



# CITY OF SANTA FE

## The Purchasing Memo

**Date:** June 10, 2025

**To:** Governing Body and Finance Committee

**From:** Melanie Lovato, Risk Analyst

**Via:** Mark Scott, City Manager

**Subject:** Professional Services Contract for Third Party Administrator

**Vendor Name:** Cannon Cochran Management Services Inc. (CCMSI)

**Munis Vendor Number:** 2590

### ITEM AND ISSUE:

Risk and Safety respectfully requests your review and approval of a Professional Services Contract in the total amount of \$865,500 not to exceed for General Liability third part services for a term of 4 years with Cannon Cochran Management Services Inc (CCMSI).

### CONTRACT NUMBER:

The FY25 Munis contract number is 3250638

### BACKGROUND AND SUMMARY:

The City of Santa Fe operates a self-insurance program that covers General Liability, Law Enforcement, Employment Practices, and Public Official claims. The City contracts with a Third-Party Administrator (TPA) to manage these claims. The TPA is responsible for receiving claims, investigating their circumstances, making determinations, and resolving them. If a claim exceeds the City's self-insured retention limit, it is referred to the General Liability insurance carrier. In cases where the TPA cannot resolve the claim, it may escalate to a lawsuit. Throughout the process, the TPA collaborates with either the General Liability carrier and the City's Risk and Safety Office to bring the matter to resolution.

### PRIOR APPROVALS AND SUPPORTING INFORMATION:

#### FUNDING SOURCE:

**Fund Name/Number:** Risk Management, 600

**Munis Org Name/Number:** Risk Management Admin/6001750

**Munis Object Name/Number:** Gen Liab-Third Party Admin/555300

**Budget Officer / Designee:**  ALEXIS LOTERO (Jun 11, 2025 13:09 MDT) **Date:** 06/17/2025

**Budget Officer Comment/Exceptions:** \_\_\_\_\_

**PROCUREMENT METHOD:**

The procurement method used was **NMSA 1978, Section 13-1-111, RFP**

RFQ #25037

Chief Procurement Officer (CPO)/Designee: JoAnn Lovato Montano Date: 06/17/2025

CPO Comment/Exceptions: \_\_\_\_\_

**ASSOCIATED APPROVALS:**

IT Components included?  Yes |  No

Approval: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

Comment/Exceptions: \_\_\_\_\_

Treasury/Point of Sale Components included?  Yes |  No

Approval: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

Comment/Exceptions: \_\_\_\_\_

Vehicles included?  Yes |  No

Approval: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

Comment/Exceptions: \_\_\_\_\_

Construction to City Facilities, Furniture, and/or Fixtures included?  Yes |  No

Approval: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

Comment/Exceptions: \_\_\_\_\_

Is this an externally funded purchase?  Yes |  No

If yes, what is the issuing agency: \_\_\_\_\_

Approval: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

Comment/Exceptions: \_\_\_\_\_

Is this a Capital Asset or Project?  Yes |  No

Project Ledger Number: \_\_\_\_\_

Approval: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

Comment/Exceptions: \_\_\_\_\_

**ATTACHMENTS:**

CPO Service Determination Email

Procurement document: RFP

Vendor's Bid (Note: proposals and Evaluation Committee Reports shall only be emailed (by CPD) to the committee directly, not included in this packet.)

Certificate of Liability Insurance (COI) (add City as an additional insured, project specifics, contact person, and primary project location)  
Professional Services Contract

CITY OF SANTA FE  
PROFESSIONAL SERVICES CONTRACT

THIS CONTRACT is made and entered into by and between the City of Santa Fe, New Mexico, hereinafter referred to as the "City," and Cannon Cochran Management Services Inc. (CCMSI), hereinafter referred to as the "Contractor," and is effective as of the date set forth below upon which it is executed by the Parties.

**RECITALS**

**WHEREAS**, the Chief Procurement Officer of the City has made the determination that this Agreement is in accordance with the provisions of the New Mexico Procurement Code (NMSA 1978, 13-1-28 et seq.) pursuant to NMSA 1978, section 13-1-111; and

**WHEREAS**, the Contractor is one of such requisite and qualifications and is willing to engage with the City for professional services, in accordance with the terms and conditions hereinafter set out, and the Contractor understanding and consenting to the foregoing is willing to render such professional services as outlined in the Agreement; and

The City and the Contractor hereby agree as follows:

**1. Scope of Work**

The Contractor shall provide the following services-for the City:

1. Self-insured Workers' Compensation Claims Administration.
  - i. Review all claim and loss reports received from City during the term of the contract and process each qualified claim or loss report in accordance with applicable statutes and regulations.
  - ii. Investigate of each reported claim or loss under subparagraph (i) above (hereinafter referred to as a "qualified claim or loss") to the extent deemed necessary by Contractor in the performance of its obligations hereunder.
  - iii. Arrange for independent investigators, medical, or other experts to the extent deemed necessary by the Contractor in connection with processing any qualified claim or loss.
  - iv. Disburse medical and death benefits, temporary and permanent disability compensation, and other related losses and expenses, provided the payment is deemed prudent for the City and does not exceed the specified limits under Workers' Compensation statutes, applicable liability provisions, or relevant policy limits, unless explicitly approved or directed in writing by the City.
  - v. Perform essential administrative and clerical tasks related to qualified claims or losses, including preparing checks issued in the City's name and drawn from designated accounts.
  - vi. Maintain a file for each qualified claim or loss which shall become the property of City, and which shall be available for review by the City upon request.

- vii. Notify excess insurers of all qualified claims or losses with values that may exceed the City's retention, providing such insurers with necessary information on the status of those claims or losses.
- viii. Review all open claims, at least monthly to make certain that claims and expense reserves are accurately set at the ultimate expected cost (no step reserving).
- ix. Assist Risk Management and City Attorney in selecting outside counsel to defend qualified claims or losses, as requested by the City. The contractor will help Risk Management establish a panel of potential outside counsel for selection.
- x. Assist the City's counsel, if requested, in preparing its defense, negotiating settlements and pursuing subrogation or contribution actions.
  - xi. In the event of a fatality resulting from an on-the-job injury, personal contact with the family is required as soon as possible to explain the benefits.
  - xii. Personal contact with the claimant or claimant's family is required within 24 hours of receipt of a claim indicating an injury requiring hospitalization or immediate surgery.
  - xiii. All indemnity lost time claims shall be handled to conclusion by the same adjuster. The control supervisor may assign lost time claims to a telephone claims representative if the injury has stabilized and is of a type which requires a long-term rehabilitation or healing process (or for other good reason with which is documented in the file).
  - xiv. In person statements are required from every claimant receiving weekly benefits or settlements. Telephonically recorded statements are acceptable in unusual circumstances.
  - xv. Medical only claims will be handled by the control office, however, if a medical only claim develops into a lost time injury, the case will be reassigned to a lost time adjuster. The control supervisor may alter this procedure if warranted but must indicate the exceptional reason in the claim file. Copies of correspondence indicating the status of claim must be provided to the city claims administrator.
  - xvi. Monitor the treatment programs recommended for employees by physicians, specialists and other health care providers by reviewing all reports prepared by them and maintaining such contact with these providers as may be appropriate in the sole judgment of the Contractor.
  - xvii. As the City directs, assist in interpreting medical reports to consider the circumstances under which an ill or injured employee could return to work in the shortest period.
  - xviii. Assist the City in arranging for rehabilitation or retraining of employees in appropriate cases.
  - xix. Maintain a current estimate of the expected total cost of each qualified claim or loss that considers indemnity, medical and expense components and is based on facts known at the estimation date, but is not trended or actuarially developed.
  - xx. Utilize computer programs to furnish to the City selected loss and information reports either monthly, quarterly or annually which are entitled:
    - 1. Composite claim summary, with graphs by division yearly and monthly
    - 2. Accident trend report, with monthly graphs by division
    - 3. Loss analysis report, with graphs by division monthly
    - 4. State reports, as needed
    - 5. Accumulated report monthly
    - 6. Injury codes to identify body part and type
    - 7. Number system of claims to identify type
    - 8. Program access City staff
    - 9. Indexing

10. Check register monthly

- i. These reports shall contain such information as incident date, condensed incident description, department, other identifiers, payments made, estimated future costs and total expected costs of claims or losses, as well as summary and other data deemed relevant by the Contractor, but not IBNR (incurred but not reported) claims or actuarially developed loss values.
- xxi. Annually report federal, state and local 1099 information under the City's tax
- xxii. identification numbers, when the City has provided all required authorizations, for vendor payments issued by the Contractor on bank accounts owned by the City, but not for payment authorizations when the Contractor does not issue the checks. authorizations, for vendor payments issued by the Contractor on bank accounts owned by the City, but not for payment authorizations when the Contractor does not issue the checks.
- xxiii. Provide narrative reports of major or litigated claims, if requested by the City.
- xxiv. Provide claim forms and other forms believed by the Contractor to be appropriate for the efficient operation of the self-insurance program.
- xxv. Return to the City all claim files upon termination of the contract at the City's expense.

2. Medical Control:

- i. Shall establish reasonable and customary fees that are negotiated with providers for service to employees including doctor visits, therapy, and other injury related costs. The control supervisor shall direct all appointments after work hours, when possible, in accordance with the New Mexico Workers' Compensation Act.
- ii. Assist the City, where State rules and regulations permit, in the selection of a panel of physicians or other providers of health care to initially treat employees and a panel of medical specialists to provide long-term or specialty care.
- iii. Consult with the City to develop ways of using medical facilities and providers more effectively.

3. Employee Consulting:

- i. As the City directs, provide information to ill or injured employees regarding the benefits available under the self-insurance program and counsel any such employees who wish to obtain the assistance of third parties in dealing with problems arising out of work-related illnesses or injuries.
- ii. If the City requests, consult with employee groups regarding specific aspects of the self-insurance program.
- iii. Assist the City in developing policies and procedures to ensure that an employee's return to work or reassignment is consistent with any findings of an appropriate state administrative agency.

4. Program Development, upon the City's request:

- i. Consult with the City on the establishment and coordination of necessary procedures and practices to meet any applicable state requirements and the needs of the City.
- ii. Participate in the orientation of the City's personnel who are directly or indirectly involved in the processing of qualified claims or losses.
- iii. Provide information on changes or proposed changes in certain legislation, regulations or rules affecting the responsibility of the City.
- iv. Review the development of the self-insurance program periodically with representatives of the City to identify problems and recommend corrective action.

1. The contractor shall furnish appropriate renewal application forms and, upon the City's written request, shall file all periodic reports and renewal applications required by state administrative agencies to maintain the City's self-insurance program.
2. The Contractor shall not provide any risk control services.
3. The Contractor may subcontract services to be provided under the resultant contract. It is understood, however, that Contractor will be responsible for the performance of all services to be provided to the City hereunder in accordance with the resultant contract, including any subcontracted services.
4. Claim Administration.
  - v. The Third-Party Administrator (TPA) shall manage and administer all general liability claims, including those related to law enforcement, employment practices, and public officials, in accordance with its best practices.
  - vii. During the period of the resultant contract claim payments shall be made with Client funds.
  - viii. Third Party Administrator will act on behalf of Client in handling, monitoring, investigating, overseeing and adjusting all such actual and alleged claims.
  - viii. Claim Settlement. Third Party Administrator will settle claims of the Client with Client funds in accordance with reasonable limits and guidelines established with the Client.
  - x. Claim Reserves. Third Party Administrator will recommend reserves for unpaid reported claims and unpaid claim expenses.
  - xi. Allocated Claim Expenses. Third Party Administrator will pay all Allocated Claim Expenses with Client Funds. Allocated Claim Expenses are charges for services provided in connection with specific claims by persons or firms which are eligible claim expenses under the Client's program. Notwithstanding the foregoing, Allocated Claim Expenses will include all expenses incurred in connection with the investigation, adjustment, settlement or defense of Client claims, even if such expenses are incurred by Third Party Administrator. Allocated Claim E
  - xii. Expenses will include, but not be limited to, charges for:
    1. Independent medical examinations of claimants.
    2. Managed care expenses, which include the services
    3. provided by comp me TM, Third Party Administrator's proprietary managed care program. Examples of managed care expenses include but is not limited to PPO networks, utilization review, nurse case management, medical bill audits
    4. and medical bill review;
    5. Fraud detection expenses, such as surveillance, which include the services provided by fire, Third Party Administrator's proprietary Special Investigation Unit (SIU), and other related expenses associated with the detection, reporting and prosecution of fraudulent claims, including legal fees;
    6. Attorneys, experts and special process servers;
    7. Court costs, fees, interest and expenses;
    8. Depositions, court reporters and recorded statements;
    9. Independent adjusters and appraisers;
    10. Index bureau and OFAC (Office of Foreign Assets Control)
    11. Charges;
    12. MMSEA/SCHIP compliance charges;
    13. Electronic Data Interchanges, EDI, charges if required by
    14. State law;

15. Third Party Administrator personnel, at their customary rate or charge, but only with respect to claims outside the State and only if such customary rate is communicated to the Client prior to incurring such cost;
  16. Actual reasonable expenses incurred by Third Party Administrator employees outside the State for meals, travel, and lodging in conjunction with claim management;
  17. Police, weather and fire report charges that are related to claims being administered under Client's program;
  18. Charges associated with accident reconstruction, cause and origin investigations, etc.;
  19. Charges for medical records, personnel documents, and other documents necessary for adjudication of claims under Client's program;
  20. Charges associated with Medicare Set-Aside Allocations;
  21. Other expenses normally recognized as ALAE by industry standards.
5. Subrogation. Third Party Administrator will monitor claims for subrogation
6. Provision of Reports. Third Party Administrator agrees to provide reports to the Client as upon request.
7. Risk Management Services. Third Party Administrator will provide the Client with additional Risk Management Services not contemplated in the Contract upon mutual agreement of the parties.

## **2. Standard of Performance; Licenses**

- A. The Contractor does hereby accept its designation as a professional service, rendering services related to self-insured claims administration for law enforcement, employment practices, and public officials for the City, as set forth in this Agreement. The Contractor represents that Contractor possesses the personnel, experience, and knowledge necessary to perform the services described under this Contract.
- B. The Contractor agrees to obtain and maintain throughout the term of this Contract, all applicable professional and business licenses required by law, for itself, its employees, agents, representatives, and subcontractors.

## **3. Compensation**

A. The City shall pay to the Contractor in full payment for services satisfactorily performed, such compensation not to exceed \$800,000.00 excluding gross receipts tax. A Cost Proposal, including a breakdown of fees and expenses per service performed, is attached hereto as **Exhibit A**. The New Mexico gross receipts tax levied on the amounts payable under this Agreement totaling \$65,500.00 shall be paid by the City to the Contractor. **The total amount payable to the Contractor under this Agreement, including gross receipts tax and expenses, shall not exceed \$865,500.00.**

**B. Payment.** The total compensation under this Agreement shall not exceed \$800,000.00 excluding New Mexico gross receipts tax.

C. Payment shall be made upon Acceptance of each Deliverable and upon the receipt and Acceptance of a detailed, certified Payment Invoice. Payment will be made to the Contractor's

designated mailing address. In accordance with Section 13-1-158 NMSA 1978, payment shall be tendered to the Contractor within thirty (30) days of the date of written certification of Acceptance. All Payment Invoices MUST BE received by the City no later than fifteen (15) days after the termination of this Agreement. Payment Invoices received after such date WILL NOT BE PAID.

D. **Notice of Extended Payment Provision For Grant Funded Contracts.** This contract allows the owner to make payment within 45 days after submission of an undisputed request for payment.

#### 4. Term

THIS CONTRACT SHALL NOT BECOME EFFECTIVE UNTIL APPROVED BY THE CITY or July 1, 2025, whichever is later. This Contract shall terminate **four (4) years from the effective date** unless terminated pursuant to paragraph 5 (Termination) and paragraph 6 (Appropriations).

#### 5. Termination

A. **Grounds.** The City may terminate this Agreement for convenience or cause. For contracts within their authority, the City Manager or their designee is authorized to provide the notice of termination, otherwise such notice of termination shall be provided by the Mayor or their designee as authorized by the Governing Body. The Contractor may terminate this Agreement for convenience upon written notice of termination at least sixty (60) days prior to the intended date of termination or based upon the City's uncured, material breach of this Agreement.

B. **Notice; City Opportunity to Cure.**

1) The City shall give Contractor written notice of termination at least thirty (30) days prior to the intended date of termination.

2) Contractor shall give City written notice of termination at least thirty (30) days prior to the intended date of termination, which notice shall (i) identify all the City's material breaches of this Agreement upon which the termination is based and (ii) state what the City must do to cure such material breaches. Contractor's notice of termination shall only be effective (i) if the City does not cure all material breaches within the thirty (30) day notice period or (ii) in the case of material breaches that cannot be cured within thirty (30) days, the City does not, within the thirty (30) day notice period, notify the Contractor of its intent to cure and begin with due diligence to cure the material breach.

3) Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to the Contractor (i) if the Contractor becomes unable to perform the services contracted for, as determined by the City; (ii) if, during the term of this Agreement, the Contractor is suspended or debarred by the City; or (iii) the Agreement is terminated pursuant to Paragraph 6, "Appropriations", of this Agreement.

C. **Liability.** Except as otherwise expressly allowed or provided under this Agreement, the City's sole liability upon termination shall be to pay for acceptable work performed prior to the Contractor's receipt or issuance of a notice of termination; provided, however, that a notice of termination shall not nullify or otherwise affect either party's liability for pre-termination defaults under or breaches of this Agreement. The Contractor shall submit an invoice for such work within thirty (30) days of receiving or sending the notice of termination. *THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE THE CITY'S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY THE CONTRACTOR'S DEFAULT/BREACH OF THIS AGREEMENT.*

#### 6. Appropriations

The terms of this Contract are contingent upon sufficient appropriations and authorization being made by the Governing Body for the performance of this Contract. If sufficient appropriations and authorization are not

made by the Governing Body, this Contract shall terminate immediately upon written notice being given by the City to the Contractor. The City's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. If the City proposes an amendment to the Contract to unilaterally reduce funding, the Contractor shall have the option to terminate the Contract or to agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.

**7. Status of Contractor**

The Contractor and its agents and employees are independent contractors performing professional services for the City and are not employees of the City. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of City vehicles, or any other benefits afforded to employees of the City as a result of this Contract. The Contractor acknowledges that all sums received hereunder are reportable by the Contractor for tax purposes, including without limitation, self-employment and business income tax. The Contractor agrees not to purport to bind the City unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

**8. Assignment**

The Contractor shall not assign or transfer any interest in this Contract or assign any claims for money due or to become due under this Contract without the prior written approval of the City.

**9. Subcontracting**

The Contractor shall not subcontract any portion of the services to be performed under this Contract without the prior written approval of the City. No such subcontract shall relieve the primary Contractor from its obligations and liabilities under this Contract, nor shall any subcontract obligate direct payment from the City.

**10. Release**

Final payment of the amounts due under this Contract shall operate as a release of the City, its officers and employees from all liabilities, claims and obligations whatsoever arising from or under this Contract.

**11. Confidentiality**

Any confidential information provided to or developed by the Contractor in the performance of this Contract shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the City.

**12. Product of Service -- Copyright**

All materials developed or acquired by the Contractor under this Contract shall become the property of the City and shall be delivered to the City no later than the termination date of this Contract. Nothing developed or produced, in whole or in part, by the Contractor under this Contract shall be the subject of an application for copyright or other claim of ownership by or on behalf of the Contractor.

**13. Conflict of Interest; Governmental Conduct Act**

A. The Contractor represents and warrants that it presently has no interest and, during the term of this Contract, shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Contract.

B. The Contractor further represents and warrants that it has complied with, and, during the term of this Contract, will continue to comply with, and that this Contract complies with all applicable provisions of the Governmental Conduct Act, Chapter 10, Article 16 NMSA 1978.

C. Contractor's representations and warranties in Paragraphs A and B of this Article are material representations of fact upon which the City relied when this Contract was entered into by the parties. Contractor shall provide immediate written notice to the City if, at any time during the term of this Contract, Contractor learns that Contractor's representations and warranties in Paragraphs A and B of this Article were erroneous on the effective date of this Contract or have become erroneous by reason of new or changed circumstances. If it is later determined that Contractor's representations and warranties in Paragraphs A and B of this Article were erroneous on the effective date of this Contract or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to the City and notwithstanding anything in the Contract to the contrary, the City may immediately terminate the Contract.

D. All terms defined in the Governmental Conduct Act have the same meaning in this section.

#### **14. Amendment**

A. This Agreement shall not be altered, changed, or amended except by instrument in writing executed by the parties hereto and all other required signatories.

B. If the City proposes an amendment to the Contract to unilaterally reduce funding due to budget or other considerations, the Contractor shall, within thirty (30) days of receipt of the proposed Amendment, have the option to terminate the Contract, pursuant to the termination provisions as set forth in Article 4 herein, or to agree to the reduced funding.

#### **15. Entire Agreement.**

This Agreement, together with any other documents incorporated herein by reference and all related Exhibits and Schedules constitutes the sole and entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to the subject matter. In the event of any inconsistency between the statements in the body of this Agreement, and the related Exhibits and Schedules, the statements in the body of this Agreement shall control.

#### **16. Merger**

This Contract incorporates all the Agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, agreements, and understandings have been merged into this written contract.

All terms and conditions of the **RFP #25126 Third Party Administrative Services for Worker's Compensation and General Liability** and the Contractor's response to such document(s) are incorporated herein by reference and are included in the order of precedence.

No prior Agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Contract.

#### **17. Penalties for violation of law**

NMSA 1978, sections 13-1-28 through 13-1-199, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities, and kickbacks.

#### **18. Equal Opportunity Compliance**

The Contractor agrees to abide by all federal and state laws and rules and regulations, and Santa Fe City Code, pertaining to equal employment opportunity. In accordance with all such laws of the State of New Mexico, the Contractor assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Contract. If Contractor is found not to be in compliance with these requirements during the life of this Contract, Contractor agrees to take appropriate steps to correct these deficiencies.

#### **19. Applicable Law**

The laws of the State of New Mexico shall govern this Contract, without giving effect to its choice of law provisions. Venue shall be proper only in a New Mexico court of competent jurisdiction in accordance with NMSA 1978, section 38-3-2. By execution of this Contract, Contractor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Contract.

#### **20. Workers Compensation**

The Contractor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Contractor fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Contract may be terminated by the City.

#### **21. Professional Liability Insurance**

The Contractor shall furnish the City with proof of insurance of Contractor's compliance with the provisions of this section as a condition prior to performing services under this Contract. Contractor shall maintain in force during the entire term of this Contract, the following insurance coverage(s). Except for Professional Liability and Workers' Compensation coverages, the City of Santa Fe their officials, officers, employees, and agents as additional insureds.

- A. **Professional Liability Insurance** Contractor shall maintain professional liability insurance throughout the term of this Contract with limits not less than \$1,000,000 per claim and \$3,000,000 in the aggregate.
- B. **Commercial General Liability** insurance shall be written on an occurrence basis and be as broad as ISO Form CG 00 01 with limits not less than \$2,000,000 per occurrence and \$2,000,000 in the aggregate for claims against bodily injury, personal and advertising injury, and property damage. Said policy shall include broad form Contractual Liability coverage and be endorsed to name the City of Santa Fe their officials, officers, employees, and agents as additional insureds.
- C. **Business Automobile Liability** insurance for all owned, non-owned automobiles, with a combined single limit not less than \$1,000,000 per accident. This coverage is required if Contractor will be performing services at the City's facilities or property.
- D. **Workers' Compensation Insurance** with statutory limits, and **Employer's Liability insurance** with limits of not less than \$1,000,000 per accident or disease. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City, its directors, officials, officers, employees, agents, and volunteers.

- E. **Broader Coverage and Limits.** The insurance requirements under this Contract shall be the greater of (1) the minimum coverage and limits specified in this Contract, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Named Insured. It is agreed that these insurance requirements shall not in any way act to reduce coverage that is broader or that includes higher limits than the minimums required herein. No representation is made that the minimum insurance requirements of this Contract are sufficient to cover the obligations of Contractor hereunder.
- F. **Primary and Noncontributory.** The insurance required to be maintained by Contractor shall primary and any insurance or self-insurance maintained by the City shall be excess only, and not be required to contribute with it.
- G. **Acceptability of Insurers.** Unless otherwise reviewed and accepted by the City, all required insurance must be placed with insurers with a current A.M. Best rating of not less than A- VII and be admitted to do business in the state of New Mexico, or approved by the Surplus Lines Association.
- H. **Severability of Interest (Cross Liability).** A severability of interest provision must apply for the additional insureds, ensuring that Contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the policies' limits.
- I. **Notices; Cancellation or Reduction of Coverage.** No policy required to be maintained by Contractor shall be canceled and not replaced with equivalent coverage without thirty (30) days prior written notice to the City, unless cancellation is due to the non-payment of premium, in which case, ten (10) days prior written notice shall be provided.

## **22. Records and Financial Audit**

The Contractor shall maintain detailed time and expenditure records that indicate the date; time, nature and cost of services rendered during the Contract's term and effect and retain them for a period of three (3) years from the date of final payment under this Contract. The records shall be subject to inspection by the City. The City shall have the right to audit billings both before and after payment. Payment under this Contract shall not foreclose the right of the City to recover excessive or illegal payments.

## **23. Indemnification**

The Contractor shall defend, indemnify and hold harmless the City from all actions, proceeding, claims, demands, costs, damages, attorneys' fees and all other liabilities and expenses of any kind from any source which may arise out of the performance of this Contract, caused by the negligent act or failure to act of the Contractor, its officers, employees, servants, subcontractors or agents, or if caused by the actions of any client of the Contractor resulting in injury or damage to persons or property during the time when the Contractor or any officer, agent, employee, servant or subcontractor thereof has or is performing services pursuant to this Contract. If any action, suit or proceeding related to the services performed by the Contractor or any officer, agent, employee, servant or subcontractor under this Contract is brought against the Contractor, the Contractor shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the legal counsel of the City.

## **24. New Mexico Tort Claims Act**

Any liability incurred by the City of Santa Fe in connection with this Contract is subject to the immunities

and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et. seq. NMSA 1978, as amended. The City and its “public employees” as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and do not waive any limitation of liability pursuant to law. No provision in this Contract modifies or waives any provision of the New Mexico Tort Claims Act.

**25. Invalid Term or Condition**

If any term or condition of this Contract shall be held invalid or unenforceable, the remainder of this Contract shall not be affected and shall be valid and enforceable.

**26. Enforcement of Contract**

A party's failure to require strict performance of any provision of this Contract shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Contract shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

**27. Notices**

Any notice required to be given to either party by this Contract shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

To the City:  
Melanie Lovato, Risk Management  
P.O. Box 909  
Santa Fe, NM 87504-0909  
(O)505- 955-6080  
mylovato@santafenm.gov

To the Contractor:  
Courtney Barela, NM State Director/Account Manager  
5700 Pasadena Ave Suite 102  
Albuquerque, NM 87113  
(O) 505-837-8738  
cbarela@ccmsi.com

**28. Authority**

If Contractor is other than a natural person, the individual(s) signing this Contract on behalf of Contractor represents and warrants that he or she has the power and authority to bind Contractor, and that no further action, resolution, or approval from Contractor is necessary to enter a binding contract.

**29. Non-Collusion**

In signing this Agreement, the Contractor certifies the Contractor has not, either directly or indirectly, entered into action in restraint of free competitive bidding in connection with this offer submitted to the City's Chief Procurement Officer.

**30. Default/Breach**

In case of Default and/or Breach by the Contractor, for any reason whatsoever, the City may procure the goods or services from another source and hold the Contractor responsible for any resulting excess costs and/or damages, including but not limited to, direct damages, indirect damages, consequential damages, special damages, and the City may also seek all other remedies under the terms of this Agreement and under law or equity.

### **31. Equitable Remedies**

The Contractor acknowledges that its failure to comply with any provision of this Agreement will cause the City irrevocable harm and that a remedy at law for such a failure would be an inadequate remedy for the City, and the Contractor consents to the City 's obtaining from a court of competent jurisdiction, specific performance, or injunction, or any other equitable relief in order to enforce such compliance. The City's rights to obtain equitable relief pursuant to this Agreement shall be in addition to, and not in lieu of, any other remedy that the City may have under applicable law, including, but not limited to, monetary damages.

### **32. Default and Force Majeure**

The City reserves the right to cancel all, or any part of any orders placed under this Agreement without cost to the City, if the Contractor fails to meet the provisions of this Agreement and, except as otherwise provided herein, to hold the Contractor liable for any excess cost occasioned by the City due to the Contractor's default. The Contractor shall not be liable for any excess costs if failure to perform the order arises out of causes beyond the control and without the fault or negligence of the Contractor; such causes include, but are not restricted to, acts of God or the public enemy, acts of the State or Federal Government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather and defaults of subcontractors due to any of the above, unless the City shall determine that the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery scheduled. The rights and remedies of the City provided in this Clause shall not be exclusive and are in addition to any other rights now being provided by law or under this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Contract as of the date of the signature by the required approval authorities below.

CITY OF SANTA FE:

CONTRACTOR,  
Cannon Cochran Management Services Inc.

\_\_\_\_\_  
ALAN WEBBER, MAYOR

*John E. Kluth Ad*  
\_\_\_\_\_  
JOHN KLUTH, CHIEF FINANCIAL OFFICER

DATE: 06/09/2025

NMBTIN#: 36-1057804

ATTEST:

\_\_\_\_\_  
ANDRÉA SALAZAR, CITY CLERK

CITY ATTORNEY'S OFFICE:

*Christopher W. Ryan*

Christopher W. Ryan (May 21, 2025 10:02 MDT)

\_\_\_\_\_  
SENIOR ASSISTANT CITY ATTORNEY

APPROVED FOR FINANCES:

*Emily K. Oster*

\_\_\_\_\_  
EMILY OSTER, FINANCE DIRECTOR

**EXHIBIT A**

**COST PROPOSAL TO:**



**REQUEST FOR PROPOSALS (RFP) #25126  
Workers' Compensation & General Liability  
Third Party Administrative Services**

PREPARED BY:



**Courtney Barela**  
New Mexico  
State Director/Account Manager

Phone: (505) 837-8738  
cbarela@ccmsi.com

5700 Pasadena Ave., Suite 102  
Albuquerque, NM

**April 2025**



**CCMSI**

[www.ccmsi.com](http://www.ccmsi.com)

**EXHIBIT A**

**The City of Santa Fe, Central Purchasing Division (CPD)  
AND  
Risk and Safety Department**

**REQUEST FOR PROPOSALS (RFP)**

**Workers' Compensation & General Liability Third Party  
Administrative Services**



**RFP#  
25126**

**Amendment # 1**

**RFP Issue Date: March 7, 2025**

**Proposals Due Date: April 7, 2025**

## EXHIBIT A

The purpose of this amendment is to:

Replace Attachment F in its entirety:

### ATTACHMENT F - PROJECT COST PROPOSAL FORM

Total Cost Proposal:                     Outlined Below                    

Provide a Total Cost to deliver the requested project, including all of the requirements described in the RFP Scope of Work Overview. The Total Cost should be broken out into the following line items:

1. A cost breakout by these project line items.

#	Line Items	Unit of Measure	Cost Per Unit	Cost
1	Fixed Fee for Workers Compensation	Annual	\$60,000/year	\$60,000/year
2	Fixed Fee for General Liability	Annual	\$140,000/year	\$140,000/year
3	Rate fee for Workers Compensation	Per Month	\$5,000/month	\$5,000/month
4	Rate fee for General Liability	Per Month	\$11,666.67/month	\$11,666.67/month
5	Index	Per Claim	\$20.00/index	\$20.00/index
6	Electronic Data Interchange	Per Claim	\$15 FROI/\$10 SROI	\$15 FROI/\$10 SROI
7	CMS (Medicaid/Medicare)	Per Claim	\$25/claim	\$25/claim
8	Nurse Case Management	Per Hour	\$95/hour	\$95/hour
9	Nurse Case Management Mileage	Per Claim	Per Gov Rate	Per Gov Rate
10	Nurse Case Management Expenses	Per Claim	Actual	Actual
11	Bill Review Fee	Per Claim	\$10/bill	\$10/bill
12	Bill Review Savings	%	33%	33%
13	Pharmacy Benefit Management Savings	%	33%	33%
14	Subrogation	% Recovery	25% of Recovery	25% of Recovery
15	Legal	Per Hour	ALAE	ALAE
16	Special Reports	Per Hour	\$125/hour	\$125/hour

\*\*\*Should the claim volume increase, CCMSI would like the opportunity to negotiate a price increase to the fees listed above\*\*\*

Amend Scope of Work, page 2 of 38, Item xv to say:

xv. Medical only claims will be handled by the control office, however, if a medical only claim develops into a lost time injury, the case will be reassigned to a lost time adjuster. The control supervisor may alter this procedure if warranted but must indicate the exceptional reason in the claim file. Copies of correspondence indicating the status of claim must be provided to the City's Risk Management.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/18/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement.

Table with 2 main sections: PRODUCER (Alliant Insurance Services, Inc.) and INSURED (CCMSI Holdings, Inc.). Includes contact information, insurer names (Continental, National Fire, Great American), and NAIC numbers.

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES.

Main coverage table with columns: INSR LTR, TYPE OF INSURANCE, ADDL INSD, SUBR WVD, POLICY NUMBER, POLICY EFF, POLICY EXP, LIMITS. Rows include Commercial General Liability, Automobile Liability, Umbrella Liability, Workers Compensation, and Err & Omissions.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
The following are included as Additional Insured with respect to General Liability when required by written Contract:
1. City of Santa Fe

Table with 2 columns: CERTIFICATE HOLDER (City of Santa Fe) and CANCELLATION (Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions. Includes signature of authorized representative).

**From:** [DUTTON-LEYDA, TRAVIS K.](#)  
**To:** [LOVATO, MELANIE Y.](#)  
**Subject:** RE: Determination for RFP  
**Date:** Tuesday, December 31, 2024 1:42:46 PM  
**Attachments:** [image002.jpg](#)  
[image003.png](#)

---

Greetings,

The scope of work as written would be Professional Services. This determination relates only to that question and is no comment on whether the scope of work or procurement method meet all legal standards. I reserve the right to change this determination if the scope of work differs from the scope of work submitted for the original determination. This procurement must be conducted using the processes and procedures set forth by the City of Santa Fe, Central Purchasing, the Procurement Manual, and state statutes.

Please note:

- Save this email as a PDF and upload it into the corresponding Munis records.
- Check with WorkQuest dba Horizons of New Mexico ([mloehman@horizonsofnewmexico.org](mailto:mloehman@horizonsofnewmexico.org)) if this service appears on their approved list.
- If your request includes anything that needs to be reviewed and preapproved by another City Department/Division, please send the same SOW to the corresponding email address and include their response in your packet/Munis.
  - IT components (anything IT) - [ereview@santafenm.gov](mailto:ereview@santafenm.gov)
  - Vehicles – [dmjaramillo@santafenm.gov](mailto:dmjaramillo@santafenm.gov)
  - Grants - [mtbonifer@santafenm.gov](mailto:mtbonifer@santafenm.gov); [cmthompson@santafenm.gov](mailto:cmthompson@santafenm.gov); [evlujan@santafenm.gov](mailto:evlujan@santafenm.gov)
  - Construction, Facilities, Furniture, Fixtures, Equipment, etc. - [jsburnett@santafenm.gov](mailto:jsburnett@santafenm.gov)
  - Emergency Related Purchases - [bgwilliams@santafenm.gov](mailto:bgwilliams@santafenm.gov)
  - Asset over \$5k - [lmstorey@santafenm.gov](mailto:lmstorey@santafenm.gov)
- Ensure that the appropriate templates and forms are used [https://intranet.santafenm.gov/finance\\_1](https://intranet.santafenm.gov/finance_1) and documented [procedures/laws/rules](#) are followed. \_
- > \$20k per year, when processing this procurement, please ensure the procurement number issued by Munis and the procurement name are used in the appropriate documents and the subject of emails.
- If you are processing a procurement where the forecasted amount is => \$60k, per NMSA 1978, Section 13-1-102, if you aren't using a cooperative or existing contract, you must process an RFP.
- < \$20k per year, one quote is acceptable.
- From \$20k to \$60k per year, if you aren't using a cooperative or existing contract, you'll need to provide 3 quotes in your req. Must use the Munis Bid Module after 12/21/2023.
- Figure out your funding source and **inform Purchasing**. To ensure that the proper documents and language are used, it is important to identify the funding source for the

subsequent contract. For instance, if federal funds are involved, the procurement request and subsequent contract must include the necessary federal language. Therefore, it is crucial to determine the funding source beforehand.

- Review the pages linked below to determine whether any of the existing price agreements/contracts or cooperative agreements are applicable to this request. You might be able to use an existing price agreement/contract to save time and money.
  - <https://www.generalservices.state.nm.us/state-purchasing/statewide-price-agreements/> (if you choose to use a Statewide, you do not need to ask Horizons if they can do the work. State Purchasing must offer the SOW to Horizons prior to placing the award on their website.)
  - <https://naspo.valuepoint.org/categories/>
  - <https://www.omniapartners.com/publicsector/contracts>
  - <https://www.buyboard.com/home.aspx>
  - <https://www.h-gac.com/Home>
  - <https://www.gsaelibrary.gsa.gov/>
  - <https://www.sourcewell-mn.gov/contract-search>
  
- Submit or send your request to the appropriate MS Teams channel or email address:
  - RFPs requests to <https://teams.microsoft.com/l/channel/19%3ad63b9c8b586d424fa5eed34177146ac5%40thread.tacv2/RFP%2520Requests?groupId=a367d8c2-992f-4c74-8e7d-0ccb6950c9a1&tenantId=77b69f5a-55ed-4363-8616-4867b0bc707f>
  - ITBs requests to <https://teams.microsoft.com/l/channel/19%3a48e1e4588c0440a09cfbd9b907ed42d4%40thread.tacv2/ITB%2520Requests?groupId=a367d8c2-992f-4c74-8e7d-0ccb6950c9a1&tenantId=77b69f5a-55ed-4363-8616-4867b0bc707f>
  - Determination requests to [purchasing\\_det@santafenm.gov](mailto:purchasing_det@santafenm.gov)
  - And all other requests to [purchasing@santafenm.gov](mailto:purchasing@santafenm.gov)

Thank you for submitting this scope of work for my review.

Regards,

Travis Dutton-Leyda  
Chief Procurement Officer  
City of Santa Fe  
200 Lincoln Avenue  
Santa Fe, NM 87501  
505-629-8351  
[tkduttonleyda@santafenm.gov](mailto:tkduttonleyda@santafenm.gov)

<https://santafenm.gov/finance-2/purchasing-1>

Internal Link: [https://intranet.santafenm.gov/finance\\_1](https://intranet.santafenm.gov/finance_1)

Chart, text



More Procurement, less drama ~ John Blair

---

**From:** LOVATO, MELANIE Y. <mylovato@santafenm.gov>  
**Sent:** Tuesday, December 31, 2024 11:16 AM  
**To:** DUTTON-LEYDA, TRAVIS K. <tkduttonleyda@santafenm.gov>  
**Subject:** Determination for RFP  
**Importance:** High

Hello Travis,

Please provide determination of services for third party administer to handle all general liability and workers comp claims.

The Contractor shall provide the following services-for the City:

A. Self-insured Claims Administration for Workers Compensation and all General Liability claims to include Law Enforcement, Employment Practices, and Public Officials.

1. Review all claims and loss reports received from City during the term of this Agreement and process each

claim or loss report in accordance with applicable statutory and administrative regulations.

2. Conduct an investigation of each reported claim or loss under subparagraph (1) above (hereinafter referred to as a “qualified claim or loss”) to the extent deemed necessary by Contractor in the performance of its obligations hereunder.

3. Arrange for independent investigators or medical or other experts to the extent deemed necessary by Contractor in connection with processing any qualified claim or loss.

4. Pay medical and death benefits, temporary and permanent disability compensation and other losses and expenses, but only if in the sole judgment of Contractor, such payment would be prudent for the City and the anticipated amount thereof does not exceed the limit specified or the City specifically approves or directs such action in writing.

5. Perform reasonable and necessary administrative and clerical work in connection with qualified claims or losses including the preparation of checks bearing the name of City and drawn on the account or accounts established pursuant to paragraph 2(D) below.

6. Maintain a file for each qualified claim or loss which shall become the property of City and which shall be available for review by the City at any reasonable time.

7. Notify excess insurers of all qualified claims or losses with values that may exceed the City’s retention, providing such insurers with necessary information on the current status of those claims or losses, unless relieved of this obligation by the City, pursuant to paragraph 2(A) below.

8. The Contractor’s control supervisor shall review all open claims, at least monthly

to make certain that claims and expense reserves are accurately set at the ultimate expected cost (no step reserving).

9. The Contractor shall assist the City Attorney with selection of counsel to defend qualified claims or losses, if requested by the City.

10. The Contractor shall assist the City's counsel, if requested, in preparing the defense of litigated cases, negotiating settlements and pursuing subrogation or contribution actions.

11. Maintain a current estimate of the expected total cost of each qualified claim or loss that considers indemnity, medical and expense components and is based on facts known at the estimation date but is not trended or actuarially developed.

12. Utilize computer programs to furnish to the City selected loss and information reports either monthly, quarterly or annually which are entitled:

- i. Composite claim summary, with graphs by all claims yearly and monthly
- ii. Accident trend report, with graphs by Law Enforcement, Employment Practices, and Public Officials monthly
- iii. Loss analysis report, with graphs by all claims monthly
- iv. State reports, as needed
- v. Accumulated report monthly
- vi. Injury codes to identify body part and type
- vii. Number system of claims to identify type
- viii. Program access City staff
- ix. Indexing
- x. Check register monthly

These reports shall contain such information as incident date, condensed incident description, department, other identifiers, payments made, estimated future costs and total expected costs of claims or losses, as well as summary and other data deemed relevant by the Contractor, but not IBNR (incurred but not reported) claims or actuarially developed loss values.

21. Annually report federal, state and local 1099 information under the City's tax identification numbers, when the City has provided all required IRS authorizations, for vendor payments issued by the Contractor on bank accounts owned by the City, but not for payment authorizations when the Contractor does not issue the checks.

13. Provide narrative reports of major or litigated claims, if requested by the City.

3

14. Provide claim forms and other forms believed by the Contractor to be appropriate for the efficient operation of the self-insurance program.

15. Return to the City all claim files upon termination of the contract at the City's expense.

D. Program Development, upon the City's request:

(1) Consult with the City on the establishment and coordination of necessary procedures and practices to meet any applicable state requirements and the needs of the City.

(2) Participate in the orientation of the City's personnel who are directly or

indirectly involved in the processing of qualified claims or losses.

(3) Provide information on changes or proposed changes in certain legislation, regulations or rules affecting the responsibility of the City.

(4) Review the development of the self-insurance program periodically with representatives of the City in order to identify problems and recommend corrective action.

E. Contractor shall furnish appropriate renewal application forms and, upon the City's written request, shall file all periodic reports and renewal applications required by state administrative agencies to maintain the City's self-insurance program.

F. Contractor shall not provide any risk mitigation services.

G. Contractor may subcontract to its affiliated corporation's various services to be provided under this agreement. It is understood, however, that Contractor will be responsible for the performance of all services to be provided to the City hereunder in accordance with this agreement, including any subcontracted services.

H. Claim Administration.

1) Claim Management and Administration. In compliance with its Best Practices, TPA will manage and administer claims involving all claims during the period of this Agreement. Claim payments shall be made with Client funds. TPA will act on behalf of Client in handling, monitoring, investigating, overseeing and adjusting all such actual and alleged claims.

2) Claim Settlement. TPA will settle claims of the Client with Client funds in accordance with reasonable limits and guidelines established with the Client.

3) Claim Reserves. TPA will recommend reserves for unpaid reported claims and unpaid claim expenses.

4) Allocated Claim Expenses. TPA will pay all Allocated Claim Expenses with Client Funds. Allocated Claim Expenses are charges for services provided in connection with specific claims by persons or firms which are eligible claim expenses under the Client's program. Notwithstanding the foregoing, Allocated Claim Expenses will include all expenses incurred in connection with the investigation, adjustment, settlement or defense of Client claims, even if such expenses are incurred by TPA. Allocated Claim Expenses will include, but not be limited to, charges for:

(a) Independent medical examinations of claimants.

(b) Managed care expenses, which include the services provided by comp me TM, TPA's proprietary managed care program. Examples of managed care expenses includes but is not limited to PPO networks, utilization review, nurse case management, medical bill audits and medical bill review;

(c) Fraud detection expenses, such as surveillance, which include the services provided by fire, TPA's proprietary Special Investigation Unit (SIU), and other related expenses associated with the detection, reporting and prosecution of fraudulent claims, including legal fees;

(d) Attorneys, experts and special process servers;

- (e) Court costs, fees, interest and expenses;
  - (f) Depositions, court reporters and recorded statements;
  - (g) Independent adjusters and appraisers;
  - (h) Index bureau and OFAC (Office of Foreign Assets Control) Charges;
  - (i) MMSEA/SCHIP compliance charges;
  - (j) Electronic Data Interchanges, EDI, charges if required by State law;
  - (k) TPA personnel, at their customary rate or charge, but only with respect to claims outside the State and only if such customary rate is communicated to the Client prior to incurring such cost;
  - (l) Actual reasonable expenses incurred by TPA employees outside the State for meals, travel, and lodging in conjunction with claim management;
  - (m) Police, weather and fire report charges that are related to claims being administered under Client's program;
  - (n) Charges associated with accident reconstruction, cause and origin investigations, etc.;
  - (o) Charges for medical records, personnel documents, and other documents necessary for adjudication of claims under Client's program;
  - (p) Charges associated with Medicare Set-Aside Allocations;
  - (q) Other expenses normally recognized as ALAE by industry standards.
- I. Subrogation. TPA will monitor claims for subrogation
- J. Provision of Reports. TPA agrees to provide reports to the Client as upon request.
- K. Risk Management Services. TPA will provide the Client with additional Risk Management Services not contemplated in the Agreement upon mutual agreement of the parties.

Thank you  
Melanie

Melanie Lovato  
Risk & Safety Division  
Email: [mylovato@santafenm.gov](mailto:mylovato@santafenm.gov)  
Phone: (505) 955-6080 | Cell: (505) 490-1693  
Website: [www.santafenm.gov](http://www.santafenm.gov)



**CONFIDENTIALITY NOTICE:** The contents of this email message and any attachments are

intended solely for the addressee(s) and may contain confidential and/or privileged information and may be legally protected from disclosure. If you are not the intended recipient of this message or their agent, or if this message has been addressed to you in error, please immediately alert the sender by reply email and then delete this message and any attachments. If you are not the intended recipient, you are hereby notified that any use, dissemination, copying, or storage of this message or its attachments is strictly prohibited

**From:** [Matt Loehman](#)  
**To:** [LOVATO, MELANIE Y.](#)  
**Subject:** Re: procurement opportunity for TPA services  
**Date:** Thursday, January 2, 2025 8:43:45 AM  
**Attachments:** [image001.png](#)

---

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good morning Melanie,

Thank you very much for the opportunity, but we will decline this procurement.

Best regards,

Matt

**Matt Loehman**  
**Executive Director**

**Horizons of New Mexico**  
6121 Indian School Rd. NE, Suite 220  
Albuquerque, NM 87110

office phone: (505) 345-1540  
email: [mloehman@horizonsofnewmexico.org](mailto:mloehman@horizonsofnewmexico.org)  
web: [www.horizonsofnewmexico.org](http://www.horizonsofnewmexico.org)

The State Use Act helps people with disabilities become gainfully employed, and it saves you valuable time and resources otherwise used during the procurement process.

On Tue, Dec 31, 2024 at 1:45 PM LOVATO, MELANIE Y. <[mylovato@santafenm.gov](mailto:mylovato@santafenm.gov)> wrote:

Good afternoon, Matt,

We wanted to see if you provide the following services. Thank you!

Please provide determination of services for third party administer to handle all general liability and workers comp claims.

The Contractor shall provide the following services-for the City:

A. Self-insured Claims Administration for Workers Compensation and all General Liability claims to include Law Enforcement, Employment Practices, and Public Officials.

1. Review all claims and loss reports received from City during the term of this Agreement and process each

claim or loss report in accordance with applicable statutory and administrative regulations.

2. Conduct an investigation of each reported claim or loss under subparagraph (1) above (hereinafter referred to as a “qualified claim or loss”) to the extent deemed necessary by Contractor in the performance of its obligations hereunder.

3. Arrange for independent investigators or medical or other experts to the extent deemed necessary by Contractor in connection with processing any qualified claim or loss.

4. Pay medical and death benefits, temporary and permanent disability compensation and other losses and expenses, but only if in the sole judgment of Contractor, such payment would be prudent for the City and the anticipated amount thereof does not exceed the limit specified or the City specifically approves or directs such action in writing.

5. Perform reasonable and necessary administrative and clerical work in connection with qualified claims or losses including the preparation of checks bearing the name of City and drawn on the account or accounts established pursuant to paragraph 2(D) below.

6. Maintain a file for each qualified claim or loss which shall become the property of City and which shall be available for review by the City at any reasonable time.

7. Notify excess insurers of all qualified claims or losses with values that may exceed the City’s retention, providing such insurers with necessary information on the current status of those claims or losses, unless relieved of this obligation by the City, pursuant to paragraph 2(A) below.

8. The Contractor’s control supervisor shall review all open claims, at least monthly to make certain that claims and expense reserves are accurately set at the ultimate

expected cost (no step reserving).

9. The Contractor shall assist the City Attorney with selection of counsel to defend qualified claims or losses, if requested by the City.

10. The Contractor shall assist the City's counsel, if requested, in preparing the defense of litigated cases, negotiating settlements and pursuing subrogation or contribution actions.

11. Maintain a current estimate of the expected total cost of each qualified claim or loss that considers indemnity, medical and expense components and is based on facts known at the estimation date but is not trended or actuarially developed.

12. Utilize computer programs to furnish to the City selected loss and information reports either monthly, quarterly or annually which are entitled:

i. Composite claim summary, with graphs by all claims yearly and monthly

ii. Accident trend report, with graphs by Law Enforcement, Employment Practices, and Public Officials monthly

iii. Loss analysis report, with graphs by all claims monthly

iv. State reports, as needed

v. Accumulated report monthly

vi. Injury codes to identify body part and type

vii. Number system of claims to identify type

viii. Program access City staff

ix. Indexing

x. Check register monthly

These reports shall contain such information as incident date, condensed incident description, department, other identifiers, payments made, estimated future costs and total expected costs of claims or losses, as well as summary and other data deemed relevant by the Contractor, but not IBNR (incurred but not reported) claims or actuarially developed loss values.

21. Annually report federal, state and local 1099 information under the City's tax identification numbers, when the City has provided all required IRS authorizations, for vendor payments issued by the Contractor on bank accounts owned by the City, but not for payment authorizations when the Contractor does not issue the checks.

13. Provide narrative reports of major or litigated claims, if requested by the City.

3

14. Provide claim forms and other forms believed by the Contractor to be appropriate for the efficient operation of the self-insurance program.

15. Return to the City all claim files upon termination of the contract at the City's expense.

D. Program Development, upon the City's request:

(1) Consult with the City on the establishment and coordination of necessary procedures and practices to meet any applicable state requirements and the needs of the City.

(2) Participate in the orientation of the City's personnel who are directly or indirectly involved in the processing of qualified claims or losses.

(3) Provide information on changes or proposed changes in certain legislation, regulations or rules affecting the responsibility of the City.

(4) Review the development of the self-insurance program periodically with representatives of the City in order to identify problems and recommend corrective action.

E. Contractor shall furnish appropriate renewal application forms and, upon the City's written request, shall file all periodic reports and renewal applications required by state administrative agencies to maintain the City's self-insurance program.

F. Contractor shall not provide any risk mitigation services.

G. Contractor may subcontract to its affiliated corporation's various services to be

provided under this agreement. It is understood, however, that Contractor will be responsible for the performance of all services to be provided to the City hereunder in accordance with this agreement, including any subcontracted services.

#### H. Claim Administration.

1) Claim Management and Administration. In compliance with its Best Practices, TPA will manage and administer claims involving all claims.

during the period of this Agreement. Claim payments shall be made with Client funds. TPA will act on behalf of Client in handling, monitoring, investigating, overseeing and adjusting all such actual and alleged claims.

2) Claim Settlement. TPA will settle claims of the Client with Client funds in accordance with reasonable limits and guidelines established with the Client.

3) Claim Reserves. TPA will recommend reserves for unpaid reported claims and unpaid claim expenses.

4) Allocated Claim Expenses. TPA will pay all Allocated Claim Expenses with Client Funds. Allocated Claim Expenses are charges for services provided in connection with specific claims by persons or firms which are eligible claim expenses under the Client's program. Notwithstanding the foregoing, Allocated Claim Expenses will include all expenses incurred in connection with the investigation, adjustment, settlement or defense of Client claims, even if such expenses are incurred by TPA. Allocated Claim Expenses will include, but not be limited to, charges for:

(a) Independent medical examinations of claimants.

(b) Managed care expenses, which include the services provided by comp me TM, TPA's proprietary managed care program.

Examples of managed care expenses includes but is not limited to PPO networks, utilization review, nurse case management, medical bill audits and medical bill review;

- (c) Fraud detection expenses, such as surveillance, which include the services provided by fire, TPA's proprietary Special Investigation Unit (SIU), and other related expenses associated with the detection, reporting and prosecution of fraudulent claims, including legal fees;
- (d) Attorneys, experts and special process servers;
- (e) Court costs, fees, interest and expenses;
- (f) Depositions, court reporters and recorded statements;
- (g) Independent adjusters and appraisers;
- (h) Index bureau and OFAC (Office of Foreign Assets Control) Charges;
- (i) MMSEA/SCHIP compliance charges;
- (j) Electronic Data Interchanges, EDI, charges if required by State law;
- (k) TPA personnel, at their customary rate or charge, but only with respect to claims outside the State and only if such customary rate is communicated to the Client prior to incurring such cost;
- (l) Actual reasonable expenses incurred by TPA employees outside the State for meals, travel, and lodging in conjunction with claim management;
- (m) Police, weather and fire report charges that are related to claims being administered under Client's program;
- (n) Charges associated with accident reconstruction, cause and origin investigations, etc.;
- (o) Charges for medical records, personnel documents, and other documents necessary for adjudication of claims under Client's program;
- (p) Charges associated with Medicare Set-Aside Allocations;
- (q) Other expenses normally recognized as ALAE by industry

standards.

I. Subrogation. TPA will monitor claims for subrogation

J. Provision of Reports. TPA agrees to provide reports to the Client as upon request.

K. Risk Management Services. TPA will provide the Client with additional Risk Management Services not contemplated in the Agreement upon mutual agreement of the parties.

Thank you

Melanie

Melanie Lovato

Risk & Safety Division

Email: [mylovato@santafenm.gov](mailto:mylovato@santafenm.gov)

Phone: (505) 955-6080 | Cell: (505) 490-1693

Website: [www.santafenm.gov](http://www.santafenm.gov)



**CONFIDENTIALITY NOTICE:** The contents of this email message and any attachments are intended solely for the addressee(s) and may contain confidential and/or privileged information and may be legally protected from disclosure. If you are not the intended recipient of this message or their agent, or if this message has been addressed to you in error, please immediately alert the sender by reply email and then delete this message and any attachments. If you are not the intended recipient, you are hereby notified that any use, dissemination, copying, or storage of this message or its attachments is strictly prohibited