

TOWNSHIP OF WEST ORANGE**COMPETITIVE CONTRACT REPORT FOR THE
WORKERS COMPENSATION THIRD PARTY ADMINISTRATION****Overview**

On November 9, 2021, the Township Council for the Township of West Orange (the “Township”) adopted Resolution 284-21 which authorized the Township to utilize Competitive Contracting in lieu of public bidding to award a contract for the retention of a Third-Party Administrator (a “TPA”) to assist in the processing of the Township’s various self-insured claims for workers compensation, automobile and general liability.

On December 14, 2021, the Township advertised and release a Request for Proposal (the “RFP”) for a Contract for Workers Compensation Third Party Administration Services (the “Contract”) in accordance with the Local Public Contracts Law (the “LPCL”). The RFP provided that proposals would be due on January 6, 2022. The Township issued an Addendum to the RFP adjourning the deadline for submission of proposals from January 6, 2022 to February 1, 2022. The Township then issued a second Addendum to the RFP providing historical data regarding workers compensations claims submitted to the Township.

On January 27, 2022, a prospective respondent to the RFP filed a lawsuit challenging the Township’s RFP seeking the issuance of revised set of RFP with additional data and information provided therein. On March 7, 2022, the Honorable Robert H. Gardner, Judge of the Superior Court entered a Consent Order memorializing the terms of a resolution of the lawsuit whereby the Township would readvertise the RFP providing additional information and data in the RFP. On March 15, 2022, the Township Council adopted resolution 59-22 consistent with the terms of the Consent Order authorizing: (i) rejection of the proposal received by the Township; and (ii) advertisement of a revised RFP.

On March 28, 2022, the Township advertised and released a revised RFP consistent with the terms of the Consent Order entered by Judge Gardner. The RFP instructed Respondents to submit a lump sum fee proposal for a Contract term of one year. The RFP also set forth the Selection Criteria including:

1. Qualifications of the primary principal and support staff.
2. General experience-of the firm.
3. Experience with communities the size and complexity of West Orange.
4. Familiarity with West Orange, Essex County and the State of New Jersey.
5. Fee.

On May 17, 2022, the Township received four (4) proposals in response to the RFP, including proposals from the following respondents:

Claims Resolution Corporation, Inc. (“CRC”)
323 S. Pitney Road, Suite 200
Galloway, NJ 08205

Inservco Insurance Services, Inc. (“Inservco”)
3150 Brunswick Pike
Lawrenceville, NJ 08048

PMA Management Corp. (“PMA”)
330 Fellowship Road
Mount Laurel, NJ 08054

Qual-Lynx (“Qual-Lynx”)
100 Decadon Drive
Egg Harbor Township, NJ 08234

The Respondents included the following fee proposals:

<u>Respondent</u>	<u>Fee Proposal</u>
CRC	\$22,000 (\$15,800 + one-time fee of \$6,200 for data conversion)
Inservco	\$62,900
PMA	\$45,000
Qual-Lynx	\$32,100

Evaluation

As to the first four (4) criteria all four Respondents demonstrated a competent level of qualifications and experience for both each company as well as the primary and support staff identified in each proposal with each Respondent having at least twenty (20) years of experience providing TPA services. All four (4) Respondents have included references to municipalities of a similar size to the Township and municipalities and entities geographically near the Township demonstrating a familiarity with the Township that demonstrates their ability to perform the Contract for the Township.

Ultimately, the price discrepancy in the proposals was the deciding factor in the evaluation of the proposals. CRC’s proposed a Fee that is more than \$10,000 less than the fee to the next lowest fee proposed and \$40,000 less than the highest proposed fee. This pricing difference steered the evaluation and recommendation of the award of the Contract to CRC over the other Respondents who were all similarly qualified.

Conclusion/Recommendation

Based on the price differential in the Proposals, Township recommends that the Contract for Workers Compensation Third Party Administration Services be awarded to Claims Resolution Corporation, Inc.