1. **Reference C, #4 /** **Subcontractors/Consent**

*The use of subcontractors is allowed. The prime contractor shall be wholly responsible for the entire performance of the contractual agreement whether or not subcontractors are used.  Additionally, the prime contractor must receive approval, in writing, from the agency awarding any resultant contract, before any subcontractor is used during the term of this agreement.*

Q: Our firm utilizes independent contractors (aka independent adjusters) for field work. Is this acceptable?

Yes. The rate and expense allowances remain constant via the prime contractor. Pre-approval is required by the staff adjuster at RMD via e-mail. The prime contractor is fully responsible for the work product and performance of the IA. The use of subject matter experts such as Accident Reconstructionist or C&O experts also require prior approval by RMD.

1. **Reference V, A. / Table 1: Evaluation Point**

*New Mexico Preferences*

*Percentages will be determined based upon points system outlined in NMSA 1978, § 13-1-21 (as amended)*

1. *New Mexico Resident or Native American Resident Business Preference*

*If the Offeror has provided their Preference Certificate the Preference Points are 8%.*

1. *New Mexico Resident Veterans or Native American Resident Veterans Business Preference*

*If the Offeror has provided their Preference Certificate the Preference Points are 10% if prior year revenue does not exceed $6 million.*

Q. The point total of 1,000 points is tabulated under Professional References in this section. There does notappear to be a point allocation for the above-listed section, titled “New Mexico Preferences.”

Would you please explain the weight and point allocation, if applicable, to this section of the RFP? NM Resident and Veterans preference points are “bonus points” on top of the 1,000 possible points.

1. There is a conflict of mileage reimbursement rates as follows:

Page 26, IV. Mandatory Specification B, provides the “mileage will be paid at the IRS Rate”;

Page 69, Appendix I Statement of Concurrence provides the “mileage will be paid at 80% of the IRS rate set on January 1 of the previous year”;

Page 41 of the Sample Contract provides the “mileage will be paid at the IRS rate”.

Should the provision on page 69, Appendix I Statement of Concurrence be corrected to provide mileage will be paid at the IRS rate as provided on pages 26 and 41?

The correct rate is 80% of the IRS Rate and is subject to NMAC 2.42.2.11 (B) (1)

Mileage shall be reimbursed at 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

1. Is this RFP to work within the SIR? If so, what is the State’s self-insured retention?

Yes, our SIR is $500,000.

1. At what level does the excess carrier get involved? Typically, any single occurrence property loss in excess of $300,000 to $400,000 puts the excess carrier on notice.
2. If we agree to the Adjuster/Sr. Adjuster rate of $100/hr., are we permitted to charge higher rates for more complex claims that require more experienced adjuster levels?

The rate is constant across all lines of coverage and experience levels.

1. Are we expected to handle claims related to Medical Malpractice, Civil Rights and Law Enforcement?

Limited. Assignments are sent based on the contractor’s experience and capacity with each LOB.

1. Please provide last 3-year loss runs; breakout of GL (Bodily Injury & Property Damage) & Auto (Bodily Injury & Property Damage) Unavailable due to NM Stat § 15-7-9 Confidentiality. We average 1200 to 1500 claims per year with 75% General Liability / 25% Property. The majority of our vehicle losses are completed in-house by a staff adjuster.
2. What would be the anticipated claim volume per month that the selected vendor could anticipate? Varies month to month.
3. What is the anticipated percentage of claims per month per claim type? (example: 10% Property 25% Auto 25% Work Comp 35% Civil 5% Medical?) The percentages vary depending on claim activity. Generally, we experience 75% liability and 25% property. Severity can vary claim to claim.
4. Do you require a specific property estimating system and auto estimating system? No, we do not. Generally except industry accepted software programs.
5. Is there a third-party preference for outsourcing: Subrogation, Engineering, Support, and Salvage? No, just require RMD prior approval via e-mail before engagement.
6. For catastrophe work: Is catastrophe work billed at the same $100 per/hr rate or is it billable at a higher rate?

The rate is constant at $100.00 per billable hour.

1. Would the offeror have access to the state of New Mexico Defense Counsel for questions regarding specific file issues? Yes, as needed.
2. As stated in Section C. Licensure & Bonding:

As required by NMSA 1978, Section 59A-13-4 and following, Offerors must possess a valid New Mexico Adjusters License. Offerors must possess comprehensive general liability (including errors and omissions) coverage, workers' compensation coverage, and must be bonded. Prior to receiving a contract, the Contractor shall furnish RMD copies of current licenses and copies of current certificates of required insurance and bonding in a form satisfactory to RMD (or copies of insurance policies if RMD so requests). Proof of such insurance and bonding shall be deemed satisfied by submitting of a copy of the offeror’s current insurance declarations page along with the Proposal.

Do you need one for the entity as separate declarations, is it sufficient to provide for one or as per individual? The primary entity (contractor) will be the named insured. Each individual adjuster shall be bonded and licensed as required by NM State Law. It will be the responsibility of the primary to verify their sub-contractors insurance status.

1. As Stated in Section D References:

Staff experience: as it pertains to Clerical; Does everyone need to submit a CV? A brief CV on your support staff would be beneficial.

1. In Appendix C Sample Contract

It states, e. In appropriate circumstances, Adjusters shall recommend to the Agency’s internal file handler that a claim be denied. At the direction of the Agency’s internal file handler, the Adjuster shall issue notice of denial to the insured or third party claimant with copy to the Agency’s internal file handler and, insured agency contact. Will the state provide us with a Generic Denial Letter as a template? Yes. The denial or part denial format and content should be consistent.

1. Compensation: Appendix C, Section 2:

The total amount payable to the Contractor under this Agreement, including gross receipts tax and expenses, shall not exceed (AMOUNT). This amount is a maximum and not a guarantee that the work assigned to be performed by Contractor under this Agreement shall equal the amount stated herein.

What is the maximum payable amount to the contractor? What does it refer to? Life of contract or does it refer to a per claim basis? Varies based on forecasted claim activity each year. The allocated annual amount is revised during the 4 year contract period at the beginning of the fiscal year on July 1, ending on June 30.

1. Number 6, Appendix D:

6. Please describe any relationship with any entity (other than Subcontractors listed in (5) above) which will be used in the performance of any resultant contract.

We request clarification on what types of entities this would apply to? We will comply with whatever pre-qualified entities the State of New Mexico recommends. Relationship disclosures are required on a case by case basis. We review for potential conflicts of interest.

1. Pertaining to Attachment 2, Billing Requirements, Section IV.
2. Bills must be submitted on or before the 10th day of the month following the month that services were rendered, or expenses were incurred.

1. RMD reserves the right to refuse payment of bills or invoices submitted more than 90 days after the date that services were rendered or the date that expenses were incurred.

Paragraph D suggests that invoices may only include time sheet entries that are 90 days old or less. However, in paragraph B it indicates that invoices must be submitted on or before the 10th of every month following the month of services were rendered. Can you please clarify as this seems contradictory? Completed invoices are to be submitted by the 10th day of the month following the month of services rendered. There may be at times, circumstances that are out of your control and we can provide (with notification) allowances to extend the time submission period not to exceed 90 days.

Also, referring to paragraph B&D: How frequently does the state want us to submit invoicing? Do we submit invoices one at a time, as they are generated, or do we need to send them in a group once a month, by the 10th of the month?

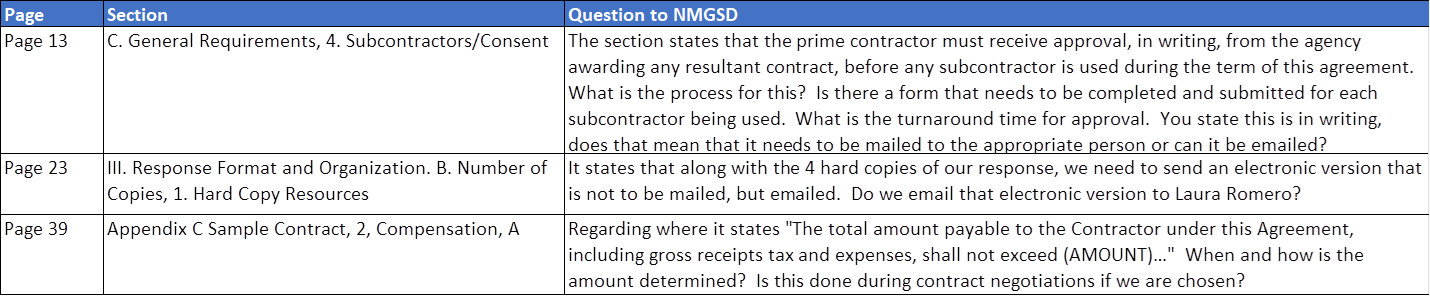
Each invoice shall reference an individual claim file and shall be submitted monthly. This is to ensure proper claim expense allocation. Combining claim numbers in a single invoice will not be accepted.

*In reference to C. Billing format, 1. Invoices,*

1. Contractors must use the electronic format provided by RMD for all invoices. RMD will reject bills that use an unacceptable invoice template.

Please clarify: Does this mean that the state has its own electronic invoice “billing submission system” that the selected firm will be given access to?

Yes, RMD has its own proprietary invoice tracking system and each of the awarded contractors has access to see their payment progress. A separate training will be conducted on utilization.



**P13.** An e-mail request shall be sent to the internal RMD adjuster (file handler) with the subcontractor information, purpose and justification. The approval turnaround time is expedited usually within 48 hours via e-mail response.

**P23**. No, the electronic copy shall be provided on a CD or thumb drive. Email versions will NOT be accepted.

**P39. T**he contract award is allocated among the 4 years. The amount varies based on the experience and capacity of each of our awarded contractors.