
2012-2013	1,010	194	295	111	111	4
2013-2014	923	235	315	126	76	3
2014-2015	1,017	205	373	124	117	4
2015-2016	1,073	236	372	113	107	13
2016-2017	976	240	398	170	117	1
2017-2018	861	242	372	95	116	3
2018-2019	928	281	393	132	129	11
2019-2020	951	232	361	185	130	5
2020-2021	922	187	413	255	106	3
2021-2022	784	189	422	117	41	5
2022-2023	597	210	389	166	23	-
Grand Total	10,042	2,451	4,103	1,594	1,073	52
Open Claims	464	78	116	92	214	13
Average	913	223	373	145	98	5

Report

The auditor will meet with CIS management at the conclusion of the onsite audit to discuss any observations and conclusions. An electronic draft report will be submitted to the CIS Claims Director. After CIS review, a final electronic report will be issued. It is not anticipated in this RFP that auditors will need to be in attendance when the audit is presented to the CIS Board of Trustees.

III. SCHEDULE AND SUBMITTAL

A. RFP AND EVALUATION SCHEDULE

Issuance of RFP:	July 30, 2024
Deadline to Submit Written Questions about the RFP:	August 16, 2024, 5:00 p.m. (PT)
Proposal Due Date:	August 30, 2024, 5:00 p.m. (PT)
Evaluation of Proposals, Finalists Selected:	September 16, 2024
Finalist Interviews: (if needed, by telephone)	Week of September 23, 2024
Anticipated Contract Award:	September 30, 2024
Commencement of Contract:	October 2024
Performance of Contract:	October/November 2024, 2026, 2028

B. CIS CONTACT PERSON

Gail Fischer
Claims Director
E-mail: gfischer@cisoregon.org
Phone: 503-763-3885

C. WRITTEN QUESTIONS

If proposers have questions about the RFP, they are encouraged to submit them as soon as possible, but no later than **5:00 p.m. (PT) on August 16, 2024**. Questions must be in writing and may be e-mailed to the **Contact Person** above. CIS will not be obligated to answer any questions received after the deadline, or any questions submitted in a manner other than as instructed above.

D. PROPOSAL SUBMITTAL

1. General

Proposals must be received by **5:00 p.m. (PT) on August 30, 2024**. Any proposal received after this date and time will not be considered.

Delivery of proposals by the specified deadline is the sole responsibility of the Proposer. CIS will not be responsible for, nor accept as a valid excuse, any delay the method of delivery used by the Proposer except where it can be established that CIS was the sole cause of the late receipt.

2. Method of Submittal

The proposal must be submitted in electronic form in an e-mail to the [Contact Person](#).

3. Evaluation Criteria

All proposals received in accordance with these RFP instructions will be evaluated to determine if they are complete and meet the requirements specified in this RFP. An award will be made to the Proposer whose offer is judged to be the most advantageous to CIS and OPEEP, though both organizations expressly reserve the right to reject all proposals and make no award under this RFP.

The following criteria will be considered in evaluating the proposals:

- Quality of the proposal, including an expressed understanding of CIS' requirements;
- Qualifications;
- Experience, particularly with similar projects;
- References;
- Staffing & Project Organization;
- Work Plan/Technical Approach;
- Cost Schedule;
- Miscellaneous, including exceptions/deviations

IV. GENERAL INSTRUCTIONS

A. ORAL COMMUNICATIONS

Any oral communication by CIS' [Contact Person](#) or designee concerning this RFP is not binding and shall in no way modify the RFP or the obligations of CIS, OPEEP, a proposer or selected firm(s).

B. CHANGES TO RFP

If it is necessary to make material changes to the RFP, CIS will issue a written RFP addendum. This includes responses to written questions received by the specified deadline. All such addenda issued shall become part of the RFP.

CIS will e-mail written RFP addenda to all recipients of record of the original RFP and post such addenda on CIS' website (www.cisoregon.org/about/rfs). Recipients of record are those parties to whom CIS directly sent a copy of the RFP.

It is the responsibility of each proposer to ensure they have all addenda CIS has issued. This may be done going to the website listed above prior to the proposal submittal deadline.

C. EXCEPTIONS / DEVIATIONS

Any exceptions to or deviations from the requirements set forth in this RFP, must be declared in the proposal submitted by the Proposer. Such exceptions or deviations must be segregated as a separate element of the proposal under the heading "Exceptions and Deviations."

D. AUTHORIZATION TO DO BUSINESS

The Proposer must be authorized to do business in the State of Oregon and in the local jurisdiction in which it is located or where the work will be performed.

E. PRE-CONTRACTUAL EXPENSES

Neither CIS nor OPEEP shall be liable for pre-contractual expenses incurred by a proposer in the preparation of its proposal and proposers shall not include any such expenses in their offers. Pre-contractual expenses are defined as expenses incurred by the Proposer to: (1) prepare and submit its proposal to CIS; (2) negotiate with CIS on any matters related to this RFP; and (3) any other expenses incurred by the Proposer prior to the date of award, if any.

Issuance of this RFP and receipt of proposals does not commit CIS or OPEEP to award a contract. CIS and OPEEP reserve the right to postpone the award for its own convenience, to accept or reject any or all proposals received in response to this RFP, to negotiate with more than one proposer simultaneously, or to cancel all or part of this RFP.

F. WITHDRAWAL; PROPOSAL IRREVOCABLE FOR 90 DAYS

A Proposer may withdraw its proposal at any time prior to the submittal deadline by sending CIS a request in writing from the same person who signed the submitted proposal. As of the deadline for submittal, any proposal received by CIS and not withdrawn becomes an irrevocable offer available for acceptance by CIS immediately and for ninety (90) days thereafter. The Proposer is responsible for the accuracy of the proposal submitted, and no allowance will be made for errors or price increases that the Proposer later alleges are retroactively applicable.

G. DISPOSITION OF PROPOSALS

All materials submitted in response to this RFP become the property of CIS, except for information identified by the Proposer as being proprietary. A blanket statement that all contents of the proposal are proprietary will not be honored by CIS. Please note that as public entities, CIS and OPEEP are subject to Oregon public records law, which may require the disclosure of information regarding proposals or a subsequent contract.

H. IMMATERIAL DEFECTS IN PROPOSAL

CIS and OPEEP may waive any immaterial deviation or defect in a proposal. CIS' or OPEEP's waiver shall in no way modify the RFP documents or excuse the Proposer from full compliance with the RFP if awarded the contract.

I. WRITTEN AGREEMENT

The Proposer selected for contract award through this RFP shall be required to enter into written agreements with CIS and OPEEP governing the provision of professional services to CIS members and other eligible entities. The agreement will include pertinent terms and conditions set forth in this RFP and will reflect the Proposer's offer or the outcome of contract negotiations. The agreement will also include, to the extent applicable, the provisions described in [Appendix A](#) and any terms or conditions added by addendum.

It is anticipated that the Proposer may enter into separate agreements with subcontractors to fulfill the terms of this contract. Neither CIS nor OPEEP will be a party to those separate agreements, nor in any fashion a guarantor or indemnitor of them.

J. TERM OF CONTRACT

If a contract is awarded through this RFP, it will be effective upon full execution of the agreement, which CIS expects to be on or about October 1, 2024. The virtual audits will be conducted in October or November of 2024, 2026, and 2028. No agreement with CIS shall be in effect until a contract has been approved by the CIS Board of Trustees or designee and has been signed by both parties.

K. NEWS RELEASES

News releases pertaining to any award resulting from this RFP may not be issued without the prior written approval of CIS or OPEEP.

V. PROPOSAL FORMAT AND CONTENT

The proposal submitted in response to this RFP must contain the information required in Sections A through E below. Brevity is preferred. For the questions in Sections B through D, please precede your answers with a restatement of the question. If you intend to use any subcontractors in fulfillment of services, information should be furnished for both your firm and the subcontractors where appropriate.

Submitting general marketing materials about your firm in lieu of providing specific answers to questions will not be acceptable. If you wish to submit marketing materials, you should do so as a separate addendum rather than as part of the formal response.

A. COVER LETTER

All proposals must include a cover letter addressed to the [Contact Person](#) in Section III,B above. At a minimum, the cover letter must contain the following:

- Identification of the Proposer, including business name, address and telephone number.
- Name, title, address, telephone number, fax number, and e-mail address of a contact person during the period of proposal evaluation.
- Acknowledgment of RFP addenda received, if any.
- A statement that the proposal shall remain valid for a period of not fewer than **ninety (90)** days from the due date for proposals.
- Any exceptions to any specified criteria in this RFP.
- Identification of any information contained in the proposal which the Proposer deems to be confidential or proprietary and wishes to be withheld from disclosure. A blanket statement that all contents of the proposal are confidential or proprietary will not be honored by CIS.
- Signature of a person authorized to bind the offering firm to the terms of the proposal.

B. QUALIFICATIONS, RELATED EXPERIENCE AND REFERENCES

1. Furnish background information about your firm, including date of founding, legal form (i.e., sole proprietorship, partnership, LLC, corporation/state of incorporation), number and location of offices, principal lines of business, number of employees, days/hours of operation and other pertinent data. Disclose any conditions (e.g., bankruptcy or other financial problems, pending litigation, planned office closures, impending merger) that may affect your ability to perform contractually. Certify that the firm is not debarred, suspended or otherwise declared ineligible to contract by any federal, state, or local public agency.
2. Describe your firm's experience and qualifications for providing the required services to CIS and OPEEP. Specifically highlight those qualifications that distinguish you from your competitors. The focus should be on recent experience within the last **five (5)** years that is relevant to the scope of work outlined in this RFP.
3. Please provide references for whom you have provided services like those requested in this RFP.
4. Expertise and experience in claims auditing for municipal pools.

C. STAFFING AND PROJECT ORGANIZATION

1. Identify the key personnel from your firm who would be assigned to these audits and their specific roles in the audits. Include a brief description of the number of years with your firm, qualifications, professional certifications, job functions, current caseload, and office location(s). Brief resumes (not more than two pages long) for all key personnel may be provided as an appendix, not in the body of the proposal.
2. If more than two people will be assigned to CIS' and OPEEP's audits, include a simple organization chart that clearly delineates communication and reporting relationships among the project staff.

D. WORK PLAN / TECHNICAL APPROACH

1. Describe in detail what information, documents, staff assistance, facilities or other resources you would require from CIS and OPEEP to complete your work; declare any critical assumptions upon which your work plan is based.
2. Describe succinctly how your firm would accomplish the work and satisfy CIS' and OPEEP's objectives described in this RFP. If appropriate, divide the work into segments or tasks to represent milestones for measuring progress.
3. Describe the work products and other deliverables you would provide to CIS and OPEEP. State the purposes for which the work products could be used and any limitations your firm would impose on their usage.

E. COST SCHEDULE

The Proposer's cost schedule must be submitted with the proposal. Include separate schedules for CIS and OPEEP.

All costs are to be contained in this schedule. For each service element described in the Scope of Work that the Proposer intends to provide, include either an hourly rate or fixed fee for the service, as appropriate. Include a description of any travel-related expenses that the Proposer expects to be reimbursed. Note that since CIS and OPEEP are public entities, expenses may be subject to prior approval before they will be reimbursed.

This section must also include payment terms required for services rendered and a preferred schedule of billing dates.

The Proposer may include a separate list of optional services and corresponding hourly rates/fees in the cost schedule.

F. SAMPLE CONTRACT

Submit a sample of your standard agreement for services with your response. Required provisions for the agreement are described in [Section IV\(I\)](#) above and [Appendix A](#) below.

APPENDIX A – CIS CONTRACT CONSIDERATIONS

CIS and OPEEP contracts will be subject to the following standards. These are not exclusive and other contract clauses and provisions will obviously be applicable as well. However, these are areas respondents to CIS and OPEEP RFPs should be aware of in considering and preparing responses.

A. MANDATORY PROVISIONS:

1. Indemnity Provision. There shall be no provision requiring CIS or OPEEP to indemnify contractor for contractor's acts or omissions. Indemnity provisions should be mutual and reciprocal. Our standard indemnity clause is as follows:

Contractor agrees to hold harmless, indemnify, and defend CIS, and its officers and employee from and against all claims, suits, actions, losses, damages, liabilities, costs, and expenses of any nature resulting from, arising out of, or related to the acts or omissions of Contractor or its officers, employees, subcontractors, or agents in performance of services pursuant to this Contract. CIS agrees to hold harmless, indemnify, and defend Contractor and its officers and employees from and against all claims, suits, actions, losses, damages, liabilities, costs, and expenses of any nature resulting from, arising out of, or related to the acts or omissions of CIS or its officers, employees, subcontractors, or agents pursuant to this Contract.

2. Independent Contractor Status. The following shall be included in CIS and OPEEP contracts:

Contractor shall perform the required services as an independent contractor and not as an "officer, employee, or agent" of CIS as those terms are used in ORS 30.260 through 30.300. Although CIS reserves the right to evaluate the quality of the service provided by Contractor, CIS will not control the means or manner of Contractor's performance.

3. Governing Law and Venue. CIS and OPEEP contracts shall be subject to the laws of Oregon and venue for any disputes arising out of the contractual relationship. The contract shall include the following clause or the substantial equivalent:

This contract shall be governed by the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding between CIS and Contractor arising from or related to this contract shall be brought and conducted in the Circuit Court of Marion County for the State of Oregon; provided, however, if a claim must be brought in a federal forum, then it shall be brought in the U.S. District Court for the State of Oregon.

4. Insurance. Except under special circumstances, and with the approval and consent of the respective executive director of CIS or OPEEP, the following minimum insurance provisions shall be specified in the contract:

During the term of this Contract, Contractor shall maintain in force insurance coverage compliant with the requirements listed below:

- a. Workers' Compensation insurance in compliance with ORS Chapter 656 if Contractor employs "subject workers".
- b. Comprehensive General Liability insurance applicable to the services provided to CIS, with a combined single limit, or the equivalent, of not less than \$2,000,000 each occurrence for Bodily Injury, Personal Injury, and Property Damage, including contractual liability coverage applicable to the indemnity provided under this contract.
- c. Automobile Liability insurance applicable to the operation of Contractor's trucks or automobiles with a combined single limit of not less than \$1,000,000 each accident for Bodily Injury and Property Damage, including coverage for owned, non-owned, and hired vehicles, as applicable.
- d. Notice of Cancellation or Change. There shall be no cancellation, material change, or reduction of limits without 30 days' prior written notice from the Contractor or its insurer(s) to CIS.
- e. Certificates of Insurance. As evidence of the insurance coverages required by this contract, the Contractor shall provide acceptable insurance certificates to CIS as soon as practicable upon written request by CIS. If requested, complete copies of insurance policies shall be provided to CIS.

B. OTHER CONTRACT CONSIDERATIONS:

1. Limitations on Liability and Warranties. Responses to RFP's should include a description of any limitations on liability to either CIS, OPEEP, or purported third party liability limitations contractor would propose to include in a contract with CIS or OPEEP. These provisions are disfavored and will be a consideration in our review and comparison of RFP responses.
2. Termination. While termination provisions are negotiable, any provision that would not permit CIS or OPEEP to terminate the contract with a reasonable notice period, without further obligation, would be strongly disfavored and allowed only with the consent of the Executive Director. Our preferred termination provision is as follows:
 - a. This Contract may be terminated at any time by mutual written consent of the Parties.
 - b. CIS may, at its sole discretion, terminate this Contract, in whole or in part, upon 30 days' written notice to Contractor. In the event of such a termination,

CIS agrees to pay Contractor the fees and expenses reasonably incurred prior to such termination.

- c. CIS may terminate this Contract immediately upon notice to Contractor, or at such later date as CIS may establish in such notice, if Contractor commits any material breach or default of any covenant, warranty, obligation or agreement under this contract, or fails to perform in a timely manner the services under this contract, and such breach, default, or failure is not cured within 10 business days after delivery of CIS' notice, or such longer period as CIS may specify in such notice.
 - d. Contractor may terminate this Contract upon 10 days' written notice to CIS if CIS fails to pay Contractor pursuant to the terms of this Contract and CIS fails to cure within 30 days after receipt of Contractor's written notice, or such longer period as Contractor may specify in such notice.
3. Dispute Resolution. Mandatory arbitration provisions are disfavored. Our position is that alternative dispute resolution is encouraged, but arbitration should be undertaken only when both parties agree to it at the time of the dispute. If arbitration is undertaken, we would not consent to the rules and procedures of the American Arbitration Association. Other standard rules are available, or the parties can simply agree to rules and procedures as they deem appropriate. Provisions requiring mediation as a precedent to other legal action are acceptable.

APPENDIX B – FREQUENTLY ASKED QUESTIONS

1. Will finalist interviews be conducted by teleconference?

Response: If finalist interviews are needed, they will be phone interviews held at a mutually agreeable time.

2. The claims history provided is for ten fiscal years. Is the claims review to include claims reported in these years?

Response: The auditor has discretion on which claims to audit. Our expectation is that audited claims will be statistically representative of the entire population of claims and include a minimum of 120 liability, auto, and property claims for CIS and 60 claims for OPEEP.

3. When was the most recent claims audit completion date, audit firm, and fee? How frequently does CIS have an independent audit of liability, auto, and property claims conducted?

Response: The most recent audit for CIS was conducted in November 2020 by Bickmore Risk Services for a fee of \$21,500. Claims audits are done every other year, thus the reason for the audits in 2024, 2026, and 2028 requested in this RFP.

4. Do the CIS claims handling staff perform claim investigations or is this assigned to independent field investigators?

Response: Both

5. What is the total annual contribution of the CIS members over the past five years?

Response: Approximately \$250 million for liability, auto, and property.

6. May we have a copy of the last audit report, CIS standards and practices guidelines, ancillary service contracts, and last actuarial report before work commences?

Response: Yes, the successful Proposer will receive a copy of the prior audit, CIS standards and practices, requested contracts, and the last actuarial report.

7. Do you want a model of hours and price per hour or just a flat fee quotation?

Response: A flat fee is preferred. If a price per hour is proposed, please include a maximum not-to-exceed amount.

8. What is CIS' preferred timing for the performance of this audit?

Response: Need to update

9. Does CIS have a claims procedures manual that documents the claims management procedures, controls, authority levels, and oversight procedures that the claims organization should follow?

Response: Yes, both CIS and OPEEP have standards and practices manuals for handling claims. The successful Proposer will receive copies of both manuals prior to the audit.

10. What is CIS' claims management system?

Response: CIS developed an internal proprietary system called Compass.

11. What is your budget for each of these claims audits?

Response: \$50,000 for each audit year for CIS' audit, including all fees and travel.