



NOT-FOR-PROFIT HOSPITAL CORPORATION

December 9, 2020

The Honorable Phil Mendelson
Chairman, Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, N.W.
Suite 504
Washington, DC 20004


Dear Chairman Mendelson:

Enclosed for consideration and approval by the Council of the District of Columbia is Contract No. NFPHC-WC-21-CPC-00009 between the Not-for-Profit Hospital Corporation and Manufacturers Alliance Insurance Company Approval and Payment Authorization Emergency Act of 2020 and Contract No. NFPHC-WC-21-CPC-00009 between the Not-for-Profit Hospital Corporation and Manufacturers Alliance Insurance Company Approval and Payment Authorization Emergency Declaration Resolution of 2020 for the provision of workers' compensation insurance for the Not-for-Profit Hospital Corporation ("Contract").


Council action is necessary to retroactively approve the proposed Contract in the amount of \$1,558,062.00 for the period that began November 23, 2020 to November 22, 2021. Not only did the NFPHC change its broker mid-year, but early proposals received reflected higher premiums that were due to COVID-19 increases for hospitals. But for the broker change and additional time taken to ensure maximum contract value for the NFPHC's actual risk, the proposed Contract would have been timely transmitted to Council.

As always, I am available to discuss any questions you may have regarding this submittal. In order to facilitate a response to any questions you may have, please have your staff contact me at (202) 574-6611. I look forward to a favorable consideration on this contract.

Sincerely,


Colene Y. Daniel
Chief Executive Officer
Not-for-Profit Hospital Corporation

Enclosure


Chairman Phil Mendelson
on behalf of the Not-for-Profit
Hospital Corporation

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To approve, on an emergency basis, Contract No. No. NFPHC-WC-21-CPC-00009 between the Not-for-Profit Hospital Corporation commonly known as United Medical Center (“Hospital”), and Manufacturers Alliance Insurance Company for the provision of workers’ compensation insurance, and to authorize payment for the services received and to be received under the Contract.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

That this act may be cited as the “Contract No. NFPHC-WC-21-CPC-00009 with Manufacturers Alliance Insurance Company Approval and Payment Authorization Emergency Act of 2020”.

Sec. 2. Pursuant to section 451 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 803; D.C. Official Code § 1-204.51), and notwithstanding the requirements of section 202 of the Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-352.02), the Council approves Contract No. NFPHC-WC-21-CPC-00009 (“Contract”) between the Not-for-Profit Hospital Corporation (“NFPHC” or “Hospital”) and Manufacturers Alliance Insurance Company, to provide workers’ compensation insurance to the

37 Hospital, and authorizes payment for the services received and to be received under this
38 Contract in the amount of \$1,558,062.00.

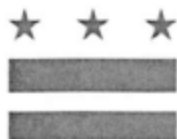
39 Sec. 3. Fiscal impact statement.

40 The Council adopts the fiscal impact statement of the Chief Financial Officer as
41 the fiscal impact statement required by section 4a of the General Legislative Procedures
42 Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-
43 301.47a).

44 Sec. 4. Effective date.

45 This act shall take effect following approval by the Mayor (or in the event of veto
46 by the Mayor, action by the Council to override the veto), and shall remain in effect for
47 no longer than 90 days, as provided for emergency acts of the Council of the District of
48 Columbia in section 412(a) of the District of Columbia Home Rule Act, approved
49 December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of Contracting and Procurement



Pursuant to section 202(c-1) of the Procurement Practices Reform Act of 2010, as amended, D.C. Official Code § 2-352.02(c-1), the following contract summary is provided:

COUNCIL CONTRACT SUMMARY

(Retro)

(A) Contract Number: Contract No. NFPHC-WC-21-CPC-00009

Proposed Contractor: Manufacturers Alliance Insurance Company

Contract Amount: \$ 1,558,062.00

Unit and Method of Compensation: Twenty-Five percent (25%) balance down and remaining Seventy-Five percent (75%) in five equal installments.

Term of Contract: November 23, 2020 – November 22, 2021

Type of Contract: Fixed Fee

Source Selection Method: Competitive Procurement

(B) For a contract containing option periods, the contract amount for the base period and for each option period. If the contract amount for one or more of the option periods differs from the amount for the base period, provide an explanation of the reason for the difference:

N/A

(C) The goods or services to be provided, the methods of delivering goods or services, and any significant program changes reflected in the proposed contract:

The service to be provided is Workers' Compensation insurance for NFPHC employees for the period running from from November 23, 2020 to November 22, 2021. There are no coverage changes from the prior coverage period and the services being provided through the insurance policy.

(D) The selection process, including the number of offerors, the evaluation criteria, and the evaluation results, including the price and technical components:

The Hospital's insurance broker went to the Workers' Compensation insurance market and requested quotes. Seven (7) quotes were requested from other workers' compensation insurance providers. Out of the requested quotes, one indication was received, Manufacturers Alliance Insurance Company. In addition to price, the other major evaluation criteria were 1) the ability for the Hospital to pay the premium by installment; and 2) a policy that did not require the Hospital to indemnify the insurer, in order to comply with the Hospital's federal and local Anti-Deficiency Act obligations. MAIC was selected as the vendor that could provide services in the best interest of the Hospital.

(E) A description of any bid protest related to the award of the contract, including whether the protest was resolved through litigation, withdrawal of the protest by the protestor, or voluntary corrective action by the District. Include the identity of the protestor, the grounds alleged in the protest, and any deficiencies identified by the District as a result of the protest:

There is no protest associated with this contract.

(F) The background and qualifications of the proposed contractor, including its organization, financial stability, personnel, and prior performance on contracts with the District government:

Manufacturers Alliance Insurance Company provides risk management solutions and services, specializing in the provision of workers' compensation insurance, in the United States. Headquartered in Blue Bell, PA, Manufacturers Association Insurance Company is a member of Old Republic International Corporation, which is one of the nation's 50 largest publicly held insurance organizations. Manufacturers Association Insurance Company maintain a large client retention rate of 90% or higher and a client satisfaction rate of 96% per an independent survey.

(G) The period of performance associated with the proposed change, including date as of which the proposed change is to be made effective:

November 23, 2020 – November 22, 2021

(H) The value of any work or services performed pursuant to a proposed change for which the Council has not provided approval, disaggregated by each proposed change if more than one proposed change has been aggregated for Council review:

N/A

(I) The aggregate dollar value of the proposed changes as compared with the amount of the contract as awarded:

N/A

(J) The date on which the contracting officer was notified of the proposed change:

The contracting officer was notified on September 11, 2020.

(K) The reason why the proposed change was sent to Council for approval after it is intended to take effect:

Not only did Hospital change its broker mid-year, but early proposals received reflected higher premiums that were due to COVID-19 increases for hospitals. But for the broker change and additional time taken to ensure maximum contract value for the Hospital's actual risk, the proposed Contract would have been timely transmitted to Council.

(L) The reason for the proposed change:

See Section K above.

(M) The legal, regulatory, or contractual authority for the proposed change:

NFPHC Contracting Authority; NFPHC Establishment Act; Home Rule Act.

(N) A summary of the subcontracting plan required under section 2346 of the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, as amended, D.C. Official Code § 2-218.01 *et seq.* ("Act"), including a certification that the subcontracting plan meets the minimum requirements of the Act and the dollar volume of the portion of the contract to be subcontracted, expressed both in total dollars and as a percentage of the total contract amount:

The Contractor does not have a subcontracting plan associated with this contract. The Contractor plans to submit a waiver for this Contract.

(O) Performance standards and the expected outcome of the proposed contract:

The Contractor's performance will be regularly and routinely monitored by the Director of Risk Management and reported to the Chief Executive Officer for the Hospital. The expected outcome of this contract is to have the Contractor's services provided to the Hospital in an efficient, competent and cost effective manner.

(P) The amount and date of any expenditure of funds by the District pursuant to the contract prior to its submission to the Council for approval:

N/A

(Q) A certification that the proposed contract is within the appropriated budget authority for the agency for the fiscal year and is consistent with the financial plan and budget adopted in accordance with D.C. Official Code §§ 47-392.01 and 47-392.02:

See enclosed fiscal certification from the OCFO.

- (R) A certification that the proposed contract is legally sufficient, including whether the proposed contractor has any currently pending legal claims against the District:**

See enclosed legal certification from UMC Counsel.

- (S) A certification that Citywide Clean Hands database indicates that the proposed contractor is current with its District taxes. If the Citywide Clean Hands Database indicates that the proposed contractor is not current with its District taxes, either: (1) a certification that the contractor has worked out and is current with a payment schedule approved by the District; or (2) a certification that the contractor will be current with its District taxes after the District recovers any outstanding debt as provided under D.C. Official Code § 2-353.01(b):**

The Citywide Clean Hands report indicates the contractor is current with its District taxes.

- (T) A certification that the proposed contractor is current with its District and federal taxes or has worked out and is current with a payment schedule approved by the District or federal government:**

The proposed Contractor has certified its compliance with local and federal tax requirements.

- (U) The status of the proposed contractor as a certified local, small, or disadvantaged business enterprise as defined in the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.01 *et seq.*):**

The Contractor is not a certified local, small or disadvantaged business enterprise.

- (V) Other aspects of the proposed contract that the Chief Procurement Officer considers significant:**

All relevant aspects of the proposed Contract are enclosed.

- (W) A statement indicating whether the proposed contractor is currently debarred from providing services or goods to the District or federal government, the dates of the debarment, and the reasons for debarment:**

As of December 2, 2020 the Contractor's name does not appear on the Federal or District Excluded Parties Lists.

- (X) Any determination and findings issues relating to the contract's formation, including any determination and findings made under D.C. Official Code § 2-352.05 (privatization contracts):**

None.

(Y) Where the contract, if executed, will be made available online:

The Hospital's website is currently being upgraded and the Hospital intends to post the executed contract as soon as possible. Until then, the contract remains available onsite.

(Z) Where the original solicitation, and any amendments or modifications, will be made available online:

The Hospital's website is currently being upgraded and the Hospital intends to post the executed contract as soon as possible. Until then, the contract remains available onsite.



Date of Notice: December 3, 2020

Notice Number: L0004549674

MANUFACTURERS ALLIANCE INSURANCE COMPANY
380 SENTRY PKWY
BLUE BELL PA 19422-2357

FEIN: **-***6596
Case ID: 581694

CERTIFICATE OF CLEAN HANDS

As reported in the Clean Hands system, the above referenced individual/entity has no outstanding liability with the District of Columbia Office of Tax and Revenue or the Department of Employment Services. As of the date above, the individual/entity has complied with DC Code § 47-2862, therefore this Certificate of Clean Hands is issued.

TITLE 47. TAXATION, LICENSING, PERMITS, ASSESSMENTS, AND FEES
CHAPTER 28 GENERAL LICENSE
SUBCHAPTER II. CLEAN HANDS BEFORE RECEIVING A LICENSE OR PERMIT
D.C. CODE § 47-2862 (2006)
§ 47-2862 PROHIBITION AGAINST ISSUANCE OF LICENSE OR PERMIT

Authorized By Marc Aronin
Chief, Collection Division

To validate this certificate, please visit MyTax.DC.gov. On the MyTax homepage, click "Clean Hands" and then the "Validate a Certificate of Clean Hands" hyperlink.

Government of the District of Columbia
Office of the Chief Financial Officer



MEMORANDUM

To: Colene Y. Daniel, Chief Executive Officer

From: Lilian Chukwuma, CFO – Not-for-Profit Hospital Corporation

A handwritten signature in black ink, appearing to read 'Lilian Chukwuma', is written over the 'From:' line.

Date: December 7, 2020

Re: Contract No. NFPHC-WC-21-CPC-00009 between the Not-for-Profit Hospital Corporation and Manufacturers Alliance Insurance Company Approval and Payment Authorization Emergency Amendment Act of 2020.

The Not-for-Profit Hospital Corporation (NFPHC) intends to contract with Manufacturers Alliance Insurance Company for the provision of workmen's compensation insurance. The total annual cost for the definitized Contract is \$1,558,062.00 covering a twelve-month period (November 23, 2020 – November 22, 2021).

The Office of the Chief Financial Officer hereby certifies that the funds are included the in the respective NFPHC FY 2020 and FY21 approved budgets



NOT-FOR-PROFIT HOSPITAL CORPORATION

MEMORANDUM

To: Colene Y. Daniel
Chief Executive Officer

From: Michael Austin
UMC Associate Counsel

A handwritten signature in black ink, appearing to be "Michael Austin", is written over the name in the "From:" field.

Reference: Contract No. NFPHC-WC-21-CPC-00009 between the Not-for-Profit Hospital Corporation and Manufacturers Alliance Insurance Company Approval and Payment Authorization Emergency Act of 2020

Date: December 7, 2020

Subject: Legal Sufficiency

I have reviewed the above-referenced Contract No. NFPHC-WC-21-CPC-00009 between the Not-for-Profit Hospital Corporation and Manufacturers Alliance Insurance Company Approval and Payment Authorization Emergency Act of 2020 for the provision of workers' compensation insurance for the Not-for-Profit Hospital Corporation.

I hereby certify that it appears to be legally sufficient. Please be advised that my finding is premised on the Contract being submitted to and approved by the Council of the District of Columbia.

**PLAN SELECTION FORM
"MIN/MAX" RETRO PLAN**

This is to confirm that Not For profit Hospital Corp., first insured named in Item One of the Information Page, ("Insured") has selected a Retrospective Rating Plan ("Plan") for Policy Number 1045335 202000 ("Policy"), issued by Manufacturers Alliance Insurance Company ("Company"), effective 11/23/2020

Retrospective Rating Plan			
States	Minimum Payroll Factor	Maximum Payroll Factor	Term of Plan
DC	\$2.85117	\$2.85117	1 year

By signing this Plan Selection Form, the Insured certifies that s/he understands and agrees:

- That the Insured has elected the Min/Max Retrospective Rating Plan as detailed in this Plan Selection Form. Retrospective rating plan calculations are subject to one Final Calculation and/or Adjustment after policy expiration and can result in additional or return billings. There will be no further adjustments unless there are changes to audited premium or payroll or a clerical error is found;
 - If the box at left is checked, an Interim Calculation / Adjustment will be processed within 30 days of policy issuance for billing purposes;
 - If the box at left is checked, there is a premium deferral associated with the selected Plan. A premium audit will be performed pursuant to the terms of the Policy and any additional or return premium, expense constant, state premium based surcharges and/or assessments will be reconciled at the time of the Final Calculation/Adjustment;
- The Calculation and/or Adjustment of retrospective premium is made in accordance with the Policy terms and conditions, including any Endorsements forming part of the Policy, this Plan Selection Form, and in accordance with the rates and rules of the applicable Workers' Compensation Rating Bureau or National Council on Compensation Insurance;
- The advance premium of **\$1,557,230** for the captioned Policy is an estimate of the ultimate premium payable by the Insured to the Company and
- To all the terms, conditions and provisions of the Plan including the method of premium computation, payment and penalties for cancellation.

For plans with dividends, it is understood that dividends, by law, cannot be guaranteed and are subject to the judgment of the Board of Directors of the Company.

(Signature of Insured)
Proprietor, Partner or Authorized Officer of Corporation

Date

Printed Name of Signer

Title