

# access

## PERFORMANCE MONITORING COMMITTEE

Monday, March 9, 2020

11:30 a.m.

<b>Access Services Council Conference Room 3449 Santa Anita Avenue El Monte CA 91731</b>	<b>Long Beach Transit 1963 E. Anaheim St., Long Beach, CA 90813</b>
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**Committee Members:** D. Barnes, Chair  
A. Del Castillo  
L. Burner

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	<u>DISPOSITION</u>
1. CALL TO ORDER	ACTION
2. GENERAL PUBLIC COMMENT	INFORMATION
3. CONSIDERATION TO AWARD A CONTRACT FOR INSURANCE THIRD PARTY ADMINISTRATOR (TPA) SERVICES (AS-4124) (page 3)	ACTION
4. CONSIDERATION TO AWARD A CONTRACT FOR DRUG AND ALCOHOL CONSULTING SERVICES (AS-4125) (page 7)	ACTION
5. TRANSFER TRIP EXPANSION UPDATE	PRESENTATION
6. PERFORMANCE UPDATE	PRESENTATION
7. ADJOURNMENT	ACTION

Access Services does not discriminate on the basis of disability. Accordingly, Access Services seeks to ensure that individuals with disabilities will have an equal opportunity to participate in the range of Access Services events and programs by providing appropriate auxiliary aids and services for communications. Primary consideration is

given to the request of individuals with disabilities. However, the final decision belongs to Access Services. To help ensure the availability of any auxiliary aids and services you require, please make every effort to notify Access Services of your request at least three (3) business days (72 hours) prior to the meeting in which you wish to utilize those aids or services. You may do so by contacting (213) 270-6000.

Note: Access Services Board meetings are held pursuant to the Ralph M. Brown Act [Cal. Gov. Code §54950] and are open to the public. The public may view and obtain all written information supporting this agenda provided to the Board both initially and supplementally prior to the meeting at the agency's offices located at 3449 Santa Anita Avenue, El Monte, California and on its website at <http://accessla.org>. Documents, including Power Point handouts distributed to the Board members by staff or Board members at the meeting, will simultaneously be made available to the public. Three opportunities are available for the public to address the Board during a Board meeting: (1) before closed session regarding matters to be discussed in closed session, (2) before a specific agenda item is debated and voted upon regarding that item and (3) general public comment. The exercise of the right to address the Board is subject to restriction as to time and appropriate decorum. All persons wishing to make public comment must fill out a goldenrod Public Comment Form and submit it to the Secretary of the Board. Public comment is generally limited to three (3) minutes per speaker and the total time available for public comment may be limited at the discretion of the Chairperson. Persons whose speech is impaired such that they are unable to address the Board at a normal rate of speed may request an accommodation of a limited amount of additional time from the Chair but only by checking the appropriate box on the Public Comment Form. Granting such an accommodation is at the discretion of the Chair. The Board of Directors will not and cannot respond during the meeting to matters raised under general public comment. Pursuant to provisions of the Brown Act governing these proceedings, no discussion or action may be taken on these matters unless they are listed on the agenda, or unless certain emergency or special circumstances exist. However, the Board may direct staff to investigate and/or schedule certain matters for consideration at a future Board of Directors Meeting and the staff may respond to all public comments in writing prior to the next Board meeting.

Alternative accessible formats are available upon request.

MARCH 2, 2020

**TO: BOARD OF DIRECTORS**

**FROM: HECTOR RODRIGUEZ, DEPUTY EXECUTIVE DIRECTOR  
KIMBERLIE NIMORI, PROCUREMENT COORDINATOR**

**RE: CONSIDERATION TO AWARD A CONTRACT FOR INSURANCE THIRD  
PARTY ADMINISTRATOR (TPA) SERVICES (AS-4124)**

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**ISSUE:**

Staff requests approval for the award of a contract for Insurance Third Party Administrator (TPA) services to CorVel Enterprise Comp, Inc.

**RECOMMENDATION:**

Authorize the award of a contract to CorVel Enterprise Comp, Inc. (CorVel) for the period July 1, 2020 through June 30, 2023 in an amount not to exceed \$680,265.00 for the three year period.

**IMPACT ON BUDGET:**

The costs associated with this contract will be appropriately budgeted in FY 2021 and the subsequent out years. The funding for this service is allocated from local funds and the level of expenditure remains within the expected levels. At Access' sole discretion, and contingent upon Board approval, this contract may be extended for up to two (2) additional years.

**ALTERNATIVES CONSIDERED:**

Staff considered the option of bringing the function in-house. However, due to the volume and scope of the duties associated with insurance TPA services, it is cost prohibitive to bring these services in-house without additional resources.

## **EFFECT OF APPROVAL OF STAFF RECOMMENDATION:**

If this staff recommendation is approved by the Board, the staff would be authorized, but not required, to negotiate and enter into a written contract with CorVel for insurance TPA services upon terms and conditions no less favorable to Access than those proposed herein. Access would not be legally bound to the proposed contract unless and until it is incorporated into a formal written agreement executed by all parties thereto and approved as to form by this entity's legal counsel.

## **BACKGROUND:**

Access has been utilizing the services of a qualified firm to provide insurance TPA services in order to minimize Access' insurance costs and other expenses through the expeditious and skillful handling of all claims. The TPA efficiently administers collision and incident claims arising out of the operation of Access' revenue service vehicles and adjusts those claims falling within the applicable self-insured retention (SIR) of \$100,000 per claim. The TPA is also involved in the processing of claims against Access as required by the Governmental Claims Act and the Tort Claims Act.

A request for proposals was issued for Insurance TPA Services on December 16, 2019, with over eighty firms downloading the RFP, from either the Access website or from the nationwide e-procurement service, *Public Purchase*. Questions from potential proposers were received on January 13, 2020 and two addenda were issued in response. On January 21, 2020, Access received five (5) proposals. The responsive proposals were: Carl Warren & Company (Carl Warren), CorVel, George Hills Company (George Hills), Intercare Holdings Insurance Services, Inc. (Intercare), and Sedgwick Claims Management Services, Inc. (Sedgwick).

An evaluation of the proposals was conducted in accordance with Access' Procurement Policies. Technical proposals were evaluated by three members of Access staff. Proposals were rated based on cost, for which CorVel received the maximum score of twenty points, along with three technical criteria: Qualifications and Availability of Proposed Staff, Quality of Technical Approach and Qualifications of the Proposing Firm.

Proposer	Cost (Max. 20 Pts.)	Qualifications and Availability of Proposed Staff (Max. 30 Pts.)	Quality of Technical Approach (Max. 25 Pts.)	Qualifications of Firm (Max. 25 Pts.)	Total Score (Max. 100 Pts.)
Carl Warren	12.73	21.00	18.75	20.83	73.32
CorVel	20.00	28.00	23.83	24.17	96.00
George Hills	15.54	20.00	17.92	19.58	73.04
Intercare	11.96	22.50	19.58	19.17	73.21
Sedgwick	17.21	18.50	16.25	18.33	70.30

### **COST ANALYSIS**

CorVel has proposed an hourly rate of \$89.00 for the first two years of the three year base term, the same hourly rate currently being charged. After the first two years of the contract, CorVel is proposing a modest increase of 1%, or \$90.00 an hour, which compares favorably with the most recent year-over-year change in Wages and Salaries of 4.0% (*US Department of Labor, Bureau of Labor Statistics, Los Angeles Region, and December 2019*).

In addition to proposing the lowest cost among the proposers, CorVel also received the highest overall score and scored the highest among all proposers on each of the three technical criteria.

The final negotiated cost for the three year base term (see below) falls below the Independent Cost Estimate of \$977,981.

Proposer	Year 1*	Year 2*	Year 3*	Three Year Total
Carl Warren	\$348,005.00	\$354,515.00	\$366,025.00	\$1,068,545.00
CorVel	\$225,925.00	\$225,925.00	\$228,415.00	\$680,265.00
George Hills	\$290,400.00	\$288,350.00	\$296,693.00	\$875,443.00
Intercare	\$370,415.81	\$377,899.97	\$389,259.59	\$1,137,575.57
Sedgwick	\$251,675.00	\$263,475.00	\$275,275.00	\$790,425.00

\* Note: Cost proposals were based on 295 claims per year.

### **RECOMMENDED CONTRACTOR:**

CorVel has been providing liability claims management services to a wide range of clients for over thirty years. CorVel has served as Access' insurance TPA for over ten

years and has been instrumental in efficiently resolving claims that fall within the SIR. Their prompt claim handling, in-depth knowledge and investigative experience from the onset of the claim has proven to significantly reduce costs to the Agency.

MARCH 2, 2020

**TO: BOARD OF DIRECTORS**

**FROM: ALVINA NARAYAN, MANAGER OF TRAINING AND COMPLIANCE  
KIMBERLIE NIMORI, PROCUREMENT COORDINATOR**

**RE: CONSIDERATION TO AWARD A CONTRACT FOR DRUG AND  
ALCOHOL CONSULTING SERVICES CONTRACT (AS-4125)**

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**ISSUE:**

Board approval is required for the award of a consulting services contract for Drug and Alcohol Program monitoring and oversight services to Delta Services Group, Inc.

**RECOMMENDATION:**

Authorize the award of a consulting services contract to Delta Services Group, Inc. (Delta) for the period July 1, 2020 through June 30, 2025 in an amount not to exceed \$513,939.60 for the five year period.

**IMPACT ON BUDGET:**

The costs associated with this contract will be appropriately budgeted in FY 2021 and the subsequent out years. The funding for this service is allocated from local funds. At Access' sole discretion, and contingent upon Board approval, this contract may be extended for up to five (5) additional years.

**ALTERNATIVES CONSIDERED:**

None as the FTA Drug and Alcohol Program Monitoring and Compliance is a highly-specialized field that requires a technical expert. With over 2,500 safety sensitive positions in the Drug and Alcohol Testing Pool, the program consultant plays a critical role in ensuring Access Services and its contracted service providers and their sub-contractors meet and maintain federal drug and alcohol program compliance requirements.

The current staff responsible for Drug and Alcohol Program compliance is also responsible for grants and compliance with all FTA and local grants management requirements. In addition, this position also serves as the Disadvantaged Business Enterprise Liaison Officer (DBELO). The DBELO for Access Services is responsible for implementing, tracking, reporting and maintaining a federally compliant Disadvantaged Business Enterprise program. For these reasons, the services of an outside technical expert is necessary for the agency given the limited staffing.

**EFFECT OF APPROVAL OF STAFF RECOMMENDATION:**

If this staff recommendation is approved by the Board, the staff would be authorized, but not required, to negotiate and enter into a written contract with Delta for consulting services on terms that are no less favorable to Access than those proposed herein. Access would not be legally bound to this contract unless it is incorporated into a formal written agreement executed by all parties thereto and approved as to form by this entity's legal counsel.

**BACKGROUND:**

Under FTA 49 CFR Part 655 ("Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations"), contractors that perform any safety-sensitive function on behalf of Access Services (FTA grantee) are required to comply with the provisions of Part 655 and follow the procedures prescribed for drug and alcohol testing under DOT 49 CFR Part 40 ("Procedures for Transportation Workplace Drug and Alcohol Testing Programs"). The rule specifically requires the grantee to provide monitoring and oversight to its covered contractors and service agents to ensure that the program they are implementing on behalf of Access Services is consistent with the DOT and FTA rules. Access Services is required to annually certify compliance to the applicable FTA office.

For 17 years, Access has utilized the services of a qualified consultant to comply with Drug and Alcohol program requirements. The consultant provides monitoring and oversight to contractors and their sub-contractors to ensure the Drug and Alcohol Program implemented by the service providers is compliant with DOT and FTA rules.

A request for proposals was issued for Drug and Alcohol Consulting Services on December 17, 2019, with over eighty firms downloading the RFP, from either the Access website or from the nationwide e-procurement service, *Public Purchase*. On January 21, 2020, Access received a single response from Delta, who is teaming up with LPM and Associates (LPM), the incumbent Drug and Alcohol Program compliance consultant. Delta will serve as the prime contractor and administrative lead for this



contract. LPM will serve as the project lead during the first half of the contract, with the project lead eventually shifting to Delta. The firm’s submitted proposal was deemed responsive to the subject RFP and the firm itself was deemed responsible.

In order to better understand the reasons for the lack of response to the RFP, staff conducted a market survey of approximately 90% of those firms who showed initial interest in the solicitation by downloading the RFP. Access contacted these firms via e-mail and determined that the firms’ ultimate decision not to submit a proposal reflected one of two issues: a lack of staffing, resources or time available to prepare an adequate response to the solicitation or lack of staff that met the minimum requirements identified in the solicitation.

An evaluation of the proposal was conducted in accordance with Access’ Procurement Policies. Technical Proposals were evaluated by three members of Access’ Planning and Coordination Department. The proposal was rated based on cost, for which Delta received the maximum score of ten points, along with three technical criteria: Qualifications and Availability of Proposed Staff, Quality of Technical Approach, and Qualifications of the Proposing Firm.

Proposer	Cost (Max. 10 Pts.)	Qualifications and Availability of Proposed Staff (Max. 30 Pts.)	Quality of Technical Approach (Max. 30 Pts.)	Qualifications of Firm (Max. 30 Pts.)	Total Score (Max. 100 Pts.)
Delta	10.00	29.20	29.20	29.30	<b>97.70</b>

## **COST ANALYSIS**

Delta has proposed an hourly rate of \$140.00 for the first year of the five year base term, an increase of 3.70% over the hourly rate currently charged by LPM. This compares favorably with the most recent year-over-year change in Wages and Salaries of 4.0% (*US Department of Labor, Bureau of Labor Statistics, Los Angeles Region, and December 2019*). After the first year of the contract, Delta is proposing a more modest increase of 3.00% per year through the end of the five-year base term.

Unlike the current provider, LPM, who operates out of an office in Southern California, Delta is located in Newtown, PA, a suburb of Philadelphia, and will therefore incur travel expenses when conducting onsite audits. However, to reduce travel expenses, Delta’s project lead, Laurena Stoddard, will travel to Los Angeles and will perform a full week of on-site audits.

Proposer	Year 1	Year 2	Year 3	Year 4	Year 5	Five Year Total
Delta	\$84,038.80	\$93,143.08	\$102,726.42	\$113,092.52	\$120,938.78	<b>\$513,939.60</b>

### **RECOMMENDED CONTRACTOR**

FTAs Drug and Alcohol Program Monitoring and Compliance is a highly specialized field that requires a technical expert. The role of the drug and alcohol program consultant is critical to ensuring that Access and its contracted service providers, and their sub-contractors, meet federal drug and alcohol compliance requirements.

Ms. Stoddard has over 30 years of transit experience, where she has managed public and private entities, including ADA Complementary Paratransit services. Ms. Stoddard is also classified by the Federal Court as an expert on accessible public transit programs in compliance with Americans with Disabilities Act (ADA) regulations.

Similar to Access' current consultant, Ms. Leila Procopio Makuh (LPM), Ms. Stoddard of Delta is a subject matter expert with technical and practical knowledge, with over two decades of experience working in FTA's Drug and Alcohol Program, as well as a team leader for the USDOT, Federal Transit Administration (FTA) drug and alcohol compliance program, where she has performed numerous program audits across the nation. Additionally, Ms. Stoddard is an instructor for the Transportation Safety Institute (TSI) and a presenter at the FTA Drug and Alcohol Program National Conference. Ms. Stoddard's transit experience and technical expertise in FTA's Drug and Alcohol Program will ensure compliance continuity for Access Services.

Access has been utilizing the expert services of Ms. Leila Procopio-Makuh, since June 2003. She is a nationally recognized FTA Drug and Alcohol Program expert and has been a Certified Substance Abuse Program Administrator (C-SAPA) since 2000. Ms. Procopio-Makuh is a former FTA substance abuse program auditor, who has also served as a Commissioner for the Substance Abuse Program Administrators Certification Commission and is a former member of the Legislative and Regulatory Committee of the national Drug and Alcohol Testing Industry Association. Ms. Procopio-Makuh is also a subject matter expert and a presenter at the FTA Drug and Alcohol Program National Conference.

For the past seventeen years, LPM has maintained a federally compliant drug and alcohol program for Access Services and its service provider contractors. As the demand increased for Access Services, additional subcontractors were added to augment trip capacity. The addition of taxi subcontractors increased monitoring and

oversight responsibilities. LPM's technical assistance and program knowledge allowed Access to successfully continue to maintain program compliance. During the term of LPM's contract, Access Services and its contractors have successfully passed drug and alcohol compliance audits and triennial reviews from the FTA. LPM's on-site assistance and guidance during the review periods has proved pivotal in ensuring Access's compliance with the federally-mandated Drug and Alcohol Testing Program.

The combined experience of Delta and LPM exceeds 55 years. Both Delta and LPM are nationally recognized for their expertise with USDOT, FTA Drug and Alcohol Program, as prescribed in 49 CFR Part 40 and 655. The Drug and Alcohol program requires attention to detail, coupled with a thorough understanding and interpretation of the regulations. Delta and LPM, with their experience and knowledge, demonstrate the capacity to provide the required oversight for program monitoring and compliance. Their technical knowledge, experience and ability to practically apply mandated rules and regulations will continue to strengthen Access' efforts with program compliance.