



11-14-17
Item #8

Response from Risico Claims Management, Inc.
Regarding RFP 17-084

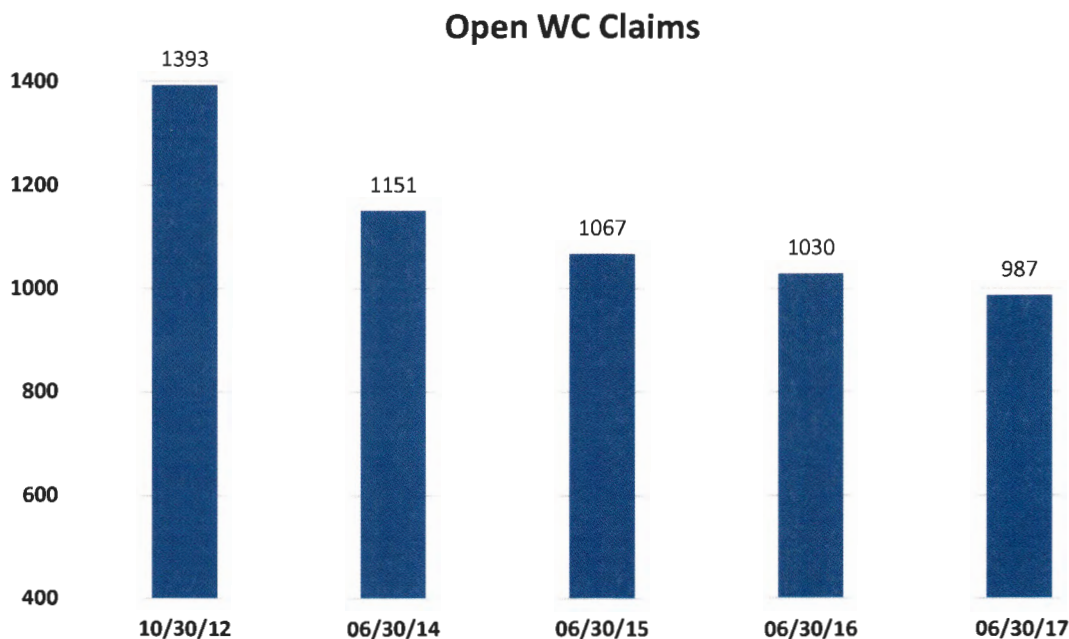
Chairman Pacheco and Members of the Fresno County Board of Supervisors:

Thank you for the opportunity once again to address the issue of our appeal of the tentative award for RFP 17-084. My purpose in preparing this response is to illustrate our historic results, comment on past performance feedback, comment on the RFP Evaluations, present a cost analysis and finally, provide you with some concluding remarks.

Risico Performance Achievements

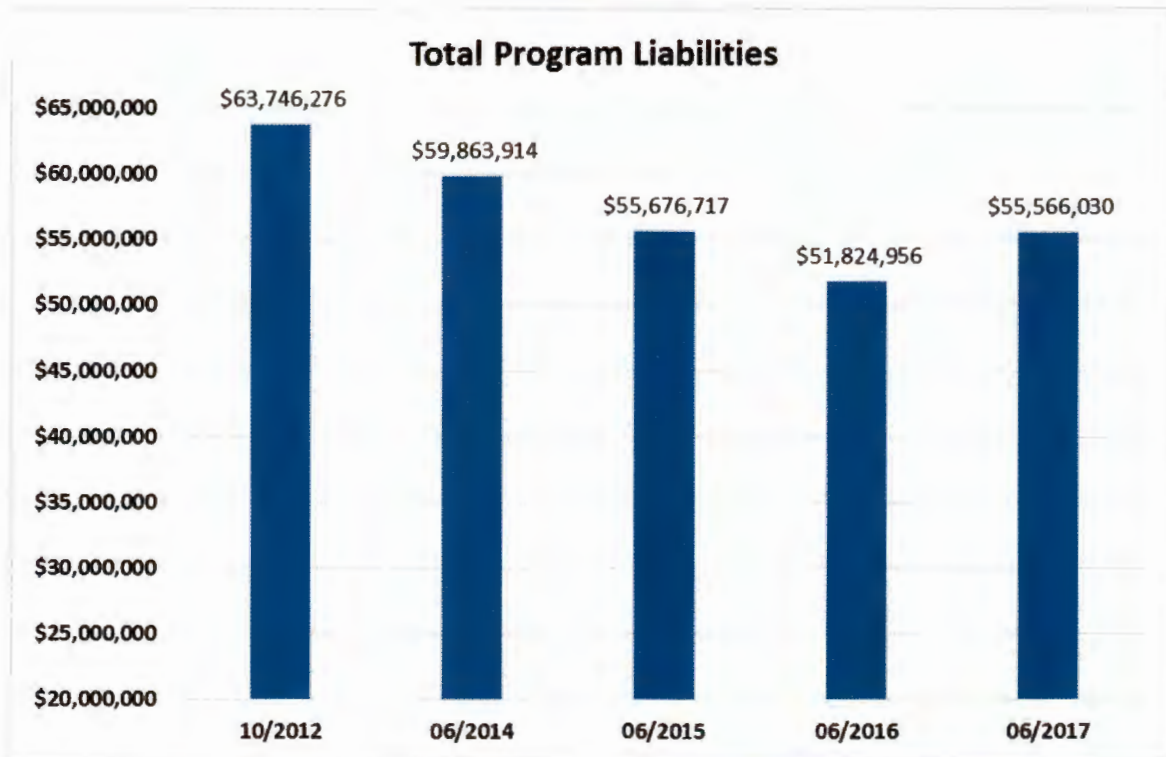
During my presentation on October 31, 2017, I identified three areas in which Risico delivered historically spectacular results.

First, Risico has successfully reduced the overall caseload from 1393 claims to 985 claims, which equates to a reduction of 30%, or 406 claims.

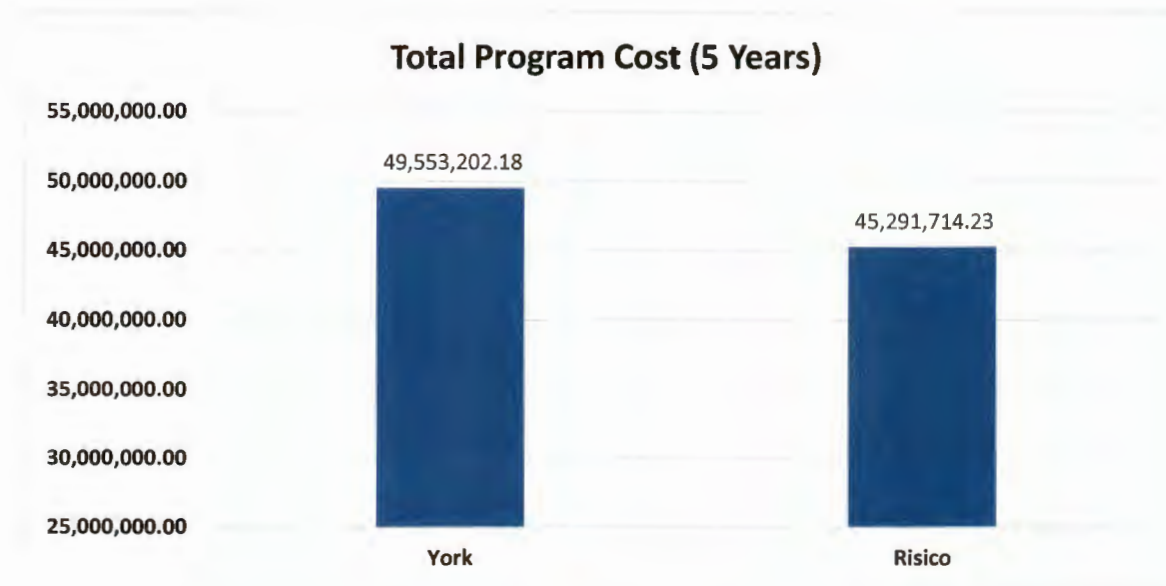


A reduction of this magnitude paves the way for lower program liabilities and costs.

Second, Risico has lowered the County's Total program liabilities by 13% or \$8,180,246 over the past 5 years. It is important to note this figures include the catastrophic claims which significantly influenced the 06/2017 results.



Third, Risico has similarly reduced Total Program costs by \$4,261,488 or 9.1% over a 5 year period when the results of the County's prior TPA are compared to Risico's results. Once again, making this result very significant is the fact these figures include payments for the County's recent catastrophic claims.





County Feedback on Risico Performance

During the last 5 years, Risico has met with the County Risk Management Staff on a quarterly basis to discuss the performance of the County's workers' compensation program. These meetings are designed to have an open discussion on the financial and statistical results of the prior quarter or an annual stewardship report. We are proud to say, the feedback from County staff in all of these meetings has been positive.

From our perspective, our work with the County has been virtually free of documented negative issues. Only once has an issue risen to the level of the Director of Human Resources, and that issue was quickly and successfully resolved to his satisfaction.

RFP Evaluations

We have reviewed the RFP Evaluations and would like to offer several comments for your consideration. First, several of the issues raised in the evaluations of Risico would have been resolved by allowing Risico to participate in the onsite/oral interviews which was granted to our competitors. Several of the evaluator's conclusions were wrong but would have been corrected in an oral interview. The County had only 3 TPAs bid on all of the services proposed by this RFP. Risico should have been afforded the opportunity to participate in this process.

The RFP Evaluation process lacked a quantitative point system that would have provided the evaluators with a balanced scoring system. The Evaluations and TPA rankings were purely subjective and did not assign a percentage of importance or weight to any of the categories. This is most apparent in the area of cost evaluation where the significant price differential goes without comment or analysis. A point system, as used in the last RFP 5 years ago, and used regularly by other Public entities, would have provided the County with the ability to assign numerical importance to each area, thus providing a more balanced, less subjective, approach.

Pricing Comparison

Presented on the next page is a graph showing the 5 Year pricing for this RFP.



The pricing identified in the above graph is derived from our RFP, County documents, including the evaluations of the panel. We have not been given any official pricing analysis from the County.

The pricing proposed by Risico was **\$2,387,089** lower than Tri-Star and **\$3,238,917** lower than AIMS.

Concluding Remarks

We are grateful for the opportunity to submit this response for your review and consideration.

We are asking for a decision that considers our work product and competitive pricing. The results of our past performance demonstrates that we have performed at a very high level, having delivered an outstanding result. This result, combined with the fact we are the lowest bidder by a significant margin, sets us apart from the other two TPAs.

Our goal will be to continue this effort, if given the opportunity to do so by the Board.

Respectfully,

A handwritten signature in black ink, appearing to read 'Steve Wigh'.

Steven C. Wigh
President, Risico Claims Management