



BOARD OF DIRECTORS REPORT

MEETING DATE: NOVEMBER 17, 2020 **AGENDA ITEM: #11**
DEPARTMENT: PROCUREMENT
TYPE: ACTION ITEM
PREPARED BY: VALERIE WHITE _____
Signature
REVIEWED BY: GENERAL MANAGER _____
Signature
SUBJECT: AWARD AGREEMENT FOR A WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR

RECOMMENDATION:

Staff recommends that the Board of Directors authorize the General Manager to award and execute a \$359,475 Agreement with Tristar Risk Management for Third-Party Administration (TPA) Services for MTD's self-insured Workers' Compensation Program. The contract includes a base term of three years and six months with two additional option years:

- \$222,222 for the three year, six month period January 1, 2021 through June 30, 2024;
- \$67,612 for the term July 1, 2024 through June 30, 2025; and
- \$69,641 for the term July 1, 2025 through June 30, 2026.

BACKGROUND:

As a self-insured employer, MTD retains the services of a TPA to ensure its workers' compensation program meets the complex requirements set forth by the State. Since 2005 MTD has worked with Workers' Compensation Administrators, LLC. To ensure MTD is receiving the best value for TPA services, a Request for Proposals (RFP) was issued on September 15, 2020.

The RFP asked each Offeror to present their organization's capabilities, present qualified staff and create a work plan that addressed how they manage reporting of injuries; employee contact; claims administration with timely and accessible documentation; claims investigation; calculating lost time and salary information; risk management consulting; and assisting MTD in developing cost control strategies.

Furthermore, there have been significant innovations in the industry that are proving to reduce claims escalation and litigation. Such advancements, that MTD currently does not have access to, include a Risk Management Information System (RMIS). The RMIS combines loss data in a comprehensive platform that offers claim status transparency and outputs high-level financial perspectives and insight in to work-safety plans. This solicitation allowed MTD to evaluate the various approaches and substantive differences among service offerings.

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PROCUREMENT METHOD:

The solicitation was carried out as a competitive proposal procurement. MTD received and evaluated seven responsive proposals. An Evaluation Committee made up of MTD's Mary Gregg, Director of Human Resources and Risk, Rafael Cortez, Risk Administrator, and Steve Maas, Grants and Compliance Manager, determined which firms would provide MTD with the best "value." Value for this RFP was determined by assigning weight to the four principal criteria: 20% - Firm Experience and Expertise; 20% - Staffing Plan; 35% - Work Plan; and 25% - Price Proposal. On a 1,000 point scale the proposals scored as follows:

Innovative Claim Solutions	Hazelrigg Claims Management	Pegasus Risk Management	LWP Claims Solutions	Intercare Holdings Insurance	American Claims Management	Tristar Risk Management
581.23	635.66	654.25	699.18	736.96	803.33	821.65

Three proposals were considered to be in the competitive range and were interviewed: Tristar Risk Management, American Claims Management, and Intercare Holdings Insurance Services. Demonstrations of their proposed RMIS and other innovations utilized for claims administration and management were included. Work and credit references were checked. Based on extensive assessments, the Evaluation Committee recommends awarding the contract to Tristar Risk Management. A contract with Tristar Risk Management will offer many benefits to MTD, including:

1. Highly sophisticated technology systems that utilize analytics for improved claims management, reserve management, and communication with a proprietary RMIS, and a mobile app for both employees and MTD Risk Department.
2. A collaborative and consultative approach - from safety videos, roundtables and client training sessions to developing a reserve philosophy and selecting legal counsel. In particular, the reserve philosophy was from an actuarial perspective, changing settlement plans of action by claim type.
3. Transit industry experience providing specific ergonomic and exoskeleton care strategies as well as insight to light-duty and return to work plans specifically for bus operators working under a Collective Bargaining Agreement. Tristar Risk Management is an American Public Transportation Association (APTA) member.
4. Security with leading, audited standards in HIPAA and SSAE16/SOC 1 Type II Compliance for data security and URAC Accreditation recognizes national standards and respect patients' and providers' rights. There is a commitment and cohesiveness with Public Risk Innovation, Solutions, and Management (PRISM), MTD's excess Workers' Compensation insurance carrier, via Special District Risk Management Authority (SDRMA).

PRICE ANALYSIS:

Overall, the fiscal impact for Workers' Compensation TPA to MTD through the maximum term of the proposed agreement of five years is \$359,475. Prior to the release of the RFP, an Independent Cost Estimate (ICE) was performed indicating \$62,224 per year, considering the year-over-year Consumer Price Index increases at 3.5%. The offer by Tristar Risk Management for the first full fiscal year is \$61,875 (0.6% less than ICE). Further analysis indicated below shows additional savings to MTD. MTD has found Tristar Risk Management's price fair and reasonable.

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	<i>Base Contract</i>	<i>Savings</i>		<i>Five Year Term</i>	<i>Savings</i>
Tristar Risk Management	\$222,222			\$359,475	
Comparison to Average Bid	\$228,100	\$5,878 (2.58%)		\$367,206	\$7,731 (2.11%)
Comparison to ICE	\$223,728	\$1,506 (0.67%)		\$364,363	\$4,888 (1.34%)

Coverage under this contract also includes “managed care” services that are based on a fee schedule used to reimburse the third-parties providing the services. Such fees are charged directly to associated claims and incorporated into the total reserves set for each claim. Typical managed care includes industry standard services such as Bill Review, Utilization Review Services, and a Nurse Triage Program. Such services are utilized by the TPA to reduce the overall cost of the claim but are not included in its fixed administrative fee. In the fiscal year 2019-20, managed care fees came to \$40,140.

ATTACHMENTS:

- Master Agreement with FTA Contract Provisions
- Tristar Risk Management Proposal with Pricing

Santa Barbara Metropolitan Transit District
Workers' Compensation Third-Party Administration

MASTER AGREEMENT with TRISTAR RISK MANAGEMENT

THIS AGREEMENT is entered into by and between Santa Barbara Metropolitan Transit District, an incorporated transit district under Sections 95000, et seq. of the California Public Utilities Code ("MTD"), Tristar Risk Management, a California third party administrator ("Contractor"), at Santa Barbara, California, as of the later date set forth below the signatures executing this Agreement.

WHEREAS:

- A. MTD desires to engage Contractor for Workers' Compensation Third-Party Administration (the "Project");
- B. Contractor represents that it has the knowledge and experience to carry out the Project, and desires to carry out the Project pursuant to the terms and conditions hereof, and;
- C. Based upon the representations made by Contractor, MTD desires to retain the services of Contractor to carry out the aforesaid Project, upon the within terms and conditions.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

- 1. Effect of Recitals. The foregoing recitals are hereby made express provisions of this Agreement.
- 2. FTA Provisions. The Project is funded in part by the Federal Transit Administration of the U.S. Department of Transportation and, as such, this Agreement is subject to the terms and conditions contained in *Federal Transit Administration: Contract* which is attached hereto as Exhibit "A" and incorporated herein by this reference.
- 3. Public Works Provisions. Not applicable to this Agreement.
- 4. Scope of Services. MTD has heretofore issued on September 15, 2020 the scope of services contained in the Request for Proposals for Workers' Compensation Third-Party Administration, a true copy of which is attached hereto as Exhibit "B" and incorporated herein by this reference.
- 5. Proposal. Contractor has heretofore submitted on October 8, 2020 a proposal to carry out the Project, true copies of relevant parts that are attached hereto as Exhibit "C" and incorporated herein by this reference.
- 6. Order of Control. Contractor shall carry out the Project described in Exhibit "B" to this Agreement for the price quoted in Exhibit "C". All work and services shall be performed according to and controlled by the terms and provisions of this Agreement and the exhibits attached hereto. In the event of any conflict between the contract documents, the following order of control shall prevail: MTD Master Agreement, Exhibit "A", Exhibit "B", Exhibit "C".
- 7. Contract Price. Contractor shall carry out the Project for the fixed prices that are in accordance with Exhibit "C".
- 8. Payment. Contractor shall submit quarterly invoices to MTD for services rendered. Payment from MTD shall be made to Contractor no later than thirty (30) days and receipt of a valid invoice, which shall be sent via email to AP@sbmtd.gov.
- 9. Taxes. MTD is exempt from the payment of Federal Excise and Transportation taxes. Unless specified otherwise in the Agreement, MTD is subject to applicable California Sales Tax for Santa Barbara County which shall have been included in the Contractor's proposal price and shall be included on the Contractor's invoice.
- 10. Project Schedule. Contractor shall provide services for the three year, six month period January 1, 2021 through June 30, 2024 with two one-year options for the periods July 1, 2024 through June 30, 2025 and July 1, 2025 through June 30, 2026.
- 11. Delivery & Freight. Unless specified otherwise in the scope of services, any item provided under this Agreement shall be delivered FOB Santa Barbara to 550 Olive Street, Santa Barbara, CA 93101. Any Project freight and

delivery charges shall have been already included in the Contractor's proposal price and shall not be paid otherwise by MTD.

12. Title & Risk of Loss. Not applicable to this Agreement.

13. Damages. All losses or damages arising from any unforeseen circumstances, either natural or artificial, which may be encountered by the Contractor during the performance of the Project under this Agreement shall be sustained solely by the Contractor. This provision shall also apply to losses or damages resulting from any act or omission not authorized by this Agreement on the part of the Contractor or any agent or person employed by the Contractor.

14. Defective, Damaged or Noncompliant Work. Not applicable to this Agreement.

15. Acceptance. Not applicable to this Agreement.

16. Warranty. Not applicable to this Agreement.

17. Changes. Any changes or modifications to this Agreement must be in writing, and agreed to by both parties.

18. Insurance.

a. Contractor's Insurance Representations to MTD.

i. It is expressly understood and agreed that the insurance coverages required herein:

A. represent MTD's minimum requirements and are not to be construed to void or limit Contractor's indemnity obligations as contained in this Agreement nor represent in any manner a determination of the insurance coverages Contractor should or should not maintain for its own protection; and

B. are being, or have been, obtained by Contractor in support of Contractor's liability and indemnity obligations under this Agreement. Irrespective of the requirements as to insurance to be carried as provided for herein, the insolvency, bankruptcy, or failure of any insurance company carrying insurance of Contractor, or the failure of any insurance company to pay claims accruing, shall not be held to affect, negate, or waive any of the provisions of this Agreement.

ii. Failure to obtain and maintain the required insurance shall constitute a material breach of, and default under this Contract. If Contractor shall fail to remedy such breach within five (5) business days after written notice by MTD, Contractor will be liable for any and all costs, liabilities, damages and penalties resulting to MTD from such breach, unless a written waiver of the specific insurance requirement(s) is provided to Contractor by MTD. In the event of any failure to Contractor to comply with the provisions of this portion of the Agreement, MTD may, without in any way compromising or waiving any right or remedy at law or in equity, on notice to Contractor, purchase such insurance, at Contractor's expense, provided that MTD shall have no obligation to do so and if MTD shall do so, Contractor shall not be relieved of or excused from the obligation to obtain and maintain such insurance amounts and coverages.

b. Conditions Affecting All Insurance Required Herein.

i. Cost of Insurance. All insurance coverage shall be provided at Contractor's sole expense.

ii. Maintenance of Insurance. All insurance coverage shall be maintained in effect with limits not less than those set forth below at all times during the term of this Agreement.

iii. Status and Rating of Insurance Company. All insurance coverage shall be written through insurance companies admitted to do business in California and with a Best's Financial Strength Rating of A- or better, as shown in the on-line version of Best's Rating & Criteria Center.

iv. Restrictive, Limiting, or Exclusionary Endorsements. All insurance coverage shall be provided to Contractor Parties in compliance with the requirements herein and shall contain no endorsements that restrict, limit, or exclude coverage in any manner without the prior express written approval of MTD.

v. Limits of Liability. The limits of liability may be provided by a single policy of insurance or by a combination of primary and umbrella policies, but in no event shall the total limits of liability available for any one occurrence or accident be less than the amount required herein.

vi. Notice of Cancellation, Nonrenewal, or Material Reduction in Coverage. In the event of cancellation, nonrenewal, or material reduction in coverage affecting the certificate holder, thirty (30) days prior written

notice shall be given to the certificate holder by certified mail, return receipt requested, except in the event of cancellation for nonpayment, in which event fifteen (15) days prior written notice shall be given. If insurer will not include in its coverage such written notifications, it shall be incumbent upon Contractor to comply with such written notification requirements.

vii. Additional Insured Status. Additional insured status shall be provided in favor of MTD and its officers, employees and agents, including consultants, on all liability insurance required herein except workers' compensation/employer's liability and the certificate of insurance shall reflect same. Such additional insured coverage shall be primary to and shall seek no contribution from all insurance available to MTD, with MTD's insurance being excess, secondary, and noncontributing.

viii. Waiver of Subrogation. All insurance coverage carried by Contractor required herein shall provide a waiver of subrogation in favor of MTD for all loss covered by such insurance, and Contractor waives all rights of action against MTD for such loss.

ix. Primary Liability. All insurance coverage required herein shall be primary to and shall seek no contribution from all insurance available to MTD, with MTD's insurance being excess, secondary, and noncontributing. Where necessary, coverage shall be endorsed to provide such primary liability, and the certificate of insurance shall reflect same.

x. Deductible/Retention. All insurance required for this project shall have a maximum deductible or self-insured retention of \$10,000 per policy.

xi. Claims Against Aggregate. MTD must be notified in writing by Contractor at MTD's address set forth herein immediately upon knowledge of possible claims against Contractor that might cause a reduction below seventy-five (75%) of any aggregate limit of any primary policy.

c. Commercial General Liability Insurance.

i. Coverage. Such insurance shall cover liability arising out of all locations and operations of Contractor, including but not limited to liability assumed under this Agreement (including the tort liability of another assumed in a business contract). Defense shall be provided as an additional benefit and not included within the limit of liability.

ii. Form. Commercial General Liability Occurrence form, at least as broad as an unmodified ISO CG 00 01 10 93 or its equivalent.

iii. Amount of Insurance. Coverage shall be provided with limits of not less than:

A. Each Occurrence Limit	\$1,000,000
B. General Aggregate Limit	\$2,000,000
C. Product-Completed Operations Aggregate Limit	\$2,000,000
D. Personal and Advertising Injury Limits	\$1,000,000
E. Fire Damage (any one fire)	\$50,000
F. Medical Expense (any one person)	\$5,000

iv. Required Endorsements.

- A. Additional Insured status as required in 18(b)(vii), above.
- B. Notice of Cancellation, Nonrenewal, or Material Reduction in Coverage, as required in 18(b)(vi), above.
- C. Personal Injury Liability: The personal injury contractual liability exclusion shall be deleted.
- D. Primary Liability, as required in 18(b)(ix), above.
- E. Waiver of Subrogation, as required in 18(b)(viii), above.
- F. Continuing Commercial General Liability Insurance: Contractor shall maintain such insurance in identical coverage, form, and amount, including required endorsements, for at least three (3) years following the date of acceptance by MTD of the last bus built pursuant to this Agreement.

d. Auto Liability Insurance.

i. Coverage. Such insurance shall cover liability arising out of any auto (including owned, hired, and non-owned).

- ii. Form. Business Auto Form (at least as broad as an unmodified ISO CA 0001 or its equivalent).
 - iii. Amount of Insurance. Coverage shall be provided with a limit of not less than \$1,000,000, combined single limit.
 - iv. Required Endorsements.
 - A. Additional Insured status as required in 18(b)(vii), above.
 - B. Notice of Cancellation, Nonrenewal, or Material Reduction in Coverage, as required in 18(b)(vi), above.
 - C. Waiver of Subrogation, as required in 18(b)(viii), above.
 - e. Workers' Compensation/Employer's Liability Insurance.
 - i. Coverage. Such insurance shall cover liability arising out of Contractor's employment of workers and anyone for whom Contractor may be liable for workers' compensation claims. Workers' compensation insurance is required, and no "alternative" forms of insurance shall be permitted.
 - ii. Amount of Insurance. Coverage shall be provided with a limit of not less than:
 - A. Workers' Compensation: Statutory limits
 - B. Employer's Liability: \$1,000,000 each accident and disease.
 - iii. Required Endorsements.
 - A. Notice of Cancellation, Nonrenewal, or Material Reduction in Coverage, as required in 18(b)(vi), above.
 - B. Waiver of Subrogation, as required in 18(b)(viii), above.
 - f. Excess Liability Insurance. Not applicable to this Agreement.
 - g. Professional Errors & Omissions Liability Insurance.
 - i. Coverage. Such insurance shall cover claims alleged to arise out of the negligent performance of Contractor's professional services.
 - ii. Amount of Insurance. Coverage shall be provided with a limit of not less than \$3,000,000 annual aggregate.
 - h. Other Insurance. MTD shall have the right, exercisable in its sole judgment at any time by giving prior written notice thereof to Contractor, to require Contractor to increase the limit and coverage amount of any insurance Contractor is required to maintain pursuant to this Agreement to an amount that MTD may, in its sole judgment, deem reasonably sufficient; and purchase other insurance and/or endorsement in such amounts or types as MTD may reasonably require from time to time.
19. Bonding. Not applicable to this Agreement.
20. Termination. For applicable terms, refer to Paragraph 21 (Termination) in *Federal Transit Administration: Contract Provisions* which is attached hereto as Exhibit "A".
21. Liquidated Damages. Not applicable to this Agreement.
22. Infringement of Patents. The Contractor agrees that it will, at its own expense, defend all suits and proceedings instituted against MTD and pay any award of damages assessed against MTD in such suits or proceedings, insofar as the same are based upon any claim that the items, services, work, systems, or any part thereof, or any tool, or process used in or for the Project, constitutes an infringement of any legal United States copyright or patent. MTD agrees that it will give the Contractor prompt notice in writing of the institution of the suit or proceeding and permits the Contractor through its counsel to defend the same and gives the Contractor all information, assistance and authority necessary for the Contractor to do so. In case said items, services, work, systems, or any part thereof, or any tool, or process used in or for the Project, is in such suit held to constitute infringement and use of same is enjoined, the Contractor shall, at its own expense and at its option, either procure for the MTD the right to continue using said items, services, work, systems, or any part thereof, or any tool, or process used in or for the Project, or replace same with non-infringing equipment, or modify it so it becomes non-infringing.

23. Rights in Data. Definitions. The term "subject data" used in this clause means recorded information, whether or not copyrighted, that is delivered or specified to be delivered under this Agreement. Subject data includes graphic or pictorial delineation in media such as drawings or photographs; text in specifications or related performance or design-type documents; machine forms such as punched cards, magnetic tape, or computer memory printouts; and information retained in computer memory. Examples include, but are not limited to: computer software (including, but not limited to, source codes), engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog item identifications, and related information. The term "subject data" does not include financial reports, cost analyses, and similar information incidental to contract administration. *MTD Rights.* MTD reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, for MTD purposes, any subject data or copyright. As used in the previous sentence, "for MTD purposes," means use only for the direct purposes of MTD. Without the copyright owner's consent, MTD may not extend its license to any other party. *Public Information.* When MTD awards a contract for experimental, developmental, or research work, it is MTD's general intention to increase transportation knowledge available to the public, rather than to restrict the benefits resulting from the work to participants in that work. Therefore, unless MTD determines otherwise, MTD and the Contractor performing experimental, developmental, or research work required by the contract agrees to permit MTD to make available to the public, either MTD's license in the copyright to any subject data developed in the course of that contract, or a copy of the subject data first produced under the contract for which a copyright has not been obtained. If the experimental, developmental, or research work, which is the subject of the underlying contract, is not completed for any reason whatsoever, all data developed under that contract shall become subject data and shall be delivered as MTD may direct.

24. Indemnification. The Contractor shall, to the extent permitted by law protect, indemnify, defend, and hold MTD and its officers, employees and agents, including consultants, harmless from and against any and all liabilities, damages, claims, demands, liens, encumbrances, judgments, awards, losses, costs, expenses, and suits or actions or proceedings, including reasonable expenses, costs and attorneys' fees incurred by MTD and its officers, employees and agents, including consultants, in the defense, settlement or satisfaction thereof, for any injury, death, loss or damage to persons or property of any kind whatsoever, arising out of, or resulting from, the acts, errors or omissions of the Contractor, including acts, errors or omissions of its officers, employees, servants, agents, subcontractors and suppliers; and upon receipt of notice and if given authority, shall settle at its own expense or undertake at its own expense the defense of any such suit, action or proceeding, including appeals, against the MTD and its officers, employees and agents, including consultants, relating to such injury, death, loss or damage. Each party shall promptly notify the other in writing of the notice or assertion of any claim, demand, lien, encumbrance, judgment, award, suit, action or other proceeding hereunder. The Contractor shall have sole charge and direction of the defense of such suit, action or proceeding. The MTD shall not make any admission which might be materially prejudicial to the Contractor unless the Contractor has failed to take over the conduct of any negotiations or defense within a reasonable time after receipt of the notice and authority above provided. The MTD shall at the request of the Contractor furnish to the Contractor all reasonable assistance that may be necessary for the purpose of defending such suit, action or proceeding, and shall be repaid all reasonable costs incurred in doing so. The MTD shall have the right to be represented therein by advisory counsel of its own selection at its own expense. The obligations of the Contractor under this clause shall not extend to circumstances where the injury, or death, or damages is caused solely by the negligent acts, errors or omissions of the MTD, its officers, employees, agents or consultants, including negligence in the preparation of the Contract documents, or the giving of directions or instructions with respect to the requirements of the Contract by written order.

25. Notice. Notices in connection with this Agreement shall be made in writing and may be delivered either personally, by governmental postal service (regular, certified or registered), by private delivery service, or by email. Receipt shall be deemed to have occurred when actually made to the party or its designated agent. Such notices shall be properly addressed to the intended party as follows:

MTD:
 Jerry Estrada, General Manager
 Santa Barbara Metropolitan Transit District
 550 Olive Street
 Santa Barbara, CA 93101
 Email: jestrada@sbmtd.gov

CONTRACTOR:
 Thomas J. Veale, President
 Tristar Risk Management
 100 Oceangate, Suite 700
 Long Beach, CA 90802
 Email: tom.veale@TRISTARgroup.net

26. Attorney Fees and Costs. In the event of a controversy (including, but not limited to arbitration or an criminal or civil filing in a Federal Court or a court of any of the United States) between the parties with respect to the enforcement or interpretation of this Agreement, the prevailing party in such controversy shall be entitled to receive, in addition to such other award as the court may deem appropriate, full reimbursement for its court costs and reasonable attorney fees incurred therein.

27. Negation of Partnership. This Agreement creates a relationship between two independent contractors and does not, nor may it be interpreted to, create the relationship of joint venturers, partners, employee/employer, or any other business relationship.

28. No Assignment. This Agreement is not assignable by either party, and any attempt by either party to assign its obligations hereunder shall be void ab initio at the election of the other party, which election may be made by written notice within ten (10) days of the non-assigning party's receipt of actual knowledge of such attempted assignment. Notwithstanding the foregoing, however, at the election of the other party, the obligations and burdens of a party shall bind and apply to any permitted successor in interest or assignee of the business and/or operations of a party.

29. Partial Invalidity. In the event that any portion of this Agreement or any provision hereof shall be deemed as invalid as contrary to applicable law, the balance of this Agreement shall be enforced according to its term, and that portion found unenforceable shall be interpreted and enforced to the extent that it may be within said applicable laws.

30. Disputes. This Agreement shall be construed and all disputes arising therefrom shall be settled in accordance with the laws of the State of California. Venue for any dispute arising under this Agreement shall be in Santa Barbara, California. Any controversy or claim arising out of or relating to this Agreement shall be resolved by binding arbitration before a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“AAA”) then pertaining (available at www.adr.org), except where those rules conflict with this provision, in which case this provision controls. Any court with jurisdiction shall enforce this clause and enter judgment on any award. The arbitrator shall be selected within twenty business days from commencement of the arbitration from the AAA’s National Roster of Arbitrators pursuant to agreement or through selection procedures administered by the AAA. Within 45 days of initiation of arbitration, the Parties shall reach agreement upon and thereafter follow procedures, including reasonable limits on discovery, assuring that the arbitration will be concluded and the award rendered within no more than eight months from selection of the arbitrator or, failing agreement, procedures meeting such time limits will be designed by the AAA and adhered to by the Parties. The arbitration shall be held in Santa Barbara, California and the arbitrator shall apply the substantive law of California, except that the interpretation and enforcement of this arbitration provision shall be governed by the Federal Arbitration Act. Prior to commencement of arbitration, emergency relief is available from any court to avoid irreparable harm. **THE ARBITRATOR SHALL NOT AWARD EITHER PARTY PUNITIVE, EXEMPLARY, MULTIPLIED OR CONSEQUENTIAL DAMAGES.** Prior to commencement of arbitration, however, the Parties must attempt to mediate their dispute using a professional mediator from AAA, the CPR Institute for Dispute Resolution, or like organization selected by agreement or, absent agreement, through selection procedures administered by the AAA. Within a period of 45 days after the request for mediation, the Parties agree to convene with the mediator, with business representatives present, for at least one session to attempt to resolve the matter. In no event will mediation delay commencement of the arbitration for more than 45 days absent agreement of the Parties or interfere with the availability of emergency relief.

31. Prohibited Interest. The parties hereto covenant and agree that to their knowledge no board member, officer, or employee of MTD, during his/her tenure or for one year thereafter, has any interest, whether contractual, non contractual, financial or otherwise, in this transaction, or in the business of a contracting party other than MTD. If any such interest comes to the knowledge of either party at any time, a full and complete disclosure of all such information will be made in writing to the other parties, even if such interest would not be considered a conflict of interest under Article 4, Chapter 1, Divisions 4 and 4.5, Title I of the Government Code of the State of California.

32. Compliance with Laws and Regulations. Contractor shall warrant that in the performance of work under contract to MTD that they shall comply with all applicable federal, state and local laws and ordinances, and all lawful orders, rules, and regulations thereunder.

33. Audit and Inspection of Records. The Contractor shall agree that all materials supplied and services performed under the Project, facilities used in connection therewith, and records and documentation thereunto appertaining shall be subject to inspection, test, or audit by duly authorized representatives of MTD and the State of California. The Contractor agrees to maintain all required records relating to the Project for at least three years after MTD makes final payment and all other pending matters are closed.

34. Equal Employment Opportunity. For applicable terms, refer to Paragraph 24 (Civil Rights Requirements) in *Federal Transit Administration: Contract Provisions* which is attached hereto as Exhibit "A".

35. Entire Agreement. This Agreement and its attached exhibits constitute the entire agreement between the parties and shall be deemed to supersede and cancel any and all previous representations, understandings, or agreements between MTD and Contractor as to the subject matter hereof. This Agreement may only be amended by an instrument in writing signed by the parties.

36. No Waiver. The failure of either party at any time to require performance by the other party of any provision of this Agreement shall in no way affect that party's right to enforce such provisions, nor shall the waiver by either party of any breach of any provision of this Agreement be taken or held to be a waiver of any further breach of the same provision.

37. Counterparts & Email. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. The parties agree that a scanned and emailed signature may substitute for and have the same legal effect as the original signature.

38. Qualifications. Contractor or Contractor's representative (Contractor) certifies that Contractor is qualified to do business and is in good standing in the State of California, and that Contractor has authority to enter into and perform its obligations under this Agreement, which constitutes a valid and binding obligation of Contractor.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed.

SANTA BARBARA MTD

TRISTAR RISK MANAGEMENT

Jerry Estrada, General Manager

Thomas J. Veale, President

Date

Date

FEDERAL TRANSIT ADMINISTRATION

CONTRACT PROVISIONS

Workers' Compensation Third-Party Administration – Tristar Risk Management

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1. **FLY AMERICA REQUIREMENTS (NOT APPLICABLE TO AGREEMENT)**
2. **BUY AMERICA REQUIREMENTS (NOT APPLICABLE TO AGREEMENT)**
3. **CHARTER BUS & SCHOOL BUS REQUIREMENTS (NOT APPLICABLE TO AGREEMENT)**
4. **CARGO PREFERENCE REQUIREMENTS (NOT APPLICABLE TO AGREEMENT)**
5. **SEISMIC SAFETY REQUIREMENTS (NOT APPLICABLE TO AGREEMENT)**
6. **ENERGY CONSERVATION REQUIREMENTS**

The Contractor agrees to comply with mandatory standards and policies relating to energy efficiency, which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act. The Contractor agrees to include the requirements of this section in all subcontracts.

7. **CLEAN WATER REQUIREMENTS**

The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. The Contractor agrees to report each violation to the Purchaser and understands and agrees that the Purchaser will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office. The Contractor also agrees to include these requirements in each subcontract exceeding \$100,000.

8. **BUS TESTING (NOT APPLICABLE TO AGREEMENT)**

9. **PRE-AWARD & POST-DELIVERY AUDIT REQUIREMENTS (NOT APPLICABLE TO AGREEMENT)**

10. **LOBBYING**

The Contractor certifies, to the best of his or her knowledge and belief, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions [as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96). Note: Language in paragraph (b) herein has been modified in accordance with Section 10 of the Lobbying Disclosure Act of 1995 (P.L. 104-65, to be codified at 2 U.S.C. 1601, et seq.)]

(c) The Contractor shall require that the language of this certification be included in the award documents for all subawards exceeding \$100,000 at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this

transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure. [Note: Pursuant to 31 U.S.C. § 1352(c)(1)-(2)(A), any person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.] Contractor certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, Contractor understands and agrees that the provisions of 31 U.S.C. A 3801, et seq., apply to this certification and disclosure.

[Note: The Contractor shall have previously submitted to MTD a separately signed Lobbying Certification containing the above language for itself and any subcontracts exceeding \$100,000 as a condition of contract award.]

11. ACCESS TO RECORDS & REPORTS

(a) The Contractor agrees to provide MTD, the FTA Administrator, the Comptroller General of the United States or any of their authorized representatives access to any books, documents, papers and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions. Contractor also agrees, pursuant to 49 CFR 633.17 to provide the FTA Administrator or his authorized representatives including any PMO Contractor access to Contractor's records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1, which is receiving federal financial assistance through the programs described at 49 U.S.C. 5307, 5309 or 5311.

(b) If contract is for a capital project or improvement (defined at 49 U.S.C. 5302(a)1) through other than competitive bidding, the Contractor shall make available records related to the contract to MTD, the Secretary of Transportation and the Comptroller General or any authorized officer or employee of any of them for the purposes of conducting an audit and inspection.

(c) The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

(d) The Contractor agrees to maintain all books, records, accounts and reports required under this contract for a period of not less than three years after the date of termination or expiration of this contract, except in the event of litigation or settlement of claims arising from the performance of this contract, in which case Contractor agrees to maintain same until MTD, the FTA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. Reference 49 CFR 18.39(i)(11).

12. FEDERAL CHANGES

The Contractor shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Master Agreement between MTD and FTA, as they may be amended or promulgated from time to time during the term of this contract. Contractor's failure to so comply shall constitute a material breach of this contract.

13. BONDING REQUIREMENTS (NOT APPLICABLE TO AGREEMENT)

14. CLEAN AIR

The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq. The Contractor agrees to report each violation to the Purchaser and understands and agrees that the Purchaser will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office. The Contractor also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.

15. RECYCLED PRODUCTS (NOT APPLICABLE TO AGREEMENT)**16. DAVIS-BACON & COPELAND ANTI-KICKBACK ACTS (NOT APPLICABLE TO AGREEMENT)****17. CONTRACT WORK HOURS & SAFETY STANDARDS ACT (NOT APPLICABLE TO AGREEMENT)****18. [RESERVED]****19. NO GOVERNMENT OBLIGATIONS TO THIRD PARTIES**

(a) MTD and Contractor acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this contract and shall not be subject to any obligations or liabilities to MTD, Contractor, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.

(b) The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

20. PROGRAM FRAUD & FALSE OR FRAUDULENT STATEMENTS & RELATED ACTS

a) The Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et seq. and U.S. DOT regulations, "Program Fraud Civil Remedies," 49 CFR Part 31, apply to its actions pertaining to this Project. Upon execution of the underlying contract, the Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or the FTA assisted project for which this contract work is being performed. In addition to other penalties that may be applicable, the Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the Contractor to the extent the Federal Government deems appropriate.

(b) The Contractor also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. § 5307, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5307(n)(1) on the Contractor, to the extent the Federal Government deems appropriate.

(c) The Contractor agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

21. TERMINATION

(a) Termination for Convenience: MTD, by written notice, may terminate this contract, in whole or in part, when it is in the Government's interest. If this contract is terminated, MTD shall be liable only for payment under the payment provisions of this contract for services rendered before the effective date of termination.

(b) Termination for Default

(1) If the Contractor fails to perform the services, within the time specified in this contract or any extension or if the Contractor fails to comply with any other provisions of this contract, MTD may terminate this contract for default. MTD shall terminate by delivering to the Contractor a Notice of Termination specifying the nature of default. The Contractor will only be paid the contract price for services performed in accordance with the manner of performance set forth in this contract.

(2) If this contract is terminated while the Contractor has possession of MTD goods, the Contractor shall, upon direction of MTD, protect and preserve the goods until surrendered to MTD or its agent. The Contractor and MTD shall agree on payment for the preservation and protection of goods. Failure to agree on an amount will be resolved under the Dispute clause.

(3) If, after termination for failure to fulfill contract obligations, it is determined that the Contractor was not in default, the rights and obligations of parties shall be the same as if the termination had been issued for the convenience of MTD.

(c) Opportunity to Cure: MTD in its sole discretion may, in the case of a termination for breach or default, allow the Contractor ten (10) days in which to cure the defect. In such case, the notice of termination will state the time period in which cure is permitted and other appropriate conditions. If Contractor fails to remedy to MTD's satisfaction the breach or default of any of the terms, covenants, or conditions of this Contract within ten (10) days after receipt by Contractor of written notice from MTD setting forth the nature of said breach or default, MTD shall have the right to terminate the Contract without any further obligation to Contractor. Any such termination for default shall not in any way operate to preclude MTD from also pursuing all available remedies against Contractor and its sureties for said breach or default.

(d) Waiver of Remedies for any Breach: In the event that MTD elects to waive its remedies for any breach by Contractor of any covenant, term or condition of this Contract, such waiver by MTD shall not limit MTD's remedies for any succeeding breach of that or of any other term, covenant, or condition of this Contract.

22. GOVERNMENT-WIDE DEBARMENT & SUSPENSION

This contract is a covered transaction for purposes of 49 CFR Part 29. As such, the Contractor is required to verify that none of the Contractor, its principals, as defined at 49 CFR 29.995, or affiliates, as defined at 49 CFR 29.905, are excluded or disqualified as defined at 49 CFR 29.940 and 29.945. The Contractor is required to comply with 49 CFR 29, Subpart C and must include the requirement to comply with 49 CFR 29, Subpart C in any lower tier covered transaction it enters into. By signing and submitting its bid or proposal, the bidder or proposer certifies as follows: The certification in this clause is a material representation of fact relied upon by MTD. If it is later determined that the bidder or proposer knowingly rendered an erroneous certification, in addition to remedies available to MTD, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The bidder or proposer agrees to comply with the requirements of 49 CFR 29, Subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

23. PRIVACY ACT

The Contractor agrees to comply with, and assures the compliance of its employees with, the information restrictions and other applicable requirements of the Privacy Act of 1974, 5 U.S.C. § 552a. Among other things, the Contractor agrees to obtain the express consent of the Federal Government before the Contractor or its employees operate a system of records on behalf of the Federal Government. The Contractor understands that the requirements of the Privacy Act, including the civil and criminal penalties for violation of that Act, apply to those individuals involved, and that failure to comply with the terms of the Privacy Act may result in termination of the underlying contract. The Contractor also agrees to include these requirements in each subcontract to administer any system of records on behalf of the Federal Government financed in whole or in part with Federal assistance provided by FTA.

24. CIVIL RIGHTS REQUIREMENTS

(a) Nondiscrimination: In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. In addition, the Contractor agrees to

comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.

(b) Equal Employment Opportunity: The following equal employment opportunity requirements apply to the underlying contract:

(1) Race, Color, Creed, National Origin, Sex: In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. § 5332, the Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 CFR Parts 60 et seq., (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

(2) Age: In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § § 623 and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

(3) Disabilities: In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, the Contractor agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 CFR Part 1630, pertaining to employment of persons with disabilities. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

The Contractor agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties.

25. BREACHES & DISPUTE RESOLUTION

Paragraph 30 of the *MTD Master Agreement* regarding disputes shall be deemed satisfactory to meet the federal requirements for dispute resolution. The Contractor agrees to include the requirements of said Paragraph 30 in all subcontracts.

26. PATENT & RIGHTS IN DATA (NOT APPLICABLE TO AGREEMENT)

27. TRANSIT EMPLOYEE PROTECTIVE AGREEMENTS (NOT APPLICABLE TO AGREEMENT)

28. DISADVANTAGED BUSINESS ENTERPRISE (DBE)

(a) This contract is subject to the requirements of Title 49, Code of Federal Regulations, Part 26, Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs. The national goal for participation of Disadvantaged Business Enterprises (DBE) is 10%. MTD's overall goal for DBE participation is 2.9%. A separate contract goal has not been established for this procurement.

(b) The Contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of this DOT-assisted contract. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or

such other remedy as MTD deems appropriate. Each subcontract the Contractor signs with a subcontractor must include the assurance in this paragraph (see 49 CFR 26.13(b)).

(c) The successful bidder/offeror will be required to report its DBE participation obtained through race-neutral means throughout the period of performance.

(d) The Contractor is required to pay its subcontractors performing work related to this contract for satisfactory performance of that work no later than 30 days after the Contractor's receipt of payment for that work from the MTD. In addition, the Contractor may not hold retainage from its subcontractors.

(e) Contractor must promptly notify MTD whenever a DBE subcontractor performing work related to this contract is terminated or fails to complete its work, and must make good faith efforts to engage another DBE subcontractor to perform at least the same amount of work. The Contractor may not terminate any DBE subcontractor and perform that work through its own forces or those of an affiliate without prior written consent of MTD.

29. [RESERVED]

30. INCORPORATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) TERMS

The preceding provisions include, in part, certain Standard Terms and Conditions required by DOT, whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by DOT, as set forth in FTA Circular 4220.1E, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any MTD requests which would cause MTD to be in violation of the FTA terms and conditions. The Contractor agrees to include the requirements of this section in all subcontracts.

31. DRUG & ALCOHOL TESTING (NOT APPLICABLE TO AGREEMENT)

32. INTELLIGENT TRANSPORTATION SYSTEM (ITS) (NOT APPLICABLE TO AGREEMENT)

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
WORKERS' COMPENSATION THIRD-PARTY ADMINISTRATION SERVICES
SCOPE OF SERVICES

I. Claims Administration

Santa Barbara Metropolitan Transit District (“MTD”) calls for Third-Party Administration (“TPA”) Services to manage workers' compensation claims effectively by carrying out the procedures required for a successful program. The TPA shall be entrusted to manage both new claims and assume any “tail claims” from an existing administrator. This includes, at minimum, TPA meeting the following performance objectives:

- A. Compliance – TPA shall comply with all laws, rules, regulations and labor codes governing the administrator of Workers' Compensation as required by State of California and advise MTD of any legislative or regulatory changes when proposed and when enacted. In the event of any conflict between any laws, rules, regulations and MTD's *Scope of Services* objectives, agreements, terms and conditions, TPA shall comply with the more stringent requirement. Any changes in regulations that require the development of new procedures or special instructions shall be implemented at TPA's expense.
- B. Risk Management Information System – TPA shall facilitate all workers' compensation claims through a comprehensive Claims Management Information System or Risk Management Information System (RMIS) data warehouse that MTD is provided training and continued secure, online access to. The RMIS shall support the State mandated Electronic Data Interchange (EDI) and provide transfer interface compatibility. TPA shall be responsible for the cost and execution of the conversion and/or establishment and continued access by MTD to the RMIS and files, including all documents and images from the previous TPA and shall assume responsibility for the storage of files.

For each claim file accessed through the RMIS portal, a duplicative physical file shall also be made available to MTD as needed for MTD representatives, claims auditors and agents.

- C. Staffing – TPA shall designate a point of contact for MTD to ensure that the workers' compensation program is carried out with the best practices and procedures. Only experienced, senior adjusters with a minimum three years' experience shall be assigned to indemnity cases. Adjuster Caseloads shall be no more than one hundred twenty (120) open indemnity claims; one assistant per adjuster.
- D. Forms – TPA shall provide all the forms necessary for the processing of benefits or claims information and make available, and forms fillable, on paper and online.
- E. Claim Workflow – TPA shall notify MTD immediately upon notice of an injured worker's hospitalization as a result of the work injury regardless of the date of injury, and within twenty-four (24) hours of receipt of notice of any claim. Claim files and an established diary system shall be accessible to MTD through the RMIS and reflect a strategy and Plan of Action (POA) that is current, concise and date-driven indicative to a prompt and fair resolution.
- Within 24 hours – Three point contact shall occur (injured worker, medical facility and MTD). Where possible, the *Employer's Report of Occupational Injury or Illness* (Form 5020) shall be completed by the employee to acknowledge their account of the accident, injury or illness. Claim notifications should include the adjuster's name, phone number, claim number and a brief description of the loss.
 - Within 2 days – Claim files and a diary shall be created in the RMIS following receipt of a Form 5020 or TPA has knowledge of a potential claim and obtains information from MTD necessary

to create the file, whichever occurs first. At the time of set up, and on an as needed basis thereafter, all claims shall be reported to the Index Bureau.

- Within 14 days – An initial POA and an initial compensability decision must be clearly documented.
- Every 30 days – All active claim files shall be reviewed.
- Every 45 days – Adjusters shall update their file POA for active indemnity files.
- Within 90 days – The diary shall be reviewed to determine if it can be closed or will need to be reassigned to an Indemnity Adjuster. The final compensability decision is to be reviewed with MTD prior to notification.
- Every 90 days – Independent of the actual file handler, a Supervisory Review shall be performed on active indemnity files. Adjusters shall update their file POA for all future medical files.
- Every 180 days – All claims that have settled but are open for the employee's future medical care shall be reviewed by a Supervisor.

F. Employer Contact – MTD shall serve as a valuable resource to the TPA in the adjudication MTD's claims. MTD shall monitor every claim via online access to adjuster notes and diaries with the intent to provide ready access to any information needed by the claim handler such as job descriptions, information on questionable claims, etc. MTD Risk Management Staff shall be accessible and responsive to the TPA for assistance. For example, if an Employee's Claim Form for Workers' Compensation Benefits (Form DWC-1) has not been received by TPA within two (2) days after receiving the Form 5020, the examiner can contact MTD to ensure that the Form DWC-1 was given to the employee within one (1) day of knowledge of the injury. Additional TPA obligations include:

- TPA shall reply to all inquiries made by MTD on the same day, but no later than one (1) day.
- TPA shall be available, at its sole cost and expense, for on-site visits to MTD's location for an annual audit and review of program, and additional times upon request.
- TPA is subject to regular routine reporting weekly, monthly, quarterly, and annually to MTD as detailed throughout the *Scope of Services*, and summarized in Appendix A.
- TPA shall avoid all conflicts of interest or appearance of conflicts of interest and shall disclose to MTD in writing any such compensation received from any other organization for services related to performance of services described in this document.

G. Employee Contact – TPA shall develop, for review by MTD, materials which will provide information and guidance to MTD employees regarding workers' compensation and the self-insurance program. TPA shall assist injured employees (and meet with, as required) in resolving problems that arise from injury or illness claims. All employee contact shall be documented in the RMIS, and copies of all correspondence made available to MTD.

- In all non-litigated, lost time cases, where the employee has not returned to work, a telephone or personal contact shall be established with the injured employee within one (1) day of receipt of notice of claim. Such contact shall continue as often as necessary, but at least monthly.
- Return phone calls to employees shall be accomplished within one (1) day.
- All correspondence from employees shall be responded to within five (5) days of receipt.

H. Customer Service – At all times TPA shall provide exceptional customer service. The TPA shall document and respond to all complaints received from injured workers, defense counsel, and/or Risk Management and bring about resolution of such within two (2) days. MTD shall be notified of all complaints received, the resolution, and provided documentation of follow-up with employee.

- I. Reserves – Reserves shall be established based upon the ultimate probable cost of each claim and clearly identified and separated for Medical, Indemnity, and Expenses. Reserve increases of twenty-five thousand dollars (\$25,000) or more on any one claim must be communicated with MTD and approved prior to increase.

All reserve categories shall be reviewed on a regular basis but not less than at least every ninety (90) days and at end of fiscal year (June 30). For all open claims reserved at ten thousand dollars (\$10,000) and above, an initial status report shall be provided and then every ninety (90) days thereafter for the life of the file. Reviews shall include a detailed reserve worksheet with validation or within an extension of the Adjuster's POA update. Status Reports shall include a brief description of the loss, medical incurred, future medical anticipated, reserve analysis and plan for resolution of the claim.

- J. Medical Administration – TPA shall provide access to a medical provider network for the Santa Barbara area that shall be sufficient to meet the criteria of current labor codes and State regulations. Absent a medical provider network in place, TPA shall select a panel of general practitioners, specialists, hospitals, and emergency treatment facilities to which injured employees should be referred, as approved by MTD. The TPA shall regularly review and update the panel for effectiveness.

TPA shall arrange medical evaluations when needed, reasonable, and/or requested. After the initial three point contact, TPA shall maintain contact with treating physicians to ensure employees receive proper medical treatment, reports are received in a timely manner, and employees returned to full or modified employment at the earliest possible date. On an as-needed basis, TPA shall provide utilization review and/or professional managed care services, at MTD's additional expense, provided MTD's approval is obtained prior to the provision of such service.

- K. Medical Payments – TPA shall ensure that medical bills are reduced to resource-based relative value scale (RBRVS) and recommended rates, fees and schedules as adopted by the Administrative Director of the Division of Workers' Compensation and WCIRB. Medical bills shall be matched to the file, reviewed for correctness, approved for payment, and paid within sixty (60) days of receipt. The use of a service contractor for medical bill review at TPA expense is acceptable to determine accuracy, reasonableness and compliance with the fee schedule. If all or part of the bill is being disputed, TPA shall notify the medical provider, on the appropriate form letter within thirty (30) days.

- L. Compensability – The compensability determination (accept claim, deny claim, or delay pending the results of additional investigation) and the reasons for such determination shall be reviewed with MTD and documented. MTD retains authority to delay or deny a claim.

- M. Provision of Benefits – TPA shall compute and pay temporary disability benefits to injured employees based upon earnings information and authorized disability periods. TPA shall review, compute, and pay all informal ratings, death benefits, findings and awards, life pensions, or compromise and release settlements.

All such benefits shall be paid by the TPA from an MTD established bank Claim Payment Account funded by MTD. Once each week, TPA shall provide MTD with a detailed accounting of all workers' compensation benefits and allocated loss expenses paid from the account. The detailed accounting shall include the date and check number of all benefit and allocated loss payments and shall also include appropriate supporting documentation for allocated loss expense payments. A weekly check register summary shall be provided.

N. Indemnity Payments – The initial indemnity payment or voucher shall be issued and mailed to the injured employee together with a properly completed and correct DWC Form within fourteen (14) days of the first day of disability. All indemnity payments or vouchers subsequent to the first payment shall be verified, except for obvious long-term disability, and issued in compliance with labor codes and State regulations. TPA shall consistently document in the RMIS all updates of active Indemnity benefit disbursements.

Any late payments must include the self-imposed 10% penalty in accordance with labor codes and State regulations at the TPA's cost unless late payment was due to the fault of MTD. If penalties are assessed, MTD shall be advised of the reason and of the TPA's plans for payment of such penalty within five (5) days of assessment.

O. Transportation Expense – Transportation reimbursement shall be mailed within five (5) days of the receipt of the claim for reimbursement. When required by law, advance travel expense payments shall be mailed to the injured employee ten (10) days prior to the anticipated date of travel.

P. Return to Work – TPA shall provide assistance to MTD in establishing a modified duty/light duty program which is appropriate for injured employees while recovering and prior to their return to regular duties.

- TPA shall consult frequently with MTD regarding best practices and strategies for injured employees that work under the Collective Bargaining Agreement (CBA) with International Brotherhood of Teamsters Union – Local 186.
- TPA shall consult frequently with MTD in those cases where the injury residuals might involve permanent work restrictions and/or retirement potential.
- After each exam, the adjuster shall alert MTD and promptly document in the RMIS of any updated work restrictions. MTD shall be contacted as work restrictions change to confirm if modified duty/light duty is available or can be extended. Documentation should reflect timeliness and proactive pursuit of updated work restrictions.

Q. Permanent Disability – TPA shall assist injured employees in completing the necessary forms to obtain a permanent disability rating. TPA shall determine the nature and extent of permanent disability and arrange for an informal disability rating whenever possible to avoid Workers' Compensation Appeals Board litigation.

R. Investigation – TPA shall subscribe to the Index Bureau. The examiner shall request a report from the Index Bureau on all new indemnity claims. Subsequent requests should be made every six (6) months thereafter on all active indemnity claims. Information received back from the Index Bureau hits should be followed up on promptly and MTD shall be alerted regarding any claims that is identified as questionable and/or material to potential litigation.

An AOE/COE (Arising Out of Employment / Course of Employment) investigation shall be initiated within three (3) days of the decision to delay. MTD retains authority on the initiating any outside investigation and/or surveillance. MTD shall be kept informed on the scope and results of all investigations, and all activities shall be clearly documented in the RMIS claim file.

S. Litigated Cases – MTD reserves the right to select or change defense counsel. TPA shall cooperate with MTD legal counsel in all matters defending MTD in all matters pertaining to any aspect of workers' compensation claims from file creation and review through trial. When defense counsel is not necessary, TPA shall work closely with the applicant's attorney in informal disposition of litigated cases.

All assignments to outside counsel shall be done with MTD's authorization and consent. In conjunction with MTD, the TPA shall monitor outside counsel's progress. All preparation for a trial shall involve MTD so that all material evidence and witnesses are utilized to obtain a favorable result for the defense. The TPA supervisor or the examiner shall attend in person or be available by telephone as required at Workers' Compensation Appeals Board hearings, rehabilitation hearings, meetings with defense counsel, and meetings with MTD staff, departments, and employee groups as requested by MTD. It shall be at MTD's discretion if petitions for reconsideration, removal, disqualification and answers will be directed through DWC's Oxnard-Workers' Compensation Appeals Board or Santa Barbara-Workers' Compensation Appeals Board Satellite Office.

- T. Settlements – TPA shall obtain MTD's authorization prior to all settlement or stipulations. All requests for settlement require authorization by MTD's Board of Directors via a detailed case analysis form (see Appendix B).
- U. Subrogation – In all cases where a third party is responsible for the injury to the employee, the TPA shall pursue subrogation (unless instructed otherwise by MTD at the time of notification).
- When subrogation is to be pursued, the third party shall be contacted within ten (10) days with notification of MTD's right to subrogation and the recovery of certain claim expenses.
 - If the third party is a governmental entity, a claim shall be filed with the governing board within six (6) months of the injury or notice of injury.
 - Periodic contact shall be made with the responsible party and/or insurer to provide notification of the amount of the estimated recovery to which MTD will be entitled.

Whenever practical, the TPA should take advantage of any settlement in a civil action by attempting to settle the workers' compensation claim by means of a third party compromise and release. If such attempt does not succeed, then every effort should be made through the WCAB to offset claim expenses through a credit against the proceeds from the injured worker's civil action. If the injured worker brings a civil action against the party responsible for the injury, the TPA shall consult with MTD about the value of the subrogation claim and other considerations. Upon receipt of MTD's authorization, subrogation counsel shall be assigned to file a Lien or a Complaint in Intervention in the civil action.

- V. Vocational Rehabilitation – When Qualified Injured Worker/Non-Qualified Injured Worker status is determined, TPA shall advise the injured worker of his/her rehabilitation benefits within ten (10) days of knowledge of medical eligibility. TPA shall control rehabilitation costs, and secure the prompt conclusion of vocational rehabilitation benefits.
- W. Claim Reconciliation – All open claim files shall be reconciled: any time there is a change from one benefit to another (e.g., from temporary disability to permanent disability), when ten indemnity checks have been issued, or at least annually. Proof of the reconciliation should remain in the claim file. MTD has the right to audit at any time with three (3) days' notice to TPA.
- X. Excess Insurance – Cases that have the potential to exceed MTD's self-insured retention shall be reported in accordance with the reporting criteria established by the California Public Entity Insurance Authority (CPEIA) and any other excess insurance policies. All cases, which meet the established reporting criteria, are to be reported to MTD and MTD's excess carrier within ten (10) days of the day on which it is known the criterion is met. MTD may share claim file information and reports from the RMIS or provided by TPA with MTD's excess carrier or other designated representatives in the management of workers' compensation.

Y. Case Closure – TPA shall close all claims on which all medical and compensation benefits have been provided within a reasonable amount of time.

- Claim files shall never be allowed to go without examiner attention for a period of time longer than three (3) months.
- A supervisor shall have conducted regular reviews of all open indemnity claims with reserves in excess of fifty thousand dollars (\$50,000) and all problem or complex claims.
- Medical only cases must be closed within sixty (60) days from the date the letter went to employee indicating there is no permanent disability. All “Medical-Only” to “Indemnity” changes will need to be approved by MTD.
- Future medical claims shall remain open after the last payment of benefit per statutory requirements.

Payments on awards, computations, or compromise and release agreements shall be issued within ten (10) days following receipt of the appropriate document.

Z. Claims Reporting – TPA shall maintain all loss information and assist in the preparation of all reports and databases, which are now or will be required by the State of California and any other government agencies with respect to self-insurance programs.

The loss run shall be issued by the second (2nd) day of the month following the closing date. Monthly loss data shall be complete to support State reporting requirements, OSHA Log 300 reporting and for managerial, loss control, actuarial or financial purposes. Any corrections requested to the loss run shall be made within the month.

TPA shall support MTD in all MTD-scheduled audits and quarterly analysis, and provide reports at no additional cost to MTD, including reports on: Lag Time; Claims (frequency and severity) by Occupation; Occupation Loss Analysis by “Cause of Loss”; Top Five by Position Pie Charts; Claims (frequency and severity) “Cause of Loss”; and “Cause of Loss” Loss Analysis. Other loss reports may be required periodically. Example ad hoc reports include: Body Part, Frequency, Cause, and Lag Time.

End of Scope of Services Text (Also See Appendices A-B Attached)

**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
WORKERS' COMPENSATION THIRD-PARTY ADMINISTRATION SERVICES
APPENDIX A**

Reporting—The following communication time table is a guide for MTD's expected responsiveness for managing a successful workers' compensation program. It is not exclusive to all communicative action, but highlights the key actions.

FREQUENCY	REPORT/CONTACT
ANNUALLY	On-site visit for claims audit and review of program
QUARTERLY	Review Reserve Categories Status Report on all open claims reserved at \$10,000 and above. Claims Analysis (lag time; claims: cause, occupation, frequency and severity) Ad-Hoc Reports
MONTHLY	Loss Run Reports
WEEKLY	Accounting of Benefit Disbursements Check Register of Claim Payment Account
IMMEDIATELY	New claim file opened Return phone call/e-mail to MTD Reserve increases \$25,000 on any claim Final Compensability Decision Notice of Claim Status Change (RTW, MO to Indemnity, etc.) Notice of Litigation and Settlement Notice to pursue Subrogation

CLAIM WORKFLOW	
Within 24 hours	3-point Contact Claim Notification, Form 5020 completed
Within 2 Days	Claim File Open, Initiate a diary
Within 14 Days	Claim POA created, Initial compensation determination
Every 30 Days	Claim file reviewed (Claim Examiner), Contact active, lost-time employees
Every 45 Days	Claim file reviewed (Adjuster)
Within 90 Days	Claim reviewed to be closed or reassigned; Final compensability determined
Every 90 Days	Supervisor review of all Indemnity Claims and Claims over \$50,000
Every 180 Days	Supervisor review of future medical care files
INVOICES	
Within 60 Days	Medical Payments Reviewed and Paid, or disputed
DISABILITY	
Within 14 Days	Initial Indemnity Payment
VOCATIONAL REHABILITATION	
Within 10 Days	Advise Qualified Injured Worker of benefits

CLAIM WORKFLOW (CONTINUED)	
REIMBURSEMENTS	
Within 5 Days	Transportation Reimbursement
INVESTIGATIONS	
Day 1	Initial report to the Index Bureau
Every 6 Months	Subsequent reports to Index Bureau on active Indemnity Claims
DECISION TO DELAY	
Within 3 Days	Initiate AOE/COE investigation
SUBROGATION	
Within 10 Days	Third Party Contact
EXCESS INSURANCE	
Within 10 Days	Report cases with potential to exceed self-insurance retention
CLAIM SETTLED	
Within 10 Days	Payment Disbursement
Every 90 Days	if applicable, Adjuster review claims open for future medical care
Every 180 Days	if applicable, Supervisor review claims open for future medical care

**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
WORKERS' COMPENSATION THIRD-PARTY ADMINISTRATION SERVICES
APPENDIX B**

Request for Workers Compensation Claim Settlement - Template

This settlement proposal is provided and supported by:

TBD (TPA Claims Manager)
 TBD (MTD's appointed attorney)
 Rafael Cortez (MTD's Risk Administrator)

Date Prepared:

Approval Needed By (Date):

Please fill in the following:

Please consider a total settlement amount of \$

This settlement amount would include \$ of new money

Claimant Name:

Claim Number:

Employee status:

No longer employed by Santa Barbra MTD

Date of termination:

Reason for termination:

Still employed by Santa Barbara MTD

Settlement Type:

Compromise and Release (C&R); Full & Final With Resignation Without Resignation

Stipulated Award Indemnity only Other (explain):

Please input the financial data into the table below showing a good business case for settling the claim.

Cost component	Current Reserves (Incurred)	Current Paid Totals	Outcome if settlement is offered and accepted now. (\$ - New Money)	Possible outcome if claim is not settled now; Inclusive of Pairs.
Indemnity	\$	\$	\$	\$
Medical / Medicare Set Aside	\$	\$	\$	\$
Expense (Other (legal, admin))	\$	\$	\$	\$
Total	\$	\$	\$	\$

This total must match settlement amount requested

CAUSAL RELATION:

What injury occurred to the employee?

How did the injury occur?

Where did the injury occur?

Was this claim controverted? Yes No If Yes, was it a Full Denial Partial Denial

Describe why the claim was questioned and the process by which the denial was sustained or overturned:

Does the employee have other WC claims (past or present) while working with MTD? Yes No

If yes, describe those claims:

INVESTIGATION:

Has there been surveillance conducted Yes No

If yes, what was the result?

If no, why was it not conducted?

MEDICAL OVERVIEW:

Indicate the current medical status by clicking the appropriate box below:

Continuing to treat Maintenance visits Currently not treating (at MMI or P&S)

What was the initial diagnosis and treatment of the claimant?

What is the current diagnosis and treatment of the claimant?

What is the ongoing treatment plan?

Indicate Future Medical Provision(s) below:

Estimated yearly cost:

Life Expectancy:

Total Exposure: (Yearly average x Life Expectancy)

Explain key driver(s) of medical:

Medicare eligibility: Yes No

MSA allocation (if applicable):

INDEMNITY OVERVIEW:

Was there lost time from work? Yes No

Temporary Disability (TD) -

Period:

Rate per week:

Total Amount Paid:

Additional Exposure:

Indicated any other temporary disability exposure

Future ability to work:

Please provide status of any permanent work restrictions

Describe any scenarios where we are responsible for job training, or other labor market information. Provide State specific information, i.e. California – Supplemental Job Displacement Voucher (SJDV AKA Vocational Rehabilitation).

Permanent Disability (PD) (do not include string rating):

Rate per week:

Total Paid:

PD Rating: based on treating physician report, med-legal or the MMI findings %

Body Part 1: %

Body Part 2: %

Combined PD: % = \$

Estimated New Money owed: \$

LIEN EXPOSURE: \$

List any and all outstanding or resolved lien exposure with current status:

SETTLEMENT PROPOSAL:

PD: \$ or \$ new money

Future Medical Care: \$ or \$ new money

Voucher: \$

Other Exposure: \$

Subrogation/3rd Party Credits/Contribution \$

Total Settlement Proposal: \$ or \$ new money

Please delineate any potential off set recovery (i.e. subrogation) below.

Offsets:

CURRENT SETTLEMENT STRATEGY:

Describe any other information/relevant facts that support the settlement request rationale and the business case to assist in settlement approval. Please consider the following to support your settlement recommendations.

- What is the recommendation and strategy to move forward with settlement? What settlement discussions if any have occurred?
- Does it makes sense to consider a C&R or Stipulated Agreement and why?
- Describe any other pertinent information and rationale to support the settlement request.

- Indicate settlement demand from Applicant Attorney, if known/received. \$
- Describe a realistic scenario if the case goes to Trial/Judge's Decision. What is your estimated % of prevailing at trial?

Possible Outcome if Claim is Not Settled Now:

Describe a realistic scenario should settlement not be reached such as proceeding to Trial or further discovery.

Describe the current litigation concerns - why not settling the claim may drive up the legal costs.

Note: Please ensure the applicant attorney is in agreement with the projected settlement proposal. If not, this may lessen the opportunity to further obtain a settlement agreement with MTD's management.

Response to Request for Proposal

Workers' Compensation Third-Party Administration

Presented To:



Valerie White
Purchasing Agent
Santa Barbara Metropolitan Transit District
550 Olive Street, Santa Barbara, CA 93101
(805) 963-3364, extension 244
vwhite@sbmtd.gov

Presented By:



TRISTAR[®]

Adrian Garcia
Director, Sales and Client Solutions
Office: 916-631-0415 Ext. 3496
Fax: 916-852-5390
Mobile: 916-350-1659
Adrian.Garcia@TRISTARgroup.net

transforming risk into opportunity[®]

October 8, 2020

Valerie White, Purchasing Agent
Santa Barbara Metropolitan Transit District
550 Olive Street, Santa Barbara, CA 93101
(805) 963-3364, extension 244
vwhite@sbmtd.gov



RE: Response to Request for Proposal
Workers' Compensation Third-Party Administration
Deadline: Friday, October 9, 2020 at 10:00 AM

Dear Ms. White:

Thank you for the opportunity to submit this proposal to serve as Third Party Administrator for Santa Barbara Metropolitan Transit District (MTD). TRISTAR Risk Management, the proposer, is a member company of TRISTAR Insurance Group (TRISTAR). TRISTAR provides claims administration service and managed care solutions to governmental entities and corporate organizations across the United States.

We hope to establish a successful partnership with MTD to ensure prompt, fair, and equitable claims evaluation, administration, and settlement. TRISTAR provides a professional claims administration program personalized to meet and exceed the needs and vision of MTD. We manage all claims with merit promptly and efficiently and resist those claims or services that are not compensable.

TRISTAR has been handling public entity workers' compensation claims administration for more than thirty years. Public entities comprise approximately half of TRISTAR's clients. These entities have ranged from small school districts to cities and states. They include public hospitals, transportation systems, university systems, etc. TRISTAR has the experience and staff to handle claims in all states.

Factors that differentiate TRISTAR in the claims administration industry include our internal audit review, customized program flexibility, cost containment programs, electronic data exchanges, paperless and imaged technological environment, client training programs, provider E-Billing initiatives, and longevity in the market. Overall, TRISTAR seeks to deliver world-class service and provide superior economic outcomes for its clients.

We are a sponsor for public entity professional organizations locally, regionally, and nationally. We invite and encourage our public entity clients to participate in these meetings and events. We recognize that our services must be provided on a fair and cost-effective basis and believe that we can do this better than anyone in the industry.

TRISTAR has reviewed the above referenced RFP, all referenced addendums and amendments, minimum requirements, and scope of services or work. Based on this review, unless otherwise specified in this proposal, TRISTAR believes that we can provide all services as requested and meet all conditions specified.

TRISTAR is interested and willing to enter into a contract with MTD to carry out the TPA services as described in the attached Scope of Services. TRISTAR is willing to accept the contract terms and conditions included in the MTD Master Agreement and the Federal Transit Administration Contract Provisions. TRISTAR possess the ability and willingness to obtain insurance meeting the requirements indicated in paragraph 18 of the Master Agreement. TRISTAR is a recognized claims administrator of self-insured workers' compensation programs, licensed to do such business in the state of California. TRISTAR has conducted 30 years of TPA services with California workers' compensation claims. TRISTAR possess sufficient experienced, state-certified claim adjusters and other resources to perform TPA services to MTD.

TRISTAR looks forward to presenting our claims handling solutions for MTD's risk management programs, now and well into the future.

Sincerely,

A handwritten signature in blue ink, appearing to read "Thomas J. Veale", is written over a light blue horizontal line.

Thomas J. Veale, President

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EXECUTIVE SUMMARY

Executive Summary



Founded in 1987, TRISTAR is the largest privately held third party administrator in the nation. TRISTAR provides property and casualty, absence management and employee benefit claims administration, and managed care services, for self-insured organizations and insured organizations. We generate nearly \$100 million in revenue, and employ over 650 professionals throughout the country. Headquartered in Long Beach, CA, we provide services from approximately 30 locations throughout the country. Four divisions provide a wide range of integrated or unbundled risk management and insurance services to our customers.

TRISTAR RISK MANAGEMENT provides property and casualty third party claim administration services and risk control for self-insured employers and insured policyholders. Our core services include claims administration of workers' compensation, automobile, construction defect, crime and fidelity, employment-related practices liability, general and professional liability, product liability, inland marine management protection, law enforcement, medical-professional liability, package policies, property, and specialty risks unique to our clientele.

We serve over 400 self-insured and thousands of insured policyholders including public agencies, private corporations, program managers, captives, pools, insurance carriers, reinsurers, brokers and more. Our government client base includes a specialty niche in public entity consisting of K-12 school districts, cities, counties, higher education, firefighters, healthcare organizations, law enforcement, state agencies, transit, and utilities. Our private industry customers include retail, convenience, grocery, energy, construction, hospitality and food services, manufacturing, transportation, real estate and more.

TRISTAR MANAGED CARE provides nurse case management, medical bill review service, and access to local, regional and national preferred provider organization (PPO) networks, including pharmacy, radiology, durable medical equipment, physical therapy, transportation, translation, and implantable device ancillary cost containment programs including a 24/7 call center for reporting injuries. Due to the large volume of claims we manage, TRISTAR commands the highest quality of managed care programs including the largest medical bill and pharmacy reductions both regionally and nationally.

TRISTAR provides managed care services nationally and our highly credentialed and experienced nurses provide a variety of case management solutions to meet our clients' needs in workers' compensation, group health and disability management. Services include nurse triage, early intervention, utilization review, telephonic and field case management, return to work, treatment protocols, and customized wellness programs. Our case management includes managing to nationally recognized treatment guidelines, evidenced based medicine, and predictive return-to-work modeling. Integrated case management services partnered with effective cost containment solutions achieve an optimal medical outcome and appropriately return or transition the patient back to work.

TRISTAR BENEFIT ADMINISTRATORS provides third party administrator services for self-insured employers and insured policyholders including claims administration of group health benefits. TRISTAR provides personalized and comprehensive benefit plan services for self-funded and insured plans including health reimbursement arrangement (HRA) plan administration, flexible spending account (FSA) plan administration, dental plan



Executive Summary

administration (DPA), short-term and long-term disability (STD/LTD), Family and Medical Leave Act (FMLA), and COBRA/HIPAA plan administration for over 275 companies.

TRISTAR provides the latest service trends in employer and employee service administration including Leave of Absence and Disability Claims Management. TRISTAR develops, customizes, and manages absence and disability benefit programs for employers to control absences and costs while caring for their employees. TRISTAR is an expert in managing FMLA, short-term and long-term disability in all jurisdictions.

ASPEN RISK MANAGEMENT GROUP provides safety consulting, coaching and training delivering loss control surveys, risk management analysis, ergonomic studies, onsite workplace safety evaluations, and various educational training and seminars. Amongst their many core competencies, Aspen also provides remote ergonomic assessments (for both WC claims, and direct for company employees) through our sister company, ERGOhealthy.

MISSION STATEMENT. Our mission is to provide the highest quality claims management services to our clients. We are committed to a long-term investment in the continual improvement of our products to ensure the best value for our clients and a strong, secure, and growing organization for our employees, shareholders, and business partners.

OUR VISION. Our vision is to become the country's most respected provider of claims management services.

EXPERTISE FOR PUBLIC ENTITIES. TRISTAR has 30 years of experience providing third party administrator services to public entities. Today's environment calls for innovative and proactive claims cost management programs. TRISTAR continues to be the leader in both of these areas. We believe that we are uniquely qualified to provide a fully integrated approach to managing MTD's program costs.

TRANSFORMING RISK INTO OPPORTUNITY. Delivering loss cost savings creates new opportunities for our clients: whether they choose to drop savings to their



bottom line, or reinvest them. TRISTAR collaborates with our clients to develop claim management programs that are tailored to deliver optimal outcomes for their unique operations and exposures. We offer a national team of experienced technical experts who will help MTD transform their risks into new opportunities.

ENGAGED, ACCOUNTABLE, ACCESSIBLE. TRISTAR offers MTD a designated of adjusters based in our Signal Hill office. We consolidate claims with as few adjusters as possible (assuring all have the appropriate state licensures and experience), to build critical volume and knowledge of your program with your designated team. We will also assign a designated Account Manager to MTD.

TRISTAR CONNECT (RMIS). Our Client Portal, TRISTAR Connect, provides important, relevant information, accessible from any internet-connected device through Android and Apple compatible mobile apps. Our Dashboard provides key information in easy-to-digest visual format, such as First Notice of Loss reporting lag time, trial and hearing calendars, injury and location trending, litigation trending, access to all claimant files and more. It also provides a myriad of standard and customizable report options. The system includes over 80

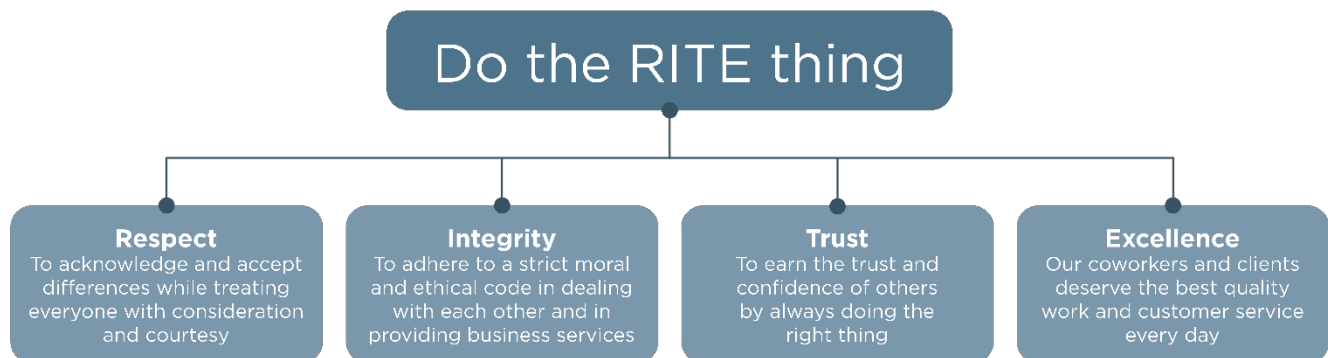


Executive Summary

report templates in key areas such as Loss Prevention, Loss Triangles, Claim Log, Finance, and many others.

TRISTAR'S KEY DIFFERENTIATORS

- ◆ TRISTAR is the largest independent privately held third party administrator (TPA) in the nation.
- ◆ We do not experience the extreme financial pressures faced by publicly traded or venture capital/private equity-owned firms. We are empowered to make long-term investments in our client relationships and internal resources.
- ◆ We hire and retain knowledgeable and skilled professionals, adhering to the "RITE" principles
- ◆ We believe flexibility, customization, and a collaboratively designed program will transform the risks that our clients face into the best outcomes for all.
- ◆ Our professional team's dedication to our core principles is the reason that we achieve:
 - ◇ 97% average client audit scores
 - ◇ 98% client retention
- ◇ We are committed to continuous improvement in the quality of our services. This includes a dedicated Quality Assurance Department who ensures adherence to State, TRISTAR and Client policies and procedures and provides ongoing training to our staff and clients.
- ◇ We offer an empowered and responsible Account Manager.
- ◇ Whenever possible, we integrate managed care/cost containment programs including bill review, PPO network access, and medical case management into our client's overall claims management process that creates efficiencies and closes gaps that can exist with unbundled services.
- ◆ TRISTAR undergoes annual SSAE 18 SOC 1 and SOC 2 audits, performed by the independent accountants at JLK Rosenberger, CPAs. THE SOC 1 audit report attests to the suitability of design and the operating effectiveness of internal controls over TRISTAR's claims handling processes. The SOC 2 report attests to the suitability of design and operating



Executive Summary

effectiveness of internal controls relevant to security, availability, and confidentiality of TRISTAR's data processing systems. This reflects our commitment to our clients and the community and eliminates the necessity for our clients to finance audit costs for program oversight.

- ◆ Our sophisticated technology provides the capabilities for on-line claim file, data access and viewing capabilities, as well as customized reporting and data transfer. Our in-house Information Technology staff has expertise in successfully transitioning over 400 claims programs and complete most conversions in less than ten business days.
- ◆ Access to an easy to use, web-based and paperless RMIS system

- ◇ Provides claims data services through our IT platform
- ◇ Results in quality report generation, analytics and stewardship

- ◆ We focus on reducing each client's Total Cost of Risk.

CHOOSING TRISTAR. While fees are an important factor to consider when choosing a TPA, loss costs represent the majority of MTD's Total Cost of Risk. We believe it is our responsibility to manage your losses responsibly, to act appropriately on your behalf, and to "do the 'RITE' thing" to help transform your risks into opportunity.

Thank you for the opportunity to submit our response to MTD's Request for Proposal. We look forward to continued conversations regarding your claims program.



TAB

3.1

**OFFEROR-PREPARED
DOCUMENTS**

3.1 OFFEROR-PREPARED DOCUMENTS

Letter of Transmittal

Please limit to two pages. Letter shall be signed by an authorized officer with full and complete authority to bind the Offeror contractually, and shall state and certify the Offeror to the following:

- Its interest and willingness to enter into a contract with MTD to carry out the TPA services as described in the attached Scope of Services.
- Its willingness to accept the contract terms and conditions included in the MTD Master Agreement and the Federal Transit Administration Contract Provisions.
- Its ability and willingness to obtain insurance meeting the requirements indicated in paragraph 18 of the Master Agreement.
- Its TPA is a recognized claims administrators of self-insured workers' compensation programs, licensed to do such business in the state of California.
- It has conducted at least five (5) years of TPA services with California workers' compensation claims.
- It possess sufficient experienced, state-certified claim adjusters and other resources to perform TPA services to MTD.

Please see above **Cover Letter** for more information.

Firm Experience and Expertise

Please limit to three pages. Proposal shall provide the following:

- Mission- a description of the TPA firm, with an outline of services and experience performing workers' compensation claims administration in California.
- Experience- a description of any expertise and the number of years in providing similar services particularly to self-insured transit/government employers of similar size and scope of MTD.
- Performance- an explanation why MTD should award your TPA firm the contract for the administration of its workers' compensation program.
- Location- a description of the firm's geographic location(s) and detail as to which branch or location is proposed to provide TPA services to MTD.
- Plans- information whether there are any major changes (e.g. relocation of firm/consolidation) planned for proposer during the next twelve (12) months.
- Subcontractors- an explanation of any subcontractor and/or outsourced work associated with the proposed services, including a brief overview of the subcontractor including names and location. Note: subcontractors must meet the same insurance requirements listed in this RFP.
- Additional Information- any other information deemed appropriate for providing a general overall picture of the TPA and the service capabilities.

MISSION/EXPERIENCE. Headquartered in Long Beach, CA, TRISTAR was founded in 1987 by our president Thomas J. Veale. Originally named Topa Risk Services, the company began as an insurance program manager and medical malpractice claims administrator. Workers' compensation claims management services were added to our offerings in 1989. Growth and change followed, and in 1995 the company was renamed TRISTAR Risk Management. As managed care and benefits administration services were also added to our offerings, the organization grew into TRISTAR Insurance Group.

Today TRISTAR remains a privately held corporation. TRISTAR's annual revenue is approximately \$100 million, and TRISTAR is the largest independently owned third party property and casualty claims administrator in the U.S. We focus our operations in three divisions: property and casualty claims

management (TRISTAR Risk Management), absence/benefits administration (TRISTAR Benefits Administrators), managed care and medical cost containment services (TRISTAR Managed Care), and loss control and risk assessment services (Aspen Risk Management). Each division provides services nationwide, and we have nearly 700 employees in offices across the country.

TRISTAR has provided TPA services for large and small transit programs for over 33 years.

PERFORMANCE. TRISTAR uniquely understands the needs of public transit agencies and works with a number of large and small California public transit agencies, including: San Diego MTS, North County San Diego Transit District, Santa Clara Valley Transit Authority, Nationally, TRISTAR administers claims for, VIA Metro Transit (San Antonio, TX), Spokane Transit Authority, and Southeastern Pennsylvania Transit Authority. Public transit agencies comprise 20% of our claims on an annual basis and is primary market for TRISTAR's third-party administration services.

LOCATIONS. TRISTAR strategically locates staff throughout the United States to ensure coverage for the entire country and assigns them to branches in major metropolitan areas. This national coverage provides assurance that in the case of a local natural disaster or other occurrence, staffing and support is available to cover for any staff unable to work. TRISTAR is authorized to administer claims in all 50 states, and many adjusters carry credentials for multiple states.

TRISTAR plans to handle claims for MTD out of our Signal Hill, CA office.

More than 80% of our property and casualty claims management business is workers' compensation, and nearly half of our clients are public entities. We serve a wide range of public entity clients, including school districts, cities, counties, states, public transportation systems, special districts, law enforcement agencies, and other municipal entities.

Ancillary services, including utilization review, bill review, nurse case management, and nurse triage services, are consolidated in various locations throughout the United States to improve services and lower costs which can then be passed onto our clients.

PLANS. We have made a small number of strategic acquisitions in the last ten years, including the following: Innovative Care Systems, Inc. (2012), Risk Enterprise Management Limited (2012), ICM, Inc. (2012) Pinnacle Risk Management, Portland (2014), Pinnacle Risk Management, Phoenix (2015), Medpay Resources (2016), and Aspen Risk Management (2020).

TRISTAR is always looking to acquiring new TPAs and other assets to enhance our offerings and strengthen our position, but there are no plans to sell or reduce our footprint during the next 12 months.

SUBCONTRACTORS. TRISTAR does not plan to use any subcontractors for this contract.

ADDITIONAL INFORMATION. TRISTAR is a sponsor and member of the American Public Transportation Assoc. (APTA)

TRISTAR submits the case study below as evidence of TRISTAR's competency in California public transit claims administration.

Large California Public Transit Agency: 10 Years of Cash Flow Improvement and Success

Our client's net payments have shown continuous reduction and improvement over time. The prior three fiscal year's net payments are, on average, \$1 million less than the average net payments of the first three

years of our engagement. Additionally, net payments have been flat (+/- 2%) for the past three years, providing critical stability and predictability.

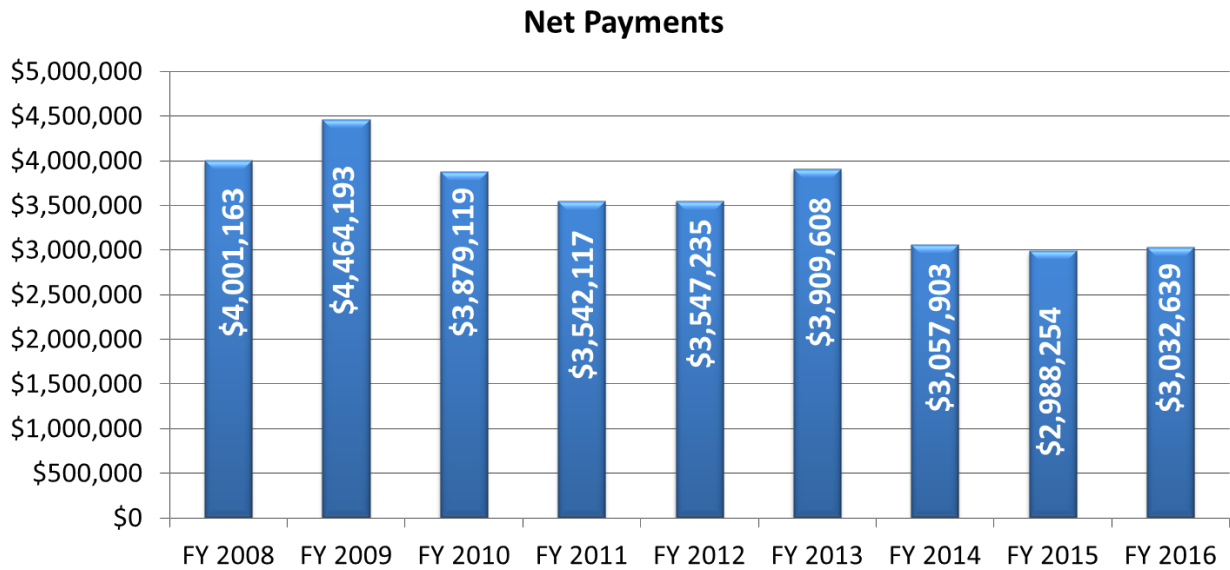


Figure 1: *Cash Flow Improvement and Stabilization*

Since program inception, our client’s outstanding liabilities (incurred dollars) have declined by more than \$8 million, or 40%. From 2015 to 2016 fiscal year, outstanding incurred was reduced by 11%.

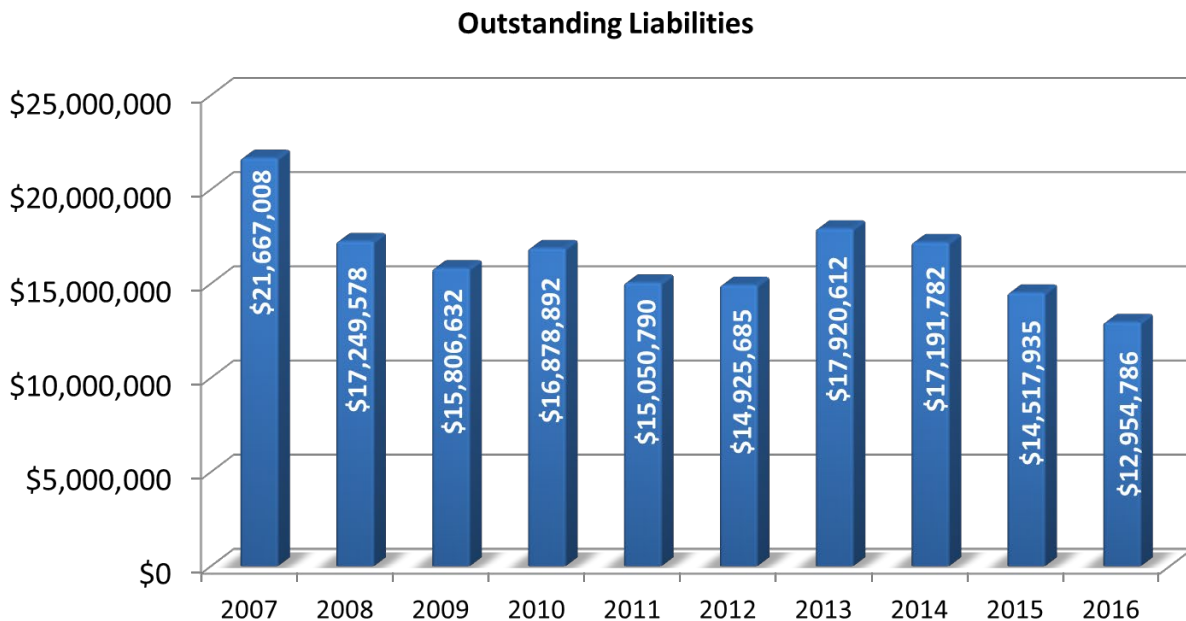


Figure 2: *Outstand Liability reduction for actual client*

Staffing Plan

Please limit to three pages, résumés excluded from page count. Proposal shall respond to and include:

- Leadership- the names and background of principal owners, partners or officers including a résumé or description of experience.

TRISTAR's company officers are:

- ◆ Thomas Veale, President
- ◆ Denise Cotter, Senior Vice President, Chief Financial Officer
- ◆ Joseph McLaughlin, Senior Vice President, Marketing & Sales

Tom Veale, Founder and President

Mr. Veale founded TRISTAR Insurance Group in Los Angeles in 1987 as an insurance consulting enterprise. Initially, the Company was engaged in handling management functions for Meridian Insurance Company, a Cayman Islands captive insurer. Since TRISTAR's founding, Mr. Veale has been the driving force behind the expansion of TRISTAR, from a local insurance consulting firm and specialized TPA with revenues of under \$1 million to the largest privately held TPA in the United States, with more than 650 employees and nearly \$100 million in revenue. Today, TRISTAR provides claims and managed care programs for workers' compensation, health benefits, absence management, general liability, automobile, and professional liability risks. Mr. Veale is actively involved in TRISTAR's day-to-day management, overseeing strategic business management, mergers and acquisitions, client relations, as well as operational and financial consulting for many self-insured and captive insured clients.

While building TRISTAR, Mr. Veale became President and Chief Executive Officer of Meridian Insurance Company, a position that he held until 1999. During that time, he led the transformation of Meridian from a single insured captive insurance company with less than \$1 million of surplus to a third party reinsurer with surplus approaching \$100 million. During his tenure, Meridian insured or reinsured fifteen insurance programs covering diverse risks including medical malpractice, workers' compensation, auto / general liability, and property. TRISTAR provided customized underwriting, loss control, treasury, and claims management programs to Meridian to ensure combined ratios well below the industry average for each line of business. During Mr. Veale's leadership, investment management was focused on investing in large-cap growth stocks and special situations. Day to day management was outsourced to four large investment management firms.

TRISTAR has completed over a dozen acquisitions over the past twenty years, two of which added over 100 employees to the firm's stable of professionals. Today, the firm has thirty-three brick and mortar locations in most major US cities as well as a dozen areas with a number of remote adjusters servicing a variety of clients.

Prior to founding TRISTAR, Mr. Veale was a Vice President of Topa Insurance Company, Director of Financial Reporting for Transamerica Insurance Company, and an accountant with Western Employers Insurance Company. The owner of Topa Insurance Company was TRISTAR's original equity investor.

Mr. Veale is a member of the National Insurance Industry Council and the founding Chairman of City of Hope's "Hoops for Hope" charity event. He is Chairman of the Executive Leadership Board of the University of Iowa College of Pharmacy, sits on the Executive Committee and Board of Directors of the University of Iowa Center for Advancement (f/k/a Foundation), and the Advisory Council of Iowa Community Pharmacy Network. Tom is also a member of various industry associations, including Risk and Insurance Management Society (RIMS), American Society of Healthcare Risk Managers (ASHRM),

Insurance Accounting and Systems Association (IASA), and National Business Aviation Association (NBAA). He is a commercially rated pilot with a CE-500 type rating and a Presbyterian Deacon.

Mr. Veale graduated from the University of Iowa with a BBA in Accounting and attended the MBA program at Loyola Marymount University.

Denise L. Cotter, CPA, Senior Vice President, Chief Financial Officer

Ms. Cotter oversees TRISTAR's the Financial, Human Resources and Information Technology departments. She is a certified public accountant in the state of California, who started her career with KPMG Peat Marwick. She left public accounting as an audit manager of several fortune 500 insurance clients. She manages TRISTAR's financial reporting and trust accounting units.

Prior to joining TRISTAR more than 20 years ago, Denise served as Vice President and Chief Financial Officer of Carnegie Holdings, a managing general agent and third party claims administrator. During her tenure at Carnegie, Ms. Cotter established a California domiciled insurance company to underwrite non-standard auto risks. Prior to Carnegie, Denise served as the Chief Financial Officer of Five Star Insurance Company in Irvine.

Ms. Cotter is a member of American Institute of Public Accountants, graduated from California State Polytechnic University, San Luis Obispo – BA Business Administration with an emphasis Accounting.

Joseph E. McLaughlin, Senior Vice President

Mr. McLaughlin oversees the marketing programs for the TRISTAR Companies. Prior to joining TRISTAR, Mr. McLaughlin served as the National Sales Director for Qmedtrix Systems, Inc., a leading cost containment company for workers' compensation.

Mr. McLaughlin was also co-owner of Self-Insured Management Services, Inc. (now Pinnacle Risk Management), and then the largest privately held TPA in the Northwest. In addition, Mr. McLaughlin served as the Western Division Sales Director for Alexis Risk Management Services opening offices in Portland, Oregon, Seattle, Spokane, and San Francisco.

A graduate of Michigan State University, Mr. McLaughlin served on the Board of TRISTAR Insurance Group from 2001-2006 and has been in his current role for more than ten years.

- Organizational Chart- an organizational chart of the team proposed for MTD and description of the management structure.

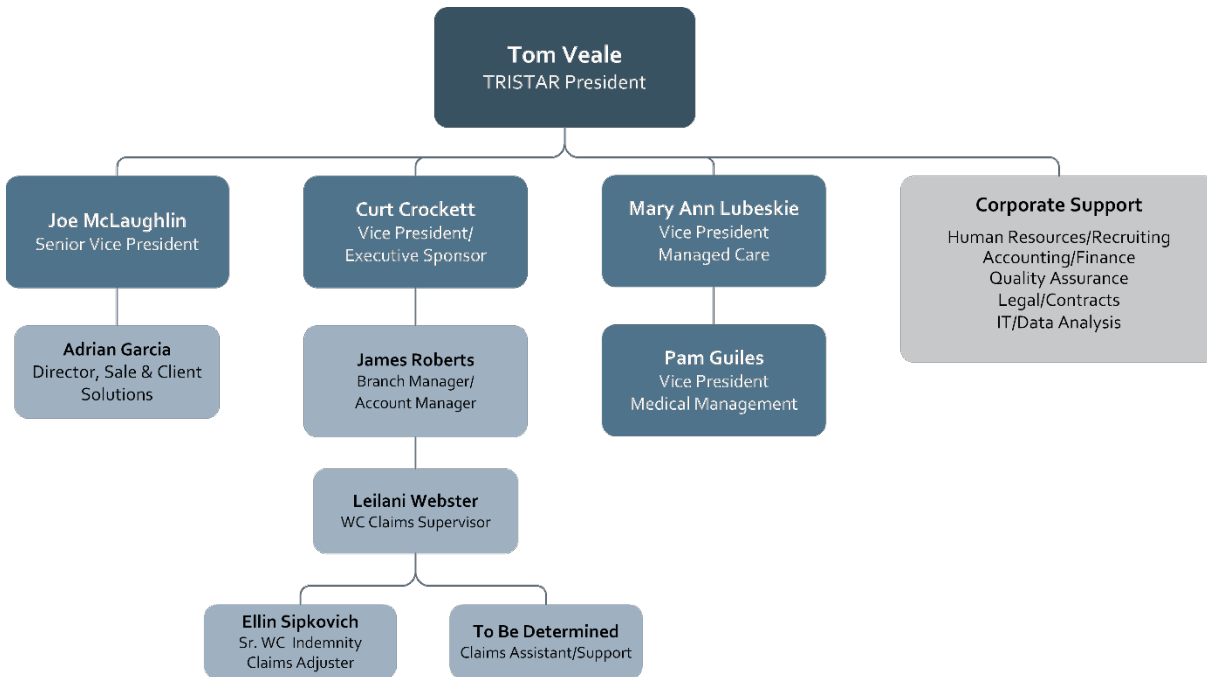


Figure 3: Proposed Team Organizational Chart

- Project Staff and Caseloads- a description of the staff proposed to perform the Scope of Services including, number of personnel, job titles and the number of caseloads assigned per role. Identify by name who shall be MTD’s main point of contact (Client Account Coordinator/Account Representative). Provide detailed written résumés for each relevant individual including qualifications listing educational background, training, experience servicing California self-insured agency claims, professional standing, licensure and/or certification. Please limit each résumé to two pages.

TRISTAR will provide MTD with a streamlined and efficient staffing model. We assign or recruit and hire personnel readily available to administer MTD’s claims. All of our dedicated claim personnel will have industry related capabilities as well as a designated backup, with the appropriate jurisdictional experience and licenses, and, if necessary, our offices providing services in offices across the United States can provide adjusting services for employees who may be out of state.

The TRISTAR management team to be assigned to MTD has significant insurance and claims management experience, and is committed to establishing a long-term relationship with MTD. Our operations include an internal recruiting department to attract new talent and qualified personnel as our business grows or when there is a need to replace a position.

Our associates are required to maintain pertinent and required licenses, and/or industry credentials. We hire and recruit highly skilled professionals with appropriate experience and expertise in their field. Additionally, TRISTAR has nearly 700 associates and has the resources to provide supervisory and adjusting services, as necessary, during a replacement transition period or prolonged absence.

TRISTAR believes that claim professionals must have appropriate workloads and administrative support to achieve the best possible outcomes.

- ◆ **Supervisors and Managers:** Supervisors and managers do not carry personal caseloads, as they are dedicated to quality assurance, technical oversight and management support of their team. TRISTAR maintains a supervisor/staffing ratio of 6:1; thus maintaining a level of supervision to help ensure proper claim handling reducing the risk of unfavorable outcomes and potential penalties.
- ◆ **Lost Time/Indemnity Examiners:** TRISTAR best practices recommends a caseload not to exceed 120 active indemnity and future medical claims per examiner, and approximately 10 reported indemnity claims per month. TRISTAR assigns 0.5 support person for each indemnity examiner. This staffing level allows TRISTAR to implement the best cost saving measures and provide a superior level of service to our clients.
- ◆ **Medical Only Examiners:** Medical only examiners will typically manage approximately 250 open medical claims, and may receive approximately 50 newly reported medical only claims per month.

PROPOSED CLAIM TEAM:

- ◆ **Curt Crockett**, Vice President/Executive Sponsor
- ◆ **James Roberts**, Branch Manager/Account Manager
- ◆ **Adrian Garcia**, Director, Sales and Client Solutions
- ◆ **Leilani Webster**, Workers' Compensation Claims Supervisor
- ◆ **Ellin Sipkovich**, Senior Workers' Compensation Examiner
- ◆ Claims Assistant/Medical Only/Support Staff

Curtis Crockett, Vice President, Regional Manager, California

Mr. Crockett has 30 years of insurance and claims administration experience, including more than 20 years with TRISTAR. He is responsible for seven California branch claim offices, encompassing over 300 employees. He is directly accountable for technical quality and compliance, financial planning, and administrative management of each operation. His expertise in staffing, benchmarking, industry best practices, claim systems, loss cost analysis, client management, and strategic corporate organization helps ensure successful customer program outcomes.

Mr. Crockett is widely involved in client relations, including accountabilities as an Executive Sponsor for several high profile accounts. Mr. Crockett manages a regional budget of \$30,000,000. As a client-service driven leader with outcome-based performance goals, Mr. Crockett demonstrates highly skilled leadership abilities that benefit TRISTAR and its customers.

Mr. Crockett's insurance career began in 1987 for Allstate Insurance as a claims adjuster. He has held numerous positions at TRISTAR, including claims supervisor and branch manager. In 2007, he was promoted to a Vice President-Regional Manager. Mr. Crockett maintains an IEA Certification in Workers' Compensation, and a California Self-Insurance Administrator (SIP Certification). He graduated from the University of California with a BA in Economics in 1987.

James Roberts, Branch/Account Manager

Mr. Roberts has over 23 years of experience managing California workers' compensation claims for public and private, insured, and self-insured entities. He has 18 years of experience as a department or branch level claims manager and has been with TRISTAR for eight years in that role. He currently manages a staff of 55 claim professionals handling California workers' compensation for Risk and Public Entity clientele.

Mr. Roberts primary responsibilities include supervision of claims administration for state-wide accounts; review and manage new account claims and large exposure cases; ensure quality and uniformity of work

product, including bill payment processes; conduct supervisory reviews and evaluation of claim files with particular emphasis on reserves, claim activity, and closing ratios; responsible for overseeing monthly financial reporting functions. Mr. Roberts conducts client and staff training and develops training curriculum for internal staff.

Beginning his claims career with CalComp, he then went to Superior Pacific as a Supervisor. He later became a Claims Manager at Crawford and Company and has also worked for Sedgwick CMS and Gates McDonald. He is a certified California Self Insurance Administrator. Mr. Roberts has a Bachelor of Arts in English from UCLA.

Adrian Garcia, Director, Sales and Client Solutions

Mr. Garcia is responsible for business development and sales activity within California, building strategic relationships with clients, brokers, carriers and others within the industry community.

Prior to joining TRISTAR, Mr. Garcia served in Account Management and Account Executive roles with CorVel Corporation. There he was responsible for providing customer service and relationship management, client retention and sales activity.

Earlier in his career, Mr. Garcia served as Senior Contract Manager for Health Fitness Corporation, where he directed a national corporate wellness program for Hewlett Packard, and managed a team of 40 employees in 15 states.

Based in the Sacramento area, Mr. Garcia achieved a B.A. in Exercise Science from the University of California, Davis; and a M.S. in Exercise Science from California State University, Sacramento.

Leilani Webster, Worker's Compensation Claims Supervisor

Ms. Webster has more than 27 years of California Workers' Compensation industry experience, including more than 20 years of supervisory experience. She has been with TRISTAR for more than 15 years, and has significant experience serving large California hospital systems and healthcare providers.

As a supervisor, Ms. Webster does not carry personal caseloads. She is responsible for assuring that her team complies with employer special handling instructions and TRISTAR's best practices requirements. She must ensure excellent customer service to all parties, and meet production goals. She is also responsible, in part, to make sure that her staff has current training in all related fields. She is a technical resource for her clients and adjusting team.

Ms. Webster has her Bachelor of Arts degree in Criminal Justice from California State University, Long Beach. She holds the WCCP as well as her SIP certificate.

Ellin Sipkovich, Senior Workers' Compensation Examiner

Ellin has 27 years of workers' compensation claims experience, including five years with TRISTAR Insurance Group. Prior to joining TRISTAR, Ellin managed claims for Sedgwick CMS, State Compensation Insurance Fund, Hazelrigg Risk Management and FIRM Solutions.

As a Senior Claims Adjuster, Ellin's responsibilities include handling complex and medical only, indemnity and future medical claims. She has significant experience with disputed claims, litigated files, subrogation, complex medical issues and large exposures.

Ellin has experience serving a number of different industries, including school districts, professional sports, oil refinery, retailer, public transportation, law enforcement.

Ellin currently manages claims for Alum Rock Union Elementary School District, Oakland Raiders and insured programs for two insurance companies. Some notable past clients include Shell Oil, Long Beach Unified School District, Ross Stores, Orange County Transit Authority, Riverside Transit Agency, Kaiser Steel.

Ellin has an AA Degree in Business Administration from Golden West College. Ellin is licensed in CA to administer self-insured employers.

- Staff Transition- a statement if your firm will notify MTD in writing at least thirty (30) days prior to replacement of key employees, and that replacement employees will possess qualifications and experience equal to or greater than individuals being replaced.

TRISTAR agrees to provide a statement notifying MTD prior to a replacement of key employees.

TRISTAR utilizes a “companion adjuster” program to ensure continuity of service in the case of absences. The program provides our clients with coverage while their assigned adjuster is out of the office. We develop our detailed client service instructions, automated workflow prompts, and triggers on specific MTD handling directives. This environment nurtures and encourages a constant exchange of ideas regarding all claims issues.

TRISTAR will maintain the necessary staffing levels to meet or exceed MTD’s minimum staffing requirements during the life of the contract. Our Human Resources Department and recruiting team diligently replace employees on a temporary basis and permanent basis, as needed, to provide seamless service to our clients.

- Compliance and Best Practices- a description how your firm ensures compliance with newly enacted statutes and rules and regulations, as well as detail the training and any continuing education provided to your workforce.

TRISTAR recognizes the vital importance of quality in both the service provided to our clients and our technical claims product. Our robust Quality Assurance program helps assure consistent, high-quality service in compliance with applicable statutes, rules, and regulations. As an example, please see **Exhibit A: California SB 1159 COVID -19 Employer Reporting Requirements**. TRISTAR’s quality control measurements include, but are not limited to, the following programs to ensure that we are consistently adhering to those practices and procedures established to move files to appropriate closure.

TRISTAR takes a multi-faceted approach to Quality Control to ensure that we consistently adhere to practices and procedures established to move files to appropriate closure. There are three formal audits conducted annually for each claims operation unit to ensure compliance to TRISTAR policies and procedures as well as client and State and Federal handling requirements. TRISTAR can conduct additional audits if requested by a manager or client. Auditors select claims randomly based on a pre-determined percentage of claims by claim type. Audits include comprehensive check data points, including claim file set up and correspondence, file administration, investigation, coding, reserves, indemnity benefits, medical payments, subrogation/recoveries, litigation management, excess carrier reporting, claims management, supervisor and manager involvement. The national audit program includes:

- ◆ A claims audit performed by our quality assurance department to ensure compliance with current law; TRISTAR claims administration guidelines, move files to closure, return injured workers to productive work, and adhere to client service instructions. These full internal audits by our Quality Assurance Managers occur annually unless our contract with a client requires a more frequent schedule. At that time, five to eight percent of all claim files are reviewed. Also, 3-point contact audits

are performed quarterly on a ratio determined by the number of new claims received. Also quarterly, a Quality Assurance manager audits the initial/90-day supervisor reviews. The ratio for these matches the ratio for the 3-point contact audits. The mail queue at each branch is also audited each quarter.

- ◆ A financial audit performed by TRISTAR’s financial auditors for review of payments, accounting, reserving, and other financial controls.
- ◆ SSAE 18 SOC 1 (Type II)/SOC 2 (Type II) performance audits performed by JLK Rosenberger, CPAs. To protect the accuracy of claims data provided to our clients as well as the safety of the data TRISTAR holds on behalf of its clients, TRISTAR annually obtains both a SOC 1 (Type II) and a SOC 2 (Type II) audit report. The SOC 1 report attests to the suitability of design and operating effectiveness of TRISTAR’s controls over the claims administration process. The SOC 2 report attests to the suitability of controls at a service organization relevant to security, availability, and confidentiality of data. The two reports, including unqualified opinions, are issued the fourth quarter of the year by JLK Rosenberger, CPAs, after extensive audits. Our SSAE 18 SOC 1 (Type II)/SOC 2 (Type II) audit is available upon request with a signed confidentiality agreement, and TRISTAR will review audits performed by our internal quality assurance department upon request.

The auditors track performance by claim unit and report the information to TRISTAR’s Branch Manager, Vice President of Client Services and Claims Operations, Vice President/Regional Manager, and President. Branch managers are expected to achieve 85% or above. If there is a noticeable trend or consistent error with the adjuster, the manager or supervisor utilizes the information for immediate training and correction.

QUALITY CONTROL MEASUREMENTS. TRISTAR’s quality control measurements, “check and balance”, include, but are not limited to, the following. We have developed the following programs to ensure that we are consistently following those practices and procedures established to move files to closure and return injured workers to productive work status.

- ◆ **Supervisory Review.** TRISTAR supervisors do not carry a caseload allowing, them to concentrate on their primary function, assisting the claims adjusters in developing action plans to move files to closure. Supervisory reviews are on both a random and systematic basis.
- ◆ **Random Audit.** Our auditors select indemnity and medical files on a random basis for internal audit from the claims system. These audits focus on:
 - ◇ Plan of action
 - ◇ Appropriate determination of benefits
 - ◇ Compliance with client requirements
 - ◇ Compliance with State rules and regulations
 - ◇ Timely delivery of benefits
 - ◇ Reserves
 - ◇ Focus on case resolution
 - ◇ Compliance with TRISTAR policies and procedures

Results are documented and reviewed with each claims adjuster, noting areas requiring improvement, and providing direction. Areas identified for improvement are addressed through additional training or by corrective action, where necessary.

- ◆ **Systematic Diaries and Reviews.** The claims supervisor and branch manager, through controlled system-driven diaries and reviews, monitor critical claim functions. These include:
 - ◇ All denied cases
 - ◇ Re-opened claims

-
- ◇ Reserves over claims adjuster authority level, or over \$100,000
 - ◇ Settlements or payments over claims adjuster authority level
 - ◇ 12-day diary from initial date of injury for TD review
 - ◇ All indemnity and medical only claims closures
 - ◇ Cases proceeding to trial
 - ◇ Award payments
 - ◇ Supervisory review of claim type and benefit changes

The claims administration system includes automatic diaries generated and based on specific data elements entered in to the online claims file. Diary assignment is to a specific claims adjuster and/or supervisor/manager for review, activity, or response. Managers and supervisors document approval, comments, and directives in the claims files. Corrective action plans and directives are determined following the same process as those for random audits.

- ◆ **Self Audit.** The claims adjusters perform self-audits on their files. Utilizing a closure checklist, this self-audit addresses items such as the processing of appropriate forms, correct calculation of benefits, resolution of permanent disability and vocational rehabilitation/supplemental job displacement, voucher issues, and any unpaid or disputed medical bills or liens.
- ◆ **Technical Authority Levels.** TRISTAR's claim system is programmed to provide technical authority levels based on job title, experience, and client requirements in the areas of reserving, claim delay or denial, benefit payment, and change. Our system also includes edits that provide for supervisory and management review of files, payments, and legal documents on an ongoing basis at critical times throughout the life of a claim. Documentation of their involvement is required in the computerized claim file notes.
- ◆ **Use of "Committee" System.** TRISTAR uses a "committee" style claims administration when establishing the initial plan of action and reserve analysis on catastrophic claims. The committee will consist of the adjuster, supervisor, branch manager, and the client (where appropriate). TRISTAR uses committees for "roundtable" discussion and development of action plans for potentially fraudulent claims and claims training exercises.
- ◆ **Legal Document Control.** A supervisor reviews all court and regulatory legal mail. The adjuster and supervisor document all future court dates and monitor awards to help assure prompt payment.
- ◆ **Client Procedural and Service Instruction Compliance.** TRISTAR completes an implementation form for every new client, which includes client specific requirements. Our system also provides for entry of these specific requirements into the "client profile" screen, which is available to all staff assigned to a specific client. This information allows the staff to provide services consistent with the client's requirements.
- ◆ **Document Processing.** Our claims adjusters generate standard and customized correspondence documents and regulatory forms created from the claims database. This assures accuracy and uniformity in providing information. All documents and forms are electronically stored in the claim system.

Our extensive auditing, policies, procedures, and commitment to SSAE 18 SOC 1 (Type II)/SOC 2 (Type II) compliance differentiate TRISTAR in the industry and helps to ensure compliance with statutory rules and procedures, TRISTAR claim handling practices and MTD service instructions.

INCENTIVE FOR QUALITY ASSURANCE EXCELLENCE. TRISTAR's President's Award for Claims Handling Excellence is awarded annually as an incentive for adjusters and supervisors to achieve outstanding audit results: adjusters must score 95% or higher, and supervisors must have an individual audit score of 95%

or higher, and their units must earn an overall score of 90% or higher. Team members who achieve these metrics earn a monetary prize, a plaque, and are mentioned in our internal newsletter.

BEST PRACTICES OVERVIEW. TRISTAR's Quality Assurance process provides a consistent basis for continuous and incremental improvement on leakage reduction, as well as constant re-evaluation of best-in-class practices. As such, it has developed Best Practices guidelines for each phase of the claims process, including:

Coverage. Prompt written confirmation and/or analysis of coverage.

- ◆ Prompt confirmation that policy information is accurate and applicable
- ◆ Reinsurance determined and reported where applicable

Contact. Same-day contact with all parties involved in the loss, including plaintiff's counsel.

- ◆ Same-day contact with employee, employer and a doctor to determine compensability and injury
- ◆ Regular aggressive follow-up with contacts throughout the life of the file

Investigation. Timely and adequate documentation of facts and the development of an initial investigation strategy plan.

- ◆ Recorded statements on back injuries, with others at the discretion of supervisor, adjuster and/or client requirements
- ◆ Wage information obtained and appropriate rate determined
- ◆ Outside investigation completed when necessary
- ◆ Indexing on all lost time cases
- ◆ Fraud indicators checked and referred for Special Investigation (SIU) when appropriate
- ◆ Regulatory requirements and turnaround times met and/or exceeded
- ◆ Initial diary set at 30 days with subsequent follow-up no more than 90 days

Recovery/Contribution. Constant, effective recognition, investigation and pursuit of recovery and/or contribution possibilities, as well as deductible collection.

- ◆ All new losses reviewed by a supervisor for potential subrogation
- ◆ Potential sources of recovery identified and placed on notice immediately
- ◆ Other sources of recovery, such as SIF or other state funds, pursued aggressively

Evaluation. Appropriate analysis of liability and damages. The claim file must reflect the development, strategy and action plan necessary to resolve the claim, while complying with Home Office Technical Claims reporting requirements.

- ◆ All losses evaluated for potential financial impact immediately upon receipt
- ◆ Initial reserves established within five days (30 days on major cases) and changes within 30 days
- ◆ Home Office referral for guidance and direction on all files meeting established criteria

Medical/Disability/Rehabilitation Management. Aggressive management of the medical care and treatment of the injured employee, utilizing a wide range of techniques designed to return the injured employee to gainful employment as quickly as possible.

- ◆ Lost time cases involve aggressive pursuit of Return to Work/Light Duty
- ◆ Disabilities and restrictions determined in a timely manner
- ◆ Medical reports obtained promptly and reviewed by adjuster for early disposition
- ◆ Medical management aggressively followed with early intervention nurse and medical provider
- ◆ Prior to releasing TTD checks contact made to confirm employee is disabled
- ◆ Independent medical exams set up when appropriate
- ◆ Assignment to approved rehabilitation vendors when appropriate and close follow-up and direction

Negotiation/Disposition. Disposition of claims, using good judgment to obtain the best possible timely result.

- ◆ Claim adjuster to review settlement strategy and plan with supervisor
- ◆ Negotiation conducted promptly and aggressively and documented in file

Supervision. Substantive supervisory file handling guidance and coaching throughout the life of the file to efficiently channel the claim toward an effective resolution.

- ◆ Supervisors do not carry personal caseloads
- ◆ Initial 14-day diary review
- ◆ Subsequent reviews at 90-180 days
- ◆ All denials, re-opening, reserves/settlements/payments over adjuster authority level, cases proceeding to trial, award payments, change in claim type/benefit, and more
- ◆ All reviews and evaluations documented

Customer Service. Service times for initial and subsequent contact with our customers, responses to correspondence and status requests.

- ◆ Contacts and return phone calls made same day
- ◆ Claim Handling Instructions (CHI) followed
- ◆ Reserve increases and settlements discussed with customer as required

By definition, Best Practices are not static, but are subject to improvement. They are continuously reviewed and updated to help TRISTAR achieve and sustain world-class performance. A complete copy of the most current Best Practices documents which is very large can be provided upon request.

EMPLOYEE TRAINING AND EDUCATION PROGRAMS. TRISTAR recognizes the need and encourages employees to enhance their technical knowledge and professional skills through continuing education to improve job performance and develop potential for future career advancement. We have initiated an education assistance program specifically created to provide financial assistance to the employee to help defray some of the cost involved according to the guidelines TRISTAR has established.

TRISTAR sponsors extensive training of our employees through the Insurance Education Association (IEA). We emphasize all workers' compensation courses, as well as those courses leading to recognized designations such as CPCU, ARM, AIM, and AIC.

TRISTAR trains all non-professional staff upon hiring in all aspects of their position requirements. Non-professional staff training includes receptionists, mail/file-clerks, and payment processors and claims assistants. Training for claims assistants is more in depth and includes developing an understanding of the workers' compensation and liability system requirements for provision of benefits and required notices. Additionally, TRISTAR trains staff in specific areas of client service instructions as they may relate to wage continuation, data integrity, return-to work programs, and correspondence.

Training in the areas of identification and reporting of potentially fraudulent claims and workers' compensation overview is mandatory for non-professional and professional staff. The reporting of potentially fraudulent claims training includes review and understanding of "red flags" which may indicate fraud, the fraud unit process for reporting claims as well as identification of fraud unit representatives in each office.

TRISTAR conducts ongoing training and seminars for our professional claims staff. Ongoing training for TRISTAR's professional claims staff is mandatory in the areas of accurate reserving, rehabilitation laws and benefits, identification and reporting of potentially fraudulent claims, subrogation, restitution, and excess reporting, new legislation, AMA and ACOEM regulations, structured settlements, Medicare-set-asides,

utilization review and other corporate training areas of importance. TRISTAR frequently invites staff from local provider offices and legal firms provide on-site in-service education sessions for staff and clients.

Managers are required to review our quality assurance department's monthly corporate training modules with employees. Branch managers can modify monthly corporate training modules for jurisdictional variances and client instructions and requirements as long as changes do not compromise our standards. Management also provides training via Webinar to include instruction and education regarding new case law affecting our organization company-wide, federal regulations such as Section 111 reporting requirements, etc.

Supervisors typically attend two (2) training sessions per year at our Corporate Offices in Long Beach, CA. This training allows them time to network and get to know other supervisors in different offices and learn from each other's techniques.

TRISTAR also encourages and supports our staff to attend training programs offered by many industry organizations. TRISTAR belongs to and attends seminars, conferences, and trade shows conducted by numerous local, regional, and national industry association organizations such as the following:

- ◆ American Public Transportation Assoc. (APTA)
 - ◆ American Society for Healthcare Risk Management (ASHRM)
 - ◆ California Association of Joint Powers Authorities (CAJPA)
 - ◆ California Association of School Business Officials (CASBO)
 - ◆ Council of Self-Insured Public Agencies (COSIPA)
 - ◆ Healthcare Human Resource Management Association (HHRMA)(Multiple States)
 - ◆ National Truck and Heavy Equipment Claims Council (NTHECC)
 - ◆ Public Agency Risk Managers Association (PARMA)
 - ◆ Public Risk Management Association (PRIMA) (Multiple States and National PRIMA)
 - ◆ Risk and Insurance Management Society (RIMS)(Multiple States and National)
 - ◆ Southern California Association for Healthcare Risk Management (SCAHRM)
 - ◆ Southern California Council of Self-Insurers (SCCSI)
 - ◆ State Self-Insured Associations throughout the United States (i.e. NSIA, CSIA)
 - ◆ State Claims Professional Associations throughout the United States
 - ◆ State Risk and Insurance Management Association (STRIMA)
 - ◆ Trucking Insurance Defense Association (TIDA)
 - ◆ Claims and Litigation Management Alliance (CLM)
 - ◆ Workers' Compensation Research Institute (WCSI)
- Additional Information- any other information deemed appropriate to demonstrate that your firm will be adequately staffed with trained personnel to handle MTD's full caseload and have the capability to recruit such staff.

Our operations include an internal recruiting department to attract new talent and qualified personnel as our business grows or when there is a need to replace a position.

TRISTAR's corporate values are to "Do the RITE thing."

- ◆ **R**espect our clients and one another
- ◆ Operate with **I**ntegrity, adhering to strong moral and ethical codes in dealing with one another and in providing services to our clients
- ◆ Earn the **T**rust and confidence of others by always doing the right thing

- ◆ Deliver Excellence to our clients who deserve our best quality work and customer service each and every day.

TRISTAR hires and retains knowledgeable and skilled professionals who adhere to the RITE principles, by establishing and maintaining a corporate culture that embodies these values.

- ◆ **Hiring Process:** The recruitment process includes, but is not limited to an extensive background check, e-verification, and credit and reference checks. Additionally, the candidates must pass an integrity test and a test administered to determine claims adjusting skills, knowledge and expertise pertaining to the specific jurisdiction for the open position. All newly hired employees participate in training programs conducted by our quality assurance department and management team that includes sessions regarding TRISTAR best practices and customer claim handling guidelines. TRISTAR quality assurance department and managers conduct monthly corporate training programs that are jurisdictionally and customer specific. Supervisors participate in periodic and annual training programs conducted annually by the quality assurance, information technology and human resource departments.
- ◆ **Employee Retention:** TRISTAR provides a positive, professional work environment for our staff members, founded on the “RITE” principles. Despite having grown into a large, national company, TRISTAR’s culture remains consistent with its roots as a boutique company, due in large part to consistent, hands-on leadership by founder and president Tom Veale. Benefits experienced by employees include both tangible and intangible assets designed to attract and retain best-in-class team members. Just a few of the reasons that TRISTAR is a great place to work are included below:
 - ◇ Competitive salary and benefits
 - ◇ Reasonable workloads and supportive management
 - ◇ Financial support for continuing education
 - ◇ Physical office locations selected for convenience and practicality
 - ◇ Annual President’s Award, including a financial prize and plaque for qualifying examiners and supervisors based upon Quality Assurance audit scores
 - ◇ Human Resources service and support, including Employee Assistance Programs
 - ◇ Scholarship program available to employees’ children – five winners awarded annually based upon academic and community service achievements
 - ◇ Philanthropic and Community Service Focus
 - National corporate support of “Hoops for Hope”
 - Each local branch office receives special budget to support non-profit of the office’s choice
 - Volunteer Paid Time - One day paid time off per year for volunteer/charity activity for all full-time employees
 - ◇ Corporate activities to unify offices nationwide, such as the TRISTARFit Step Challenge – a 6-Week long fitness challenge available for all employees to participate, including weekly prizes and recognition for participants.
 - ◇ Holiday Parties – TRISTAR supports local offices holding a summer barbeque/picnic type event, and a winter holiday party each year.
 - ◇ Bi-Monthly Internal Newsletter providing pertinent news and updates on the goings-on in local offices and at headquarters, celebrates “work anniversaries,” and includes a section written by our president Tom Veale, responding to questions submitted by employees.

Work Plan

Please limit to six pages, reporting examples excluded from page count. Offeror shall provide a narrative that addresses the Offeror's understanding of MTD's needs and requirements. At a minimum, the Work Plan shall address and include:

- Scope of Services- an explanation whether TPA services will fully comply with the entire Scope of Services.

TRISTAR has carefully read and can fully comply with the entire Scope of Services.

- Select and describe one specific Scope of Services objective your TPA excels at.

CLIENT SATISFACTION – SATISFACTION SURVEYS. Client satisfaction is of the utmost importance to all at TRISTAR. Each client has unique expectations, needs, requirements, philosophies, and goals contributing to their overall satisfaction. During the implementation process, we will review these details with MTD. To assure ongoing alignment, we recommend an annual stewardship and partnership meeting to review the program's outcomes, successes, opportunities for improvement, and MTD's overarching goals and objectives. We will help MTD identify ways to decrease frequency and severity, and review potential opportunities for claim avoidance. Goals and objectives may be measured and monitored with MTD and the account management team on a monthly, quarterly and/or annual basis.

All clients have direct access to their account manager who documents and resolves any issues or concerns. Customer complaints are reported to senior management, who become involved when resolution cannot be accomplished by the account manager.

All injured workers have direct access to adjusters, supervisors, and managers to resolve any disputes or complaints. Claims managers and supervisors bear the important responsibility of providing additional layers of assurance that each injured worker is treated fairly and equitably, and that any problems or complaints are addressed in a timely manner.

In addition, TRISTAR's Quality Assessment Department independently performs a variety of functions that illustrate iterative quality assessment in action and supports quality improvement in the claims administration and clinical management operational areas.

EMPLOYEE AND PROVIDER SATISFACTION SURVEYS. At MTD's request, TRISTAR offers the capability to submit surveys to employees upon file closure. The employee satisfaction survey asks the injured employee to rate their provider, claims examiner, nurse case manager and overall experience. It also has a space for comments and concerns, with the option to remain anonymous.

On a continual basis, TRISTAR profiles all types of network providers, monitoring quality of care indicators such as appropriateness and outcomes of care and billing practices. We also use information we collect through clinical management interactions with individual providers and any complaints from clients or injured workers, as well as federal and state publications and national press clippings to help us monitor the status and quality of providers.

Injured employees may file complaints with TRISTAR's Medical Network Administrator regarding network providers. They may submit a complaint in writing to the Administrator by email at TRISTAR.PPO@TRISTARgroup.net or by calling toll free (877) 287-4782, extension 1441. They may also submit a written complaint to the following address: TRISTAR Managed Care Attn: Medical Network Administrator P.O. Box 10200 Santa Ana, CA 92711. The Medical Network Administrator will then contact the examiner, nurse case manager, or other applicable individual to determine the proper resolution. The

resolution response will include options for next steps, should the injured worker be dissatisfied with the resolution.

Our online Provider Directory also has a ‘Submit Comment’ option next to each provider listing, which is maintained by our Medical Network Administrator.

We have also participated in provider surveys; provider surveys may also be performed by our PPO networks. We are happy to customize a provider survey for MTD’s provider community.

CUSTOMER ON-LINE RESOLUTION AND CUSTOMER SATISFACTION CENTER. TRISTAR offers an online, customized tool to capture questions and concerns from member departments, supervisors and injured workers in a database format.

- ◆ Provides a mechanism for TRISTAR managers to address, track and report any comments, issues or concerns on-line.
- ◆ Allows TRISTAR and MTD to capture trends to better identify opportunities to improve service, training, communication and education.
- ◆ Places direct contact phone number and URL on MTD’s website, removes multiple contact points, and funnels issues through one contact channel.
- ◆ Supports both online and mobile entry.
- ◆ Periodic Surveys can be scheduled and customized for MTD
- ◆ Supports QR code for Human Resources distribution.

Reports for MTD and key stakeholders include but may not be limited to:

- ◆ Satisfaction and percentage/rate of satisfaction for timeliness
- ◆ Comments regarding satisfaction
- ◆ Percent of direct contact with TRISTAR
- ◆ Ways in which the supervisor/injured worker/claimant contacts TRISTAR
- ◆ Adjuster’s knowledge/ability to answer questions
- ◆ Adjuster’s level of professionalism answering questions
- ◆ Satisfaction on new claims communication
- ◆ Supervisors comments on overall program services
- ◆ Creates goodwill and provides risk management with reports for governing boards



Figure 4: TRISTAR online issue portal and satisfaction survey starting screen

REGULATORY AGENCY SURVEYS. A number of state regulatory agencies require claims administrators to conduct or participate in surveys. TRISTAR participates in any mandated or recommended surveys initiated by regulatory agencies.

PROBLEM ESCALATION PROCEDURE (PEP). Managing complaints or concerns is a critical part of any quality and regulatory compliance program. It is expected that each associate take any and all complaints seriously and handle the customer complaint properly.

Complaints will vary widely in nature and extent; therefore the following is policy for complaints generated to supervisors, managers and management team, as these are normally escalated complaints that the caller feels have not been resolved. It is expected that all TRISTAR associates are equally responsible for resolving a customer's complaint. The TRISTAR associate who first receives a complaint must act immediately to resolve it, even if full resolution will ultimately require the involvement of others.

TRISTAR has annual Customer Service training which emphasizes Complaint Management, utilizing the LEARN principle. LEARN is an acronym for complaint handling:

- ◆ Listen – Listen carefully, don't interrupt.
- ◆ Empathize – with the situation or issue; understand the difficulty or challenge presented.
- ◆ Apologize – for the circumstance, inconvenience or frustration experienced.
- ◆ React – Determine steps necessary to resolve the matter, and advise the customer.
- ◆ Now – Don't delay; take immediate action to help resolve the complaint.

TRISTAR's policy and expectation is that any individual fielding a complaint will not allow unresolved problems to continue past an expected or desired finishing time; attempt to resolve the issue promptly and quickly.

Receipt, Acknowledgement and Documentation: If a supervisor or manager has received a complaint and cannot immediately generate a same day "resolution," the supervisor or manager will document the complaint, and advise the customer of an estimate of when the complainant can expect a response. Responses must be timely, and within a 24 hour timeframe. If additional time is needed, the complainant must be informed with new estimated time required.

Associates are trained to resist responding negatively to exaggerated, misidentified or mischaracterized issues; listening is of key importance. However, if the complainant becomes verbally abusive, the call should be transferred to the manager if available, if the caller cannot be neutralized, the associate is to try not to be defensive, regardless of the complainant's attitude or behavior.

The TRISTAR associate will attempt to relate back to the caller their understanding of the issue, and their resulting frustration in order to confirm understanding of their issue. The complaint received, acknowledged and documented. The supervisor or manager will investigate allegations and look into all details and the source identified.

Client or complainant should be contacted when the investigation and/or a remedy is completed to report findings and resolution. If there is no resolution to the complaint generated then the complainant must be advised and counseled as to the reasoning of non-resolution.

James Roberts will be MTD's primary point of contact regarding initial report of any issues, problems, concerns or challenges. The timeframe to respond/resolve the matter will be dependent upon the type of request, however, TRISTAR's policy is to acknowledge all such communications immediately, and provide a proposed plan to and estimated timeframe to accomplish resolution. Mr. Roberts will serve as

the MTD's liaison between TRISTAR's various internal departments, and shall be responsible for coordinating TRISTAR's efforts to bring each/any matter to appropriate resolution.

Should Mr. Roberts require additional assistance, or not resolve the matter to the MTD's satisfaction; TRISTAR's Vice President, Curt Crockett will serve as the MTD's Executive Sponsor and provides a direct link to TRISTAR's Executive Leadership Team. Mr. Crockett reports directly to TRISTAR's President, and will be an available resource to the MTD and Mr. Roberts to advocate on the MTD's behalf if necessary and accomplish appropriate resolution of issues or concerns.

- Detail all Scope of Services objectives your TPA is unable or unwilling to comply with, please indicate the objective and the specific reason(s) the objective cannot be accomplished and propose an alternate (where available).

TRISTAR is able to comply with all objectives listed in the Scope of Services.

- Transition Plan- a description of the transition plan for the transfer of claims administration effective January 1, 2021. Identify all items and present a timeline the TPA service would need to ensure uninterrupted benefit delivery to injured employees.

MTD can be confident that by choosing TRISTAR, transitioning the claims administration program will be efficient and timely. A successful partnership begins with a thorough knowledge and understanding of MTD's goals and objectives, aligning those goals with ongoing service requirements and resources, and the continuous assessment, analysis, and improvement of program deliverables and initiatives. TRISTAR typically prefers 60 – 90 days from award of contract to inception date; however, we have successfully transitioned numerous client programs in far shorter timeframes when necessary.

As part of the transition plan for MTD, TRISTAR's office management and adjusting team will help transition and triage open claims at the time of transfer. We will begin accepting new claims on the commencement date determined by MTD. We will provide an Implementation and Transition Plan showing our extensive, detailed process, with tentative timelines and accountability to ensure a successful implementation. Our experience and credentials demonstrate our ability to meet milestones and efficiently and effectively transition large accounts. We will develop Customized Servicing Instructions that describe MTD's unique servicing requirements.

TRISTAR's detailed implementation program begins at award of contract and extensive transition plan is provided for review with all parties. Daily and weekly calls are facilitated with MTD to help MTD stay apprised of the on-going progress. The dates of each implementation activity are established upon award and the timeframe provided for the transition. A high-level overview of activities include:

- ◆ Planning
 - ◇ Internal TRISTAR meeting
 - ◇ Identification of TRISTAR and MTD teams
 - ◇ Contract execution, provision of required documentation
 - ◇ Establish regular conference calls with MTD
 - ◇ Establish transition roles and responsibilities: TRISTAR and MTD
 - ◇ Customize transition and project plan
 - ◇ Secure MTD's excess policy information
- ◆ Customized Handling Instructions, including but not limited to:
 - ◇ First Notice of Loss process, including emergency escalation

- ◇ Catastrophic loss procedure
- ◇ Authority levels
- ◇ Reporting/communication policy
- ◇ Medical management
- ◇ Litigation management
- ◇ Return to work
- ◇ Labor agreements
- ◇ Review standard forms/letters: submission, employee notifications, denials, etc.
- ◆ Pending Inventory (Open Claims):
 - ◇ MTD to secure approval from carrier for transfer of open/pending claims to TRISTAR
 - ◇ Notify incumbent and provide transfer items/agenda
 - ◇ Provide detail file transfer instructions
 - Advance indemnity payments
 - Medical bill processing/cut off
 - Mail handling: current/future
 - Phone calls: current/future
 - File notes, financial records
 - Boxing and labelling instructions
 - ◇ Notify providers regarding bill submission
 - ◇ Notify claimants
 - ◇ Transfer physical files
 - ◇ Complete data conversion
- ◆ Information technology and risk management information systems
 - ◇ Review any special claim types
 - ◇ Review any special data capture/hierarchies
 - ◇ Review automatic triggers
 - ◇ Review forms
 - ◇ Obtain test data, imaged files for mapping, begin mapping
 - ◇ Obtain table/layout file
 - ◇ Discuss CMS report files, current bill review vendor
 - ◇ Obtain prior two years bill review data
 - ◇ First Notice of Loss script, automated pool/member/branch notification
 - ◇ Outline first report of injury process
 - ◇ Create log-ins and conduct training for MTD users
- ◆ Banking and Accounting
 - ◇ Review MTD banking process
 - ◇ Establish Loss Fund and replenishment process
 - ◇ Establish approved signatures, complete bank card
 - ◇ Establish desired financial reports
 - ◇ Test check issuance

- ◇ Add MTD preferred ancillary service firms
- ◇ Invoice timing and format
- ◆ Launch
 - ◇ Visit MTD to distribute claim manuals and discuss program with key MTD staff
 - ◇ Accept new losses
 - ◇ Implementation analysis/MTD's satisfaction, establish future claim review and stewardship schedule

Please see **Exhibit B: Sample Implementation Plan** for more information.

- Risk Management Information System and Reporting- details to the proposed computer operating system utilized to provide workers' compensation services. Please note that the Claims Management Information System (CMIS) / Risk Management Information System (RMIS) is considered to be critically important to MTD. Ideally, the system should allow MTD multi-users online access to claim files, adjuster notes, all correspondence, and reports (or if feature will be unavailable to MTD, how the same data and communication will be provided). MTD is interested in a TPA with a system that provides detailed billing management reports and allows MTD to query report data by Name, SSI#, Date of Loss. Samples of computer-generated management reports must accompany the proposal as an attachment.

TRISTAR's claim system and managed care systems are interconnected to a Risk Management Information System, TRISTAR Connect, for real-time accessibility to claim detail and data. The system is paperless, web-based, and offers Android and Apple compatible mobile apps for employers and claimants. TRISTAR Connect is accessible online using common software, such as Internet Explorer or Google Chrome browsers, PDF Reader for viewing charts and generated reports, Microsoft Excel for "download" functionality and generated reports, and AlternaTiff to view images. A demo may be viewed at <https://youtu.be/B0zieD306gY>.

TRISTAR's proprietary RMIS system was developed and is maintained by a dedicated staff of highly trained and experienced IT personnel. They are accessible to clients during business hours.

The claims system provides adjusters with automated access to forms, rates, rules and regulations to streamline the adjudication process. Standard forms can be customized for customers to reiterate the client's return to work policies and procedures, and our business rules will calculate average weekly wage (AWW) and indemnity benefits. Adjusters have access to federal and state laws, regulations, and rates, medical treatment guidelines and more.

TRISTAR will provide access to authorized users, and will update user access as provided by MTD on a periodic basis as needed. TRISTAR Connect provides access to a client dashboard, individual claim detail, and reports. Access can be customized for individual users.

DASHBOARD. Our goal is deliver relevant, actionable information in a user-friendly dashboard view. There are three tabs within the dashboard, each sharing key metrics in presentation-ready format: Claim, Financial and Loss Control. Our claim view includes a Trial Calendar with a rolling two month view of upcoming hearing and trial dates. Each dashboard screen offers one-click dropdown to view the data populating the report, option to print or export, and many of the dashboard reports include “hot sites” where simply scrolling the mouse over the site will produce a pop-up with key detail on that data point.

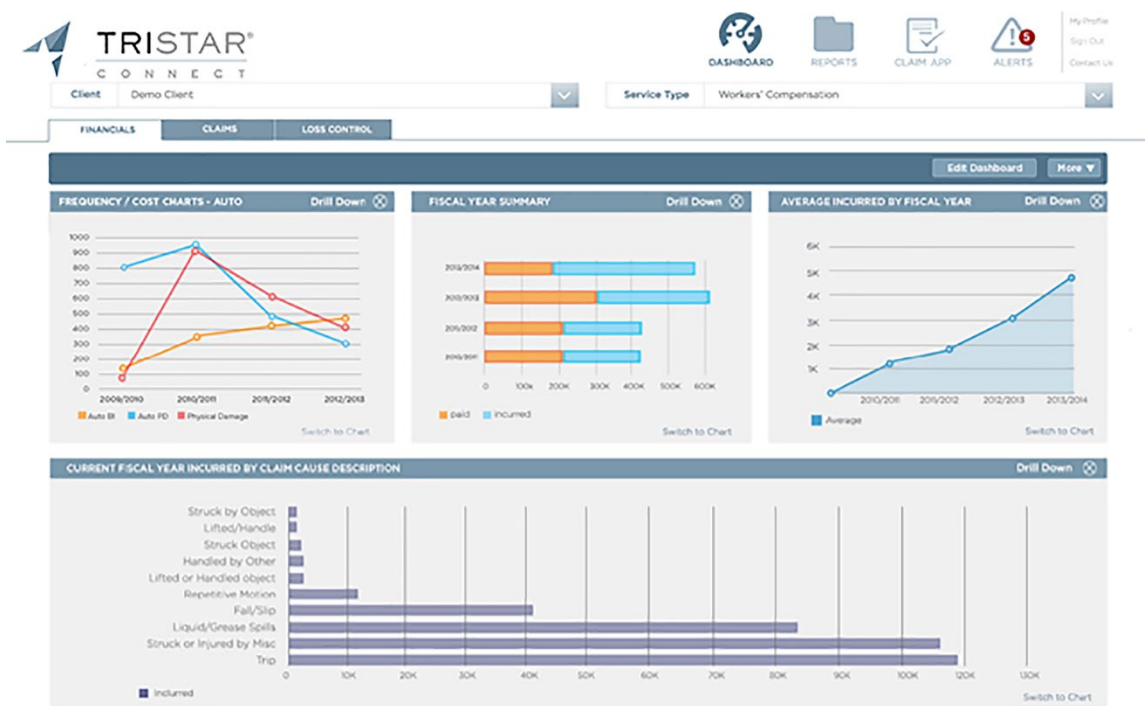
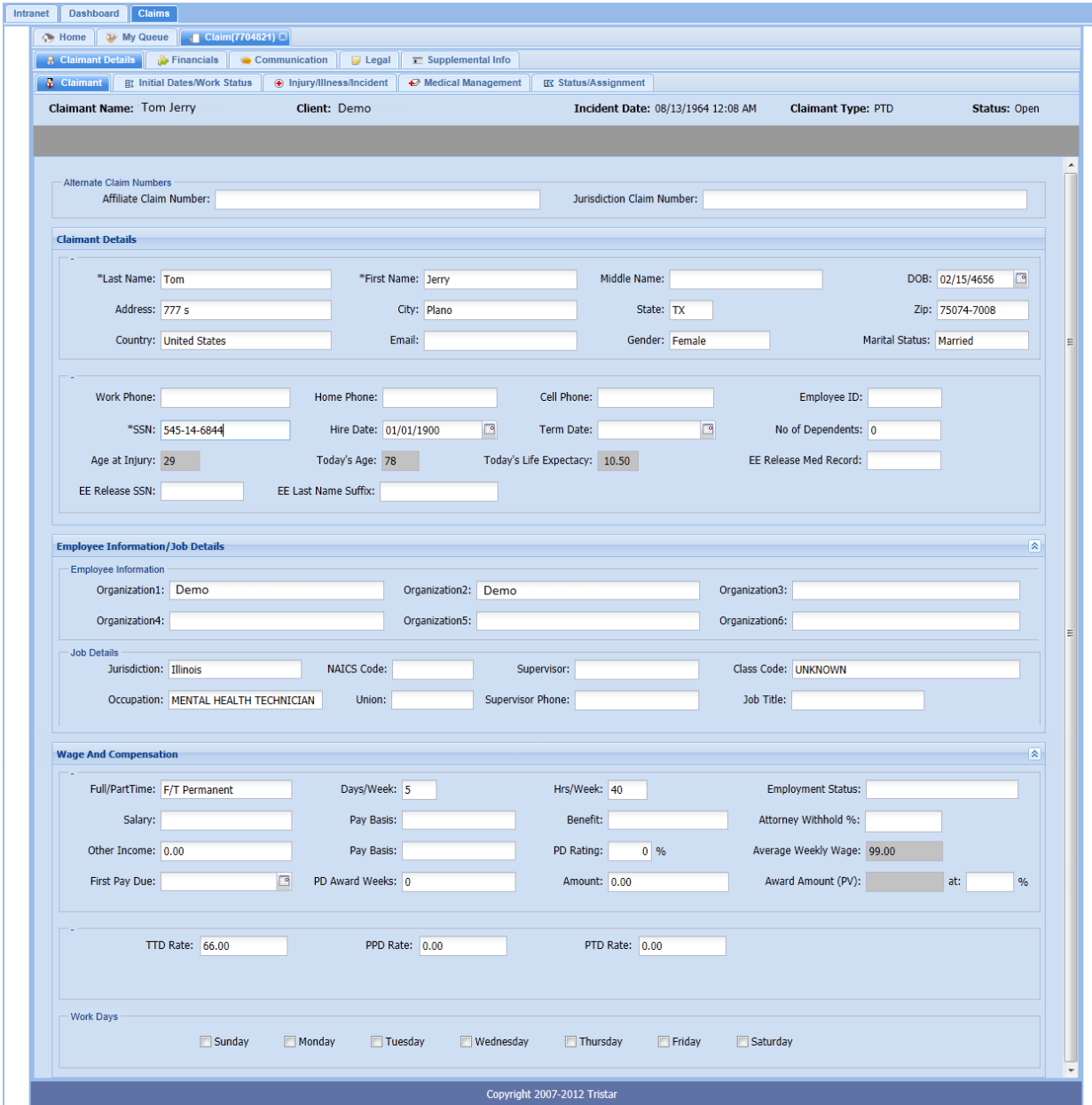


Figure 5: Sample Dashboard Screenshot of TRISTAR Connect.

CLAIM DETAIL. Includes diary, notes, payment processing, reserves/reserve changes, litigation, medical management, policy management, correspondence, work status and restrictions, vendor tracking, correspondence and more. Users have the ability to open three separate claims simultaneously via independent tabs within the portal.



The screenshot displays a web application interface for claimant details. At the top, there are navigation tabs for 'Home', 'My Queue', and 'Claim(7704521)'. Below this, a secondary set of tabs includes 'Claimant Details', 'Financials', 'Communication', 'Legal', and 'Supplemental Info'. The main header area shows 'Claimant Name: Tom Jerry', 'Client: Demo', 'Incident Date: 08/13/1964 12:08 AM', 'Claimant Type: PTD', and 'Status: Open'. The form is organized into several sections: 'Alternate Claim Numbers' with fields for 'Affiliate Claim Number' and 'Jurisdiction Claim Number'; 'Claimant Details' with fields for 'Last Name: Tom', 'First Name: Jerry', 'Middle Name', 'DOB: 02/15/4656', 'Address: 777 s', 'City: Plano', 'State: TX', 'Zip: 75074-7008', 'Country: United States', 'Email', 'Gender: Female', and 'Marital Status: Married'; 'Employee Information/Job Details' with fields for 'Organization1: Demo', 'Organization2: Demo', 'Organization3', 'Organization4', 'Organization5', 'Organization6', 'Jurisdiction: Illinois', 'NAICS Code', 'Supervisor', 'Class Code: UNKNOWN', 'Occupation: MENTAL HEALTH TECHNICIAN', 'Union', 'Supervisor Phone', and 'Job Title'; and 'Wage And Compensation' with fields for 'Full/PartTime: F/T Permanent', 'Days/Week: 5', 'Hrs/Week: 40', 'Employment Status', 'Salary', 'Pay Basis', 'Benefit', 'Attorney Withhold %', 'Other Income: 0.00', 'Pay Basis', 'PD Rating: 0 %', 'Average Weekly Wage: 99.00', 'First Pay Due', 'PD Award Weeks: 0', 'Amount: 0.00', 'Award Amount (PV): at: %', 'TTD Rate: 66.00', 'PPD Rate: 0.00', and 'PTD Rate: 0.00'. At the bottom, there is a 'Work Days' section with checkboxes for 'Sunday', 'Monday', 'Tuesday', 'Wednesday', 'Thursday', 'Friday', and 'Saturday'. A copyright notice 'Copyright 2007-2012 Tristar' is visible at the very bottom of the page.

Figure 6: Screenshot of a Sample TRISTAR Connect Claimant Claim Detail screen.

REPORT MODULE. Standard management reports and customized, ad hoc reports are available to run, view, print, email, or download. We offer over 80 reports such as Loss Prevention, Loss Triangles, Claim Log, 1099s, and many others. Reports may be programmed to run automatically on a user-designated schedule.

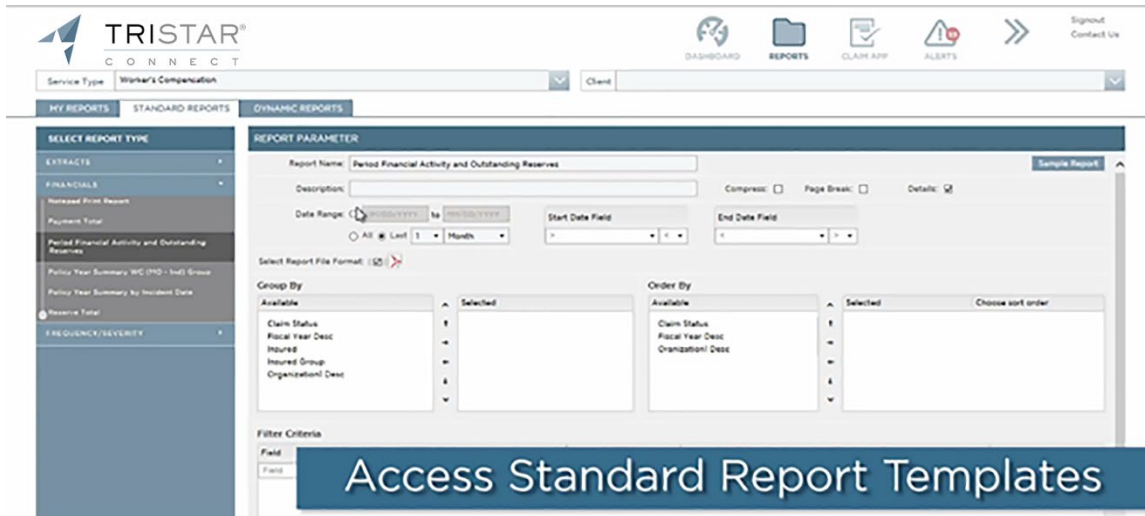
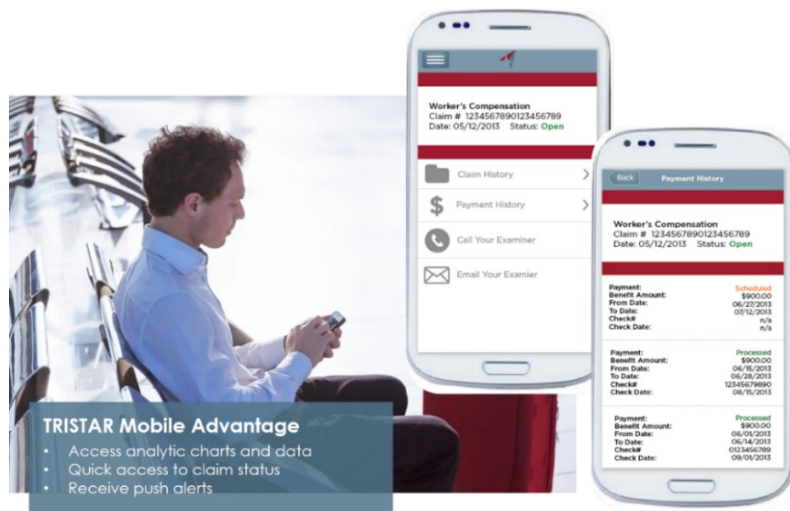


Figure 7: TRISTAR Connect Report Generator Screenshot

ALERTS. Our tools allow for customized alerts based on client specific criteria, such as reserve changes in excess of a given amount, large payments, closing notices, and the like. User Defined Examples include but may not be limited to:

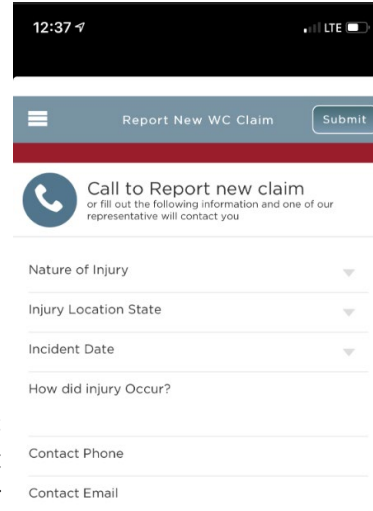
- ◆ Attorney added
- ◆ Claims open with zero reserves
- ◆ Claims that have been reassigned to a different adjuster
- ◆ Claims that have closed
- ◆ Claims that have a reserve change – increase or decrease greater than a specific dollar amount
- ◆ Work status change
- ◆ Incurred over certain amount
- ◆ New claims this month
- ◆ Paid over certain amount

Figure 8: TRISTAR Connect includes a mobile app give our clients and their employees access to basic claim information on their telephone.



Mobile App for workers' compensation can allow employees to:

- ◆ View existing claims
- ◆ View payments
- ◆ Report new claims
- ◆ Call their adjuster
- ◆ Email their adjuster



Mobile App additional screens for employers can allow clients to:

- ◆ See pre-defined charts and graphs
- ◆ Mobile App can only be used by authorized users to report a claim. The authorized user must download TRISTAR Mobile application in Mobile Phone (IOS and Android) and register successfully. Only basic information is required for submission so that the adjuster can contact the injured employee to obtain additional information required for claim submission.

DATA ANALYSIS: TRISTAR's system provides many fields that, when reported on, can provide actionable loss control trend data. These fields include types of injuries, body parts, cause of injury, incident type, locations, claimant age, job descriptions, etc. Our system offers robust reporting capability to help illuminate trends in employee injuries and incidents, which MTD can translate into actionable plans to mitigate risk.

TRISTAR has provided thousands of extensive loss runs, data analysis, trending and benchmarking reports, OSHA statistics, safety reports, and other analytics on a monthly, quarterly, annual, and periodic basis for our customers throughout the last 30 years. We have utilized our extensive list of public entities and self-insured businesses to compare data and program results. We can share outcomes and our capital intelligence of best practices to help ensure our customers gain value from our experience. In addition to monthly and quarterly reports, we will provide MTD with an annual stewardship report.

CUSTOMIZED REPORT PACKAGE. TRISTAR typically provides a customized monthly, quarterly, annual, and periodic report package for our clients. Reports include fiscal or policy year summary reports, open/reopened claims reports, check registers, financial activity reports, and even safety activity reports.

AD-HOC REPORTING. Real-time ad-hoc reporting is available for user-defined report production.

REPORTING HISTORY PERIODS. TRISTAR creates "Reporting History Periods" every month after midnight the last day of each month. Reporting History Period functionality enables the user to produce statistical and analytical data that is static for that specific "value as of date" – or reporting history period. Reports can be created with reporting history periods as of "last month," "last quarter," "last year," "last fiscal" year, or at specific periods such as the end of August 2018. Reports with Reporting history periods typically include paid, outstanding reserves, total incurred amounts within the reporting history period in addition to total financial summary amounts of total paid, total outstanding, and total incurred and total recoveries and net incurred. This type of reporting ability provides the ability to develop loss trends and benchmarking data for actuaries or claim analysis for assisting in risk management administrative decisions.

TRISTAR service representative can train customers to create reports, or supervisors or managers can create reports upon request, or reports can auto-scheduled by our client service unit for any client.

CLARA ANALYTICS. CLARA's Risk Management Toolkit (RMT) application is an advanced Artificial Intelligence-based (AI-based) toolkit to assist adjusters, supervisors, and risk managers in evaluating an entire claim population's performance. The program provides an understanding of the underlying costs that affect a group of claims and predicting trends that could have a negative impact in the future. The new RMT is part of the CLARA claims product, which utilizes AI to help adjusters better manage claims in real-time and identify at-risk claims before they escalate. The RMT is unique in that it leverages a variety of machine learning and natural language processing techniques to analyze both structured and unstructured data, such as observations mined from claim notes, medical records, images, and other documents. Incorporating unstructured data into AI models results in a more accurate and detailed analysis that can inform decision-making and reduce the severity and frequency of claims.

Via the use of CLARA analytics' cloud-based applications suite, CLARA Providers, CLARA Claims, CLARA Litigation, and CLARA Risk Management Toolkit, TRISTAR offers a wealth of information specific to both utilization and providers.

Claims managers and adjusters can use the toolkit to conduct an on-demand analysis that identifies the factors driving claim complexity and attorney involvement. They can also review the providers and attorneys that affect costs within a group of claims to ascertain their macro impact versus what happens in a single claim. The analysis is based on the predicted complexity of claims and is case-mix adjusted to offer a more precise and in-depth look than the average severity and frequency levels commonly found today.

The application provides for the easy identification of providers utilized by insured location, division, group, or any other breakdown based on fields in the claims system that can be used for identification of the desired population. Because the new tool tracks trends over time, it is able to rapidly identify potential high-severity claims. Machine learning-based alerts are triggered when adverse trends occur so that claims teams can make necessary adjustments. Users do not have to wait for alerts to get an accurate read on what is happening with a group of claims or to see the big picture. They can easily create custom dashboard views with extensive filters to generate reports to guide decisions based on up-to-the-minute data.

Please see **Exhibit C: TRISTAR Connect Overview and Screenshots** and **Exhibit D: Claims System Sample Reports** for more information.

- Notifications- describe how MTD will be alerted to key actions in processing of claims and how losses will be reported, as well as communicating patterns of late reporting (over 5 days), and when reserve levels change. Where available, MTD desires to utilize and track such activity through the RMIS portal.

CLIENT COMMUNICATION. TRISTAR's policy and practice is to work in collaboration and partnership with our clients, including providing proactive client services. This may include, but not be limited to:

- ◆ **Day-to-Day Claim Management.** Return-to-work, authorizations and approvals, reserve, payment or settlement authorities, closure strategy, as well as, the patterns of late reporting requested by MTD
- ◆ **Sensitive or Severe Claims/Incidents.** In these instances, TRISTAR will communicate with MTD in its preferred method which may include specific forms that are emailed or mailed, telephonic roundtable strategy discussions that may involve the MTD, claims professionals, and specialists such as nurses, attorneys, and investigators, etc.
 - ◇ Catastrophic injuries
 - ◇ Claims that may involve public relations/media coverage
 - ◇ Suspicious or potentially fraudulent claims

- ◇ Cases with potential to produce precedent
- ◇ Politically sensitive claims
- ◆ **Regular Reporting.** Weekly, Monthly, Quarterly, Annual, Etc.
 - ◇ TRISTAR's program manager will assure that MTD receives its periodic, regularly scheduled reports, which may include email delivery and/or delivery within the TRISTAR Connect system.
 - ◇ TRISTAR will also provide assistance to address any necessary ad hoc reporting needs.
- ◆ **Claim Review Meetings.** Quarterly or as otherwise requested to formally review claims meeting MTD thresholds (incurred value, injury/incident type, litigated, etc.) or as specifically requested
- ◆ **Trends in Claim Outcomes**
 - ◇ TRISTAR's program manager will regularly monitor MTD's program to identify successes, opportunities for improvement, patterns in injuries and potential opportunities to reduce claim frequency or severity.
 - ◇ These trend reports will be presented at an annual stewardship review meeting, or as otherwise requested by MTD
- ◆ **Opportunities for Service Efficiencies or Enhancements.** Should TRISTAR identify opportunities to improve service to MTD, such as improvement of workflows, communication, enhanced service opportunities, we will bring those opportunities to the attention of MTD for discussion.
- ◆ **Service Challenges.** TRISTAR will notify MTD via telephone call, and document via email or letter, and update any forms or manuals to appropriately address any necessary changes. Should TRISTAR identify areas of potential concern, we will promptly raise those issues to MTD with an action plan for resolution.

CLAIM REPORTING. TRISTAR offers multiple reporting options, including web-based claims forms, on-line claim access, data exchange, email, facsimile, and a call center for telephonic reporting. Reporting services are available 24/7. The prompt reporting and receipt of claims play a critical role in the timely resolution of claims.

- ◆ **Web-Based Online Claim Forms.** TRISTAR can develop web-based reporting that provides access to an electronic template to complete injury reports and upload data to the TRISTAR claim system.
- ◆ **Online Access Reporting.** Through online access, a client may report new claims entered directly into the TRISTAR claims system. The user-friendly claim entry process includes all required information on a single screen. When the employer enters the claim into the system, it is immediately available for review and verification by the adjuster. Using our software, MTD can access our database and enter claims directly into the system with the appropriate loss coding. The system automatically lists MTD's customized locations, occupations, and department codes to minimize data entry.
- ◆ **Electronic Data Interface (EDI).** TRISTAR can develop an interface to accept claims from an electronic file provided from MTD's RMIS claim management system, if applicable.
- ◆ **Telephonic Reporting.** Telephonic reporting can include a call directly to the adjuster or accessing a call center to intake claims. The employee, risk management department, or a supervisor can report an injury. The call center can take claim information to provide the employee report of injury information to the client and the adjuster.
 - ◇ Toll-Free Number
 - ◇ Available 24/7
 - ◇ Staffed by medical assistant personnel
 - ◇ Designated intake team

- ◇ Recorded calls
- ◇ Calls are directly linked with the claim system
- ◇ Language translators and interpreters through Priority Care Solutions, a nationwide network for over 200 languages including TTY and ASL
- ◇ Bilingual Spanish intake available upon request or scheduled intake time

The call center transmits the employee’s report of injury information into the claim system that can generate the employer’s first report (FROI). Regardless of who reports a claim, the call center enters the claim directly into the claim system as a pending claim and notifies the client and the adjuster.

The call center captures the receipt date for claims reported in the claim system. The call center staff inputs claimant demographic and claim information for submittal for electronic submission to the designated claim unit based on the type of claim (Workers’ Compensation, Disability, FMLA).

TRISTAR has voice recording and utilizes a WAV file to store recorded telephonic files. The call center records all phone calls. TRISTAR can also provide reports indicating the number of calls, type of calls, time of call, etc. Calls may be available for review by the MTD in accordance with state and federal regulations.

TRISTAR has an internal and external plan to handle claim reporting in the event the call center is unable to operate. This includes designated offices and staff who are cross-trained, and in extenuating services, an outside vendor familiar with our organization and intake processes.

Benefits:

- ◇ One centralized reporting process
- ◇ Encourages prompt and accurate reporting
- ◇ Increases efficiencies for the employer
- ◇ Call center can provide PPO Network direction
- ◇ Services can be linked with Nurse Triage
- ◇ Adjuster and MTD notification within one business day
- ◇ WAV file is stored in the claim system (electronic file)
- ◇ Fee for service can be allocated to the claim file

TRISTAR can develop customized criteria for referral to a nurse for clinical review or for the determination of early intervention if indicated. This saves our customers 30-55% of reporting costs typically staffed by medical personnel.

- ◆ **Nurse Triage or Clinical Review/Early Intervention.** Timely incident reporting is crucial to mitigating costs of workplace injuries. According to a study conducted by Liberty Mutual, the following increase in expense occurs with each delay in reporting:

- ◇ 4-7 Days: 9%
- ◇ 1-2 Weeks: 20%
- ◇ 2-3 Weeks: 32%
- ◇ 3-4 Weeks: 48%
- ◇ 5+ Weeks: 72%

“I recommend nurse triage for anyone looking to support their employees and managers, and bring down their workers’ compensation costs overall.”

–Katrina Bray, Disability Case Manager,
California Water Service/TRISTAR Client

TRISTAR’s nurse triage model helps to assure timely reporting and has proven effective in reducing not only the severity but the incidence of claims. Our US-based, 24-hour call center is accessed via a

toll-free phone number and is staffed by highly skilled nurse case manager personnel who capture pertinent medical details. When an injured employee (or supervisor) reaches our nurse triage call center, we can customize our triage intake script to each client’s needs. Utilizing medical triage guidelines, the nurse aids the injured worker in self-treatment, sets up an appointment with an appropriate provider, or sets up an immediate telemedicine appointment, including follow up calls and transfer to claim team and/or early intervention nurse, if any. All calls are recorded and available to our adjusters, managers, and the client.

- Loss Control- an outline of the loss control services provided by your Loss Control Department and what services will be provided to MTD. Upon contract award, MTD will work with the loss control coordinator to design a checklist so there is uniformity in assessments and opportunities generated.

TRISTAR Loss Control Company, Aspen, can assist MTD Risk Management staff in leading, managing, and supporting members with onsite and remote consultation. These services may include webinars, onsite hazard evaluations, program development, specialized training, and leadership development. Our team of safety professionals can supplement and increase current training offerings in the areas of transportation and transit. We have experience in managing unique exposures such as public safety, parks and recreation, water sanitation, and public buildings.

Aspen also conducts ergonomic assessments and solves ergonomic problems onsite and online through its team of ERGOhealthy Coaches. We work with people in traditional business, telecommuting, remote office, school, and home office environments. Services include remote office ergonomic assessments, online ergonomic resource centers (customized to each client), and various ergonomic training such as Ergonomic First Responder, and Ergonomics 101.

For our transportation and public entity clients, musculoskeletal injuries are leading causes of employee pain and suffering so we have worked extensively to help implement programs to minimize these exposures, including sound ergonomics (for driver/operators, and mechanics). We

provide customized solutions which starts with an extensive needs assessment to determine a best course of action for each of our clients. Together we develop an annual plan of action to address way to enhance safety, health, and liability programs throughout the organization. So of our services and experience includes:

- ◆ Written safety plans, training and coaching
- ◆ Onsite safety visits
- ◆ Cal-OSHA and OSHA compliance and mock inspections
- ◆ Job Safety Analysis as part safety program development
- ◆ Safety program development
- ◆ Safety audits
- ◆ Safety culture survey

Experience & Skill Sets include:

- ◆ Complete working knowledge of occupational health & workplace safety programs policy development
- ◆ Understanding of key transportation and public works safety issues

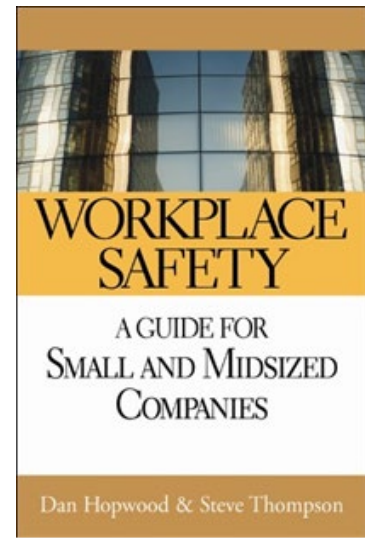


Figure 9: *A copy of a book written by two of our consultants is available upon request*

- ◆ Former safety professionals with regional bus service experience
- ◆ Experienced with night work, shift work, working alone / isolated
- ◆ Remote Assessments for work or home offices
- ◆ First-responder & Train-the-Trainer training for ergonomics

DATA/REPORTING: TRISTAR’s system provides a number of fields that, when reported on, can provide actionable loss control trend data. These fields include types of injuries, body parts, cause of injury, incident type, locations, claimant age, job descriptions, etc. Our system offers robust reporting capability to help illuminate trends in employee injuries and incidents, which MTD can translate into actionable plans to mitigate risk.

SAFETY VIDEO NETWORK LIBRARY: TRISTAR offers an online, streaming safety video library, which may be made available to MTD at no additional cost. Key features include:

- ◆ 24/7 availability via internet access
- ◆ Topic based organization – lets client users find videos quickly
- ◆ Robust site search – can search by title, product number, product name, etc.
- ◆ Additional material such as certificates of completion and quizzes available on many videos
- ◆ Completely mobile compatible – all videos and all devices
- ◆ Over 700 titles with more than 365 also available in Spanish
- ◆ Closed captioning for all videos
- ◆ Constantly updated - new videos added as released

Additional Information- a description of any services not previously covered which may be of particular value to MTD and if the programs or resource is included in the proposal price or is an additional cost option.

TRISTAR offers a variety of cost containment strategies for clients at an additional cost typically billed to the claim file as ALAE, including managed care programs that include 24/7 call center, nurse triage, early intervention, predictive return to work modeling, telephonic and field case management, physician review, treatment protocols, and customized wellness programs and more. Our bill review audit, MPN, and PPO network access programs are part of our cost containment strategies. Our ability to negotiate the best price nationally affords our customers the best outcomes.

MEDICAL BILL REVIEW. TRISTAR reviews all types of medical bills, including, but not limited to: medical provider bills, facility fees, prescription invoices, radiology, durable medical equipment, and other ancillary service invoices. TRISTAR also reviews non-medical bills or “pass-through” bills, as applicable. TRISTAR is responsible for entering all bill review information into our bill review software accurately and completely. We will track the receipt, input, and processing time and accuracy of each bill submitted.

TELEPHONIC NURSE TRIAGE. TRISTAR’s nurse triage model helps to assure timely reporting and has proven effective in reducing not only the severity but the incidence of claims. Our US-based, in-house 24-hour call center is accessed via a toll-free phone number and is staffed by highly skilled nurse case manager personnel who capture pertinent medical details. When an injured employee (or supervisor) reaches our nurse triage call center, we can customize our triage intake script to each client’s needs. The nurse aids the injured worker in self-treatment or sets up appointments with the appropriate provider utilizing medical triage guidelines, including follow up calls and transfer to claim team and/or early intervention nurse, if any. All calls are recorded and available to our adjusters, managers, and the client.

NURSE CASE MANAGEMENT. TRISTAR defines medical case management as the establishment and coordination of a treatment plan that is medically appropriate and enforces the application of the

treatment plan. We are committed to improving the quality of care and controlling costs while managing treatment to ensure optimum outcomes. Medical case managers maintain contact with employees, doctors, claims professionals to control medical utilization, obtain enhanced injured employee compliance with optimal treatment protocols, and expedite return to work. Telephonic and Field Case Management can be an integral part of an interdisciplinary team to facilitate open communication with the common goal of return-to-work, coordination of care, and return to health for the injured worker. It is the case manager's goal to promote quality, timely, and cost-effective outcomes. The case manager works with the employer to identify claims with a high frequency and meet the specific challenges within the organization. Case managers work closely with the injured worker, health care provider, and the departments to facilitate timely and appropriate medical care and coordinate a safe and timely return to work.

PHARMACY BENEFITS MANAGEMENT. TRISTAR offers an in-house Pharmacy Benefit Management program and pharmacy networks. This program has a nearly 100% network penetration due to relationships with the largest pharmacy chains (e.g., Walgreens, CVS, Rite Aid, etc.) as well as an extensive home delivery program.

UTILIZATION REVIEW. TRISTAR is a URAC-accredited provider of workers' compensation utilization management services. The URAC accreditation seal demonstrates TRISTAR's commitment to quality, nationally recognized guidelines, and evidence-based medicine. MTD can be confident that TRISTAR's processes meet widely recognized national standards and respect patients' and providers' rights.



PHARMACY UTILIZATION REVIEW. The control and management of opioids and other narcotics are crucial to effective workers' compensation claims management. While narcotics and opioids may be necessary for the management of chronic pain, a multidisciplinary approach involving the physician, the injured worker, and the pharmacy expert is needed to establish a medication regimen with measurable treatment goals that focus on the patient's safety. Our proprietary formulary design flags opioids and other narcotics and forwards any alerts to our pharmacy Utilization Review professionals. TRISTAR's approach is to prevent initial narcotic prescriptions. When indicated, we follow the CDC's "go low, go slow" guidelines. Our formulary review also checks to ensure that contraindicated medications are not prescribed. At the point of sale, the health professional will review the medical information to determine if the medication is appropriate. Should we identify the potential for abuse or misuse, our pharmacy utilization review professional will work with the treating physician to ensure the medication is weaned appropriately. In instances where the treating provider is not cooperative, we have access to multi-specialty physicians to assist with weaning.

CALIFORNIA MPN. An MPN provides contracted control of medical fees and expectations for medical treatment outcomes. Injured workers are treated by a network of medical providers who are properly credentialed and competent to treat occupational injuries. Using an MPN for treating occupational injuries and illnesses gives employers medical control for the life of the claim, with limited exceptions.

TRISTAR offers two MPN services: TRISTAR Plus MPN, in which TRISTAR is the network service entity. We also have access to Harbor One, in which Harbor One is the network service entity. We can also establish a highly customized, boutique MPN or MPO for MTD.

A boutique MPN provides increased flexibility to choose only specific providers to participate within the network. This option is best suited to clients that desire full control of the network, including prompt additions and suppressions of providers. A boutique MPN is designed to meet all of needs and

requirements of the client, therefore a high degree of effort is required for the set-up, maintenance, and support, but they also afford full control over the network.

PPO NETWORKS. TRISTAR has many of its own national and regional PPO contracts, and additionally, TRISTAR provides access to a multitude of national PPO networks to maximize reductions. This provides network access for our clients to drive higher penetration rates and more considerable savings. TRISTAR's access to PPO networks provide broad geographical coverage and result in reductions more significant than other bill review service providers and access for injured workers' who may be seeking treatment outside of MTD's primary jurisdiction.

TELEMEDICINE. The program offered to MTD for telemedicine utilizes physicians who are occupational physicians specializing in work-related injuries and illnesses or specialty providers based on the type of injury. Physician charges for evaluation and management are fee scheduled with a PPO discount for MTD, the same as if the employee was seen in the doctor's office. TRISTAR utilizes Concentra for this program, and the member can designate Concentra Telemedicine as one of its designated providers. TRISTAR has set up customized workflow processes to provide work status, medical records to authorized personnel after an employee has utilized telemedicine.

ORTHO-SPINE NETWORK. TRISTAR has implemented an ambulatory surgical network that we believe will benefit MTD and its employees. Provided through Paradigm, this surgical and implant specialty network has unmatched surgical industry knowledge and stakeholder relationships. The network physicians have a comprehensive understanding of workers' compensation workflow and provider/physician dynamics required to manage the administration of a complex network category. The network is a comprehensive, outcomes-based, and quality based Surgeon and Ambulatory Surgical Networks for workers' compensation payers like MTD.

TRISTAR has established relationships with specialty service providers for durable medical equipment programs, radiology services, physical therapy and physical medicine, implantable devices, translation, transportation, AOE/COE, surveillance and fraud investigations, Medicare-Set-Aside, and structured settlement services and negotiated appraisal services. These programs are an integral part of our services. Electronic interfaces with service providers provide TRISTAR with the ability to continue its own paperless, document technology enhancements for our programs.

Additionally, TRISTAR has legal cost containment programs that include negotiated rates, litigation budget expectations, and recommended legal referral. All staff is trained to identify and pursue subrogation opportunities.

TAB

3.2

MTD FORMS

3.2 MTD FORMS

Price Proposal

Proposal shall include the fully completed and signed Price Proposal form included in this RFP package showing the total compensation for carrying out the project under the terms of the Agreement. Failure to include a completed and signed price proposal using the provided form will render a proposal non-responsive and it will be rejected.

At TRISTAR, we believe that you should have a clear understanding of the price we charge for our services. We are straightforward regarding our methodology, open to discussion relative to our assumptions and cost estimates, and receptive to any alternatives that you would like us to consider. Since our experience has proven that improper focus on administrative costs does not achieve the goal of properly managing total claim disposal costs, we will work with you to strike a proper balance between controlling administrative expenses and providing the appropriate level of resources to realize the best economic outcomes on your claims. We have utilized the desired service specifications to develop our price offerings. Should a material difference be discovered in the historical data and other information provided by you or your representative that we relied on to provide this proposal, TRISTAR reserves the right to make fee adjustments as necessary. For all fee arrangements quoted, our claim service fees do not include services defined as Allocated Loss Adjustment Expense, whether such services are performed by employees of TRISTAR or others. Please read further for the full definition.

Flat Fee Language We believe that MTD's and TRISTAR's interests will be most closely aligned with a flat annual fee approach. A flat annual fee is a straightforward, transparent pricing mechanism that is easily administered by both parties, easily monitored by you and your auditors, and predictable for balance sheet and cash-flow purposes. It operates at reduced margins, as our operating risks are significantly reduced. There may be issues of which we both are unaware which impact the costs associated with providing superior service. A flat annual fee will allow us both the freedom to deal with these issues as they arise and make proper business decisions unencumbered by pricing concerns. Should your service needs change; flat annual fees will change to enable us to meet them. The flat annual fee includes **Claim Services and Account Administration**, as defined below.

CLAIMS SERVICE FEES INCLUDE:

- ◆ Complete and thorough "desk" investigation of all claims reported, including recorded statements where necessary, in accordance with TRISTAR's Best Practices and any special service agreements made with MTD
- ◆ Evaluation of liability and damages to establish appropriate reserves
- ◆ Reserve Advisories at MTD-designated levels
- ◆ Notification/reporting to MTD in accord with our service agreements
- ◆ Adjustment and payment of compensable claims
- ◆ Litigation Planning and Management
- ◆ Employment of anti-fraud measures including assignment and direction of investigators to reduce the possibility of payment of non-compensable claims (services of special investigators not included)
- ◆ Maintenance of a record of all investigation, payment and adjustment activities within TRISTAR's claims system and files
- ◆ Pre-Settlement Advisories
- ◆ Structured Settlement Management (cost of structures not included)
- ◆ Large Loss Notices/Email Alerts

- ◆ Claim Acknowledgements
- ◆ Closing Notices
- ◆ Status Reports – Initial at 30 days/90 days thereafter until closure, or as otherwise agreed
- ◆ Subrogation/Recovery/Restitution – **No** Additional Recovery/Recovery Fee Charged for TRISTAR’s pursuit of subrogation
- ◆ Conference calls with legal counsel, and other ancillary providers as necessary or requested

ANNUAL ACCOUNT ADMINISTRATION Includes:

No Charge

- ◆ Account Management
- ◆ Implementation Planning and Management
- ◆ MTD-Specific Claims Handling Instructions
- ◆ Account Set-Up
- ◆ Quality Assurance Management and Review
- ◆ Bank Account Management and Reconciliation (TRISTAR Accounts Only)
- ◆ Customer Meetings
- ◆ Carrier Audits
- ◆ Annual Stewardship Meeting/Report and Analytical Review
- ◆ 1099 Form Preparation
- ◆ Reporting for brokers, actuaries, consultants, and excess carriers
- ◆ Client Education Programs
- ◆ Development of Policies and Procedures

RISK MANAGEMENT INFORMATION SYSTEMS ACCESS Includes:

No Charge

- ◆ TRISTAR Connect User IDs
- ◆ Customer Hierarchy and Organizational Structure maintenance
- ◆ System Access to Losses, Financials, and Reserves
- ◆ Adjuster and Supervisory Notes Access
- ◆ Report Templates
- ◆ Scheduled Reports
- ◆ OSHA Logs, if desired
- ◆ State Annual and Periodic Reporting as required
- ◆ Periodic Cost Containment Reports
- ◆ Claim System Training, Help Desk Access, and Customer Service Unit Support

DATA CONVERSION AND/OR ELECTRONIC DATA INTERFACE Includes: **No Charge / EDI \$150 per hour¹/**

- ◆ Mapping/Plotting of data elements
- ◆ Test runs/Exception reports and correction of any data flows
- ◆ Converting data over to TRISTAR’s system
- ◆ Balancing financials (reserves and paid amounts)
- ◆ Storage of claim records

¹ Upon receipt of data layouts and other relevant information to determine an accurate scope of work for each conversion or interface required, TRISTAR may offer a flat rate to provide data conversion or custom interface services.

Claim service fees quoted presume the use of TRISTAR Managed Care services, in accordance with the rates outlined on the Preferred Provider Specialty Services page.

Please see the following page for the **Price Proposal form**.

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

Request for Proposals for Workers' Compensation Third-Party Administration

PRICE PROPOSAL

Claims Administration	Price
Fixed Price for TPA Services, January 1, 2021 – June 30, 2021 (six-month period)	\$ 30,973
Fixed Price for TPA Services, July 1, 2021 – June 30, 2022 (twelve-month period)	\$ 61,875
Fixed Price for TPA Services, July 1, 2022 – June 30, 2023 (twelve-month period)	\$ 63,731
Fixed Price for TPA Services, July 1, 2023 – June 30, 2024 (twelve-month period)	\$ 65,643
TOTAL Base Price for TPA Services for Claims Administration for the period January 1, 2021 through June 30, 2024	\$ 222,222
Fixed Price for TPA Services, option year July 1, 2024 – June 30, 2025 (twelve-month period)	\$ 67,612
Fixed Price for TPA Services, option year July 1, 2025 – June 30, 2026 (twelve-month period)	\$ 69,641
TOTAL Price for Option Years for TPA Services for Claims Administration for the period July 1, 2024 through June 30, 2026	\$ 137,253
TOTAL Proposed Price for Base plus all Option Years for TPA Services for Claims Administration for the period January 1, 2021 through June 30, 2026	\$ 359,475

The Bidder hereby represents and warrants that:

1. It has sufficiently informed itself in all matters affecting the performance of the work, or the furnishing of the labor, services, software, supplies, material, or equipment called for in carrying out the project.
2. It has reviewed the contract documents including the *MTD Master Agreement*, the *Federal Transit Administration Contract Provisions*, and the *Scope of Services*, and agrees to the terms and conditions thereof.
3. Its bid has been thoroughly checked for errors and omissions and the costs, prices, hours, rates, and any other constituents of this Price Bid are a complete and correct statement of its price for performing all project work required by the contract documents.
4. Its bid is genuine, not sham or collusive, nor made in the interest of any person not herein named; that it has not in any illegal manner sought to secure for itself any advantage over any other bidder.
5. Its bid, including this Price Bid, is valid for 90 days following the bid due date and time.



Authorized Official Signature

Thomas J. Veale

Authorized Official Name

TRISTAR Risk Management

Business Name of Bidder

10/8/2020

Date of Signature

President

Authorized Official Title

PREFERRED PROVIDER SPECIALTY SERVICES IN 2020. Fees listed are for Preferred Provider Specialty Services. These fees are paid as Allocated Loss Adjustment Expenses or, where required by state law, as loss.

Fees as of May 20, 2020, are subject to change without notice.

Service	Fee	
MANAGED CARE		
Medical Bill Review		
Provider/Ancillary Bill Review	\$9 per bill	
Hospital Bill Review (in and outpatient)	12% of savings	
Clinical Nurse Review	27% of savings	
Implantable Device Review	30% of savings	
PPO/Pharmacy/DME	27% of Savings (all savings are post fee schedule or U&C)	
Specialty Bill/Out of Network Review	30% of Savings (all savings are post fee schedule or U&C)	
e-billing	\$1 per bill	
Historical Bill Review Conversion	\$2,000 One Time Fee at Implementation	
Duplicate Bills Duplicate Line Items Monthly Savings Reporting	} No Charge	
Utilization Review		
Pre-clinical review		\$25 per pre-clinical review. Fee waived if case proceeds to utilization review
Pre-Certification (In- or Out-Patient and medications)	\$140 per pre-certification	
Concurrent Review (Review during hospitalization or outpatient treatment, as treatment progresses to ensure duration and type of treatment meet appropriate guidelines)	\$125 per hour	
Peer Review		
Level 1 (Includes review of medical records and communication of decision in writing to all parties)	\$275 flat rate for peer review of episodes of care identified on medical bill review.	
Level 2 (Includes review of medical records, discussion with treating physician and communication of decision in writing to all parties)	\$295 flat rate when assigned by a nurse case manager following case manager file review, or receipt of a referral by adjuster for review.	
Enhanced Intake and Nurse Triage		
Enhanced Telephonic First Notice (Operator service by medical assistants. Injured employee and/or supervisor calls to report claims, assistance with PPO direction, questions, and referrals. Optional integration with nurse triage services.)	\$25 per intake call (waived if call moves to triage)	
Telephonic Nurse Triage (Nurse aids injured worker in self-treatment or sets up an appointment with appropriate provider utilizing medical triage guidelines/follow up calls)	\$120 per intake call	
Nurse Case Management		
Telephonic Case Management (California)	\$125 per hour	
Field Case Management (California)	\$130 per hour <i>plus Mileage at IRS mileage rate</i>	

Field Case Management - Tasks	One time visit to provider Two visits to provider Medical record retrieval Job Analysis	\$475 plus mileage \$750 plus mileage \$135 plus mileage \$475 plus mileage
Catastrophic Case Management (High level of RN interaction with immediate response to significant injury, e.g., severe head injury, severe burns, gunshot. Available 24/7)		\$175 per hour plus mileage
Pharmacy		
Clinician Intervention: Complex Pharmacy Management, Weaning Protocols (Weaning available when opioids have been prescribed for 60+ days with no evidence that physician will end treatment pattern.)		\$125 per hour
Physician Intervention: Complex Pharmacy Management. (Utilized in instances of numerous drug interactions of opioids, hypnotics, and anti-depressants, requiring a physician-to-physician review of treatment pattern and weaning options. Follow up calls made by nurse case manager.)		\$125 per hour nursing intervention plus pass through of actual physician fees
Drug Testing: Full, Quantitative Testing (Candidates may be referred or identified by TMC based on risk factors such as claim age, high medication use, safety risk, injury type, etc.)		\$425 per test with report summary
Drug Testing Interpretation and Outreach: Complex Pharmacy Management, Weaning (Pharmacist to review and interpret drug testing results. Findings would be communicated to the examiner and/or provider, where permitted, with the goals of ensuring patient safety and reducing fraud, waste, and abuse.)		\$125 per hour
Pharmacist Medication Review:		
1-2 medications with full record review and recommendations		\$450 flat rate
3-6 medications with full record review and recommendations		\$675 flat rate
7 or more medications with full record review/recommendations		\$900 flat rate
Other Networks		
California Medical Provider Networks (MPN)		Standard MPN: \$5 per bill (plus medical bill review fee) Custom MPN: Available upon request

Other Services	
Special Investigations	Outsourced, at cost – typically \$89-95 per hour
Central Index Bureau/OFAC/CSE/SS	\$18 per report
MSA Cost Projection	\$2,100 flat rate
Claim Reporting: Fax or Internet	No Charge
MMSEA Reporting	\$10 per claim
Mileage	IRS allowance rate

ALLOCATED LOSS ADJUSTMENT EXPENSES includes any fee or expense which is chargeable or attributable to the investigation, coverage analysis, adjustment, negotiation, settlement, defense or general handling of any Claim or action related thereto, or to the protection and/or perfection of the Customer and/or Carrier's right of subrogation, contribution or indemnification, all as reasonably

determined by TRISTAR. Allocated Loss Adjustment Expense(s) may be incurred for services provided by TRISTAR, its affiliates and subsidiaries, or third parties and include, but are not limited to:

- ◆ attorney's fees and disbursements incurred in connection with the determination of coverage and/or the adjustment, defense, negotiation or settlement of any Claim; attorney's fees incurred for representation at depositions, hearings, pretrial conferences and/or trials;
- ◆ fees and expenses incurred for: handling any Alternative Dispute Resolution (ADR) proceeding; legal actions, including trials or appeals; pursuing any declaratory judgment action, including deposition fees; cost of appeal bonds; court reporter or stenographic services, filing fees, and other court costs, fees and expenses; transcript or printing services and all discovery expenses; service of process; witnesses' testimony, opinions, or attendance at hearings or trial;
- ◆ fees and expenses for attendance at or participation in ADR proceedings, hearings, trials or other proceedings by TRISTAR personnel or its subcontractors;
- ◆ statutory fines or penalties; pre- and post-judgment interest paid as a result of litigation, unless regulatory or reporting requirements define such interest as loss or indemnity payments;
- ◆ subcontractors' fees and travel expenses, including independent adjusters, automobile and property appraisers, to the extent that same are incurred in the adjustment, negotiation, settlement or defense of any Claim;
- ◆ fees and expenses incurred in conjunction with the telephonic, web, or other electronic methods of reporting Claims;
- ◆ experts' fees and expenses including reconstruction experts, engineers, photographers, accountants, economists, metallurgists, cartographers, architects, hand-writing experts, physicians, appraisers and other natural and physical science experts, plus the fees and expenses associated with preparation of expert reports, depositions, and testimony;
- ◆ fees and expenses for surveillance, undercover operative and detective services or any other investigations;
- ◆ fees and expenses for medical examinations, or autopsies, including diagnostic services, and related transportation services; durable medical equipment; and medical reports and rehabilitation evaluations, unless regulatory or reporting requirements define such fees and expenses as loss or indemnity payments;
- ◆ fees and expenses for any public records, medical records, credit bureau reports, index bureau reports, and other like reports;
- ◆ fees and expenses incurred where TRISTAR determines it is reasonable to pursue the rights of contribution, indemnification or subrogation of the Customer, including attorney and collection agency fees and/or expenses;
- ◆ medical or vocational rehabilitation fees and expenses, and all other medical cost containment services, including, but not limited to utilization review and management, pre-audit admission authorization, hospital bill audit or adjudication, provider bill audit or adjudication, and medical case management, if applicable, unless regulatory or reporting requirements define such expenses as loss or indemnity payments; and
- ◆ extraordinary travel and related fees and expenses incurred by TRISTAR at the express request of Customer, which are not otherwise payable under this Agreement.

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

Request for Proposals for Workers' Compensation Third-Party Administration

ACKNOWLEDGEMENT OF ADDENDA

The undersigned acknowledges the Offeror's receipt of the following addenda to this RFP and has incorporated information or changes in said addenda within its submittal (if no addenda were received, write "None" in the first blank):

Addendum No.	<u>1</u>	dated	<u>10/1/2020</u>
Addendum No.	_____	dated	_____
Addendum No.	_____	dated	_____
Addendum No.	_____	dated	_____
Addendum No.	_____	dated	_____
Addendum No.	_____	dated	_____

Note: It is the Offeror's responsibility to ensure it receives all addenda which are posted on the MTD website at <http://www.sbmt.d.gov/about/doing-business/>.



Authorized Official Signature

Thomas J. Veale

Authorized Official Name

TRISTAR Risk Management

Business Name of Bidder

10/8/2020

Date of Signature

President

Authorized Official Title

(Signer must match authorized official shown on Bidder Information form)

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
Request for Proposals for Workers' Compensation Third-Party Administration
LOBBYING CERTIFICATION

The undersigned certifies to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions [as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96). Note: Language in paragraph (2) herein has been modified in accordance with Section 10 of the Lobbying Disclosure Act of 1995 (P.L. 104-65, to be codified at 2 U.S.C. 1601, *et seq.*)]

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. A 3801, *et seq.*, apply to this certification and disclosure, if any.



Authorized Official Signature

Thomas J. Veale

Authorized Official Name

TRISTAR Risk Management

Business Name of Vendor

10/8/2020

Date of Signature

President

Authorized Official Title

(Signer must match authorized official shown on Bidder Information form)

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
Request for Proposals for Workers' Compensation Third-Party Administration
NONCOLLUSION DECLARATION

The undersigned declares:

I am the President of TRISTAR Risk Management,
(title) (business name of bidder)

the party making the included bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 10/8/2020, at Long Beach, California.
(date) (city) (state)




Authorized Official Signature

Thomas J. Veale

Authorized Official Name (printed)

COMPENSATION CERTIFICATION

I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.



Authorized Official Signature

Thomas J. Veale

Authorized Official Name

10/8/2020

Date of Signature

President

Authorized Official Title