

**CITY OF CHICAGO - DEPARTMENT OF PROCUREMENT SERVICES**

**DECEMBER 11, 2019**

**ADDENDUM NO. 2**

**To**

**REQUEST FOR PROPOSAL ("RFP")**

**FOR**

**UNEMPLOYMENT CLAIMS ADMINISTRATION**

**SPECIFICATION NO: 128803**

For which Proposals are scheduled to be received no later than 4:00 p.m., Central Time on December 16, 2019 (pursuant to Addendum No.1 advertised November 20, 2019) in the Department of Procurement Services, Bid & Bond Room (Room 103 of City Hall).

**Respondent must acknowledge receipt of this Addendum No. 2 in the Cover Letter of its Proposal AND should complete and return the attached Acknowledgment by email to [altha.riley@cityofchicago.org](mailto:altha.riley@cityofchicago.org)**

**This document contains the following Sections:**

- I. Notice of Revisions to the RFP**
- II. Answers to 26 Questions submitted for Clarification of the RFP; and**
- III. Addendum Receipt Acknowledgment.**

The information contained in this Addendum No. 2 is incorporated by reference into the original REQUEST FOR PROPOSAL (RFP) issued on September 09, 2019.

**CITY OF CHICAGO - DEPARTMENT OF PROCUREMENT SERVICES**

**DECEMBER 11, 2019**

**ADDENDUM NO. 2**

**To**

**REQUEST FOR PROPOSAL ("RFP")**

**FOR**

**UNEMPLOYMENT CLAIMS ADMINISTRATION**

**SPECIFICATION NO: 128803**

For which Proposals are due in the Department of Procurement Services, Bid & Bond Room, Room 103, City Hall, 121 N. LaSalle Street, Chicago, Illinois 60602, at 4:00 p.m., Central Time, December 16, 2019.

The following revisions/changes will be incorporated in the above-referenced RFP document. All other provisions and requirements as originally set forth remain in full force and are binding.

**RESPONDENT SHOULD ACKNOWLEDGE RECEIPT OF THIS ADDENDUM IN THE COVER LETTER SUBMITTED WITH YOUR RESPONSE.**

**SECTION I: NOTICE OF REVISIONS TO THE RFP:**

- 1        The previously advertised proposal due date has been postponed. PROPOSALS ARE NOW DUE NO LATER THAN 4:00 P.M. CENTRAL TIME ON JANUARY 03, 2020. IN THE BID & BOND ROOM 103, CITY HALL, 121 NORTH LASALLE STREET, CHICAGO, ILLINOIS 60602.**
  
- 2.        The following exhibits have been added to the RFP:**  
  
Exhibit 10: City of Chicago 2018 UI Summary Report  
Exhibit 11: City of Chicago 2018 UI Detail Report  
Exhibit 12: 2017 - 2019 YTD Quits and Discharges Percentages of Claims  
Exhibit 13: UI Process

**CITY OF CHICAGO  
DEPARTMENT OF PROCUREMENT SERVICES**

**SHANNON E. ANDREWS  
CHIEF PROCUREMENT OFFICER**

## **SECTION II: Answers to 26 Questions submitted for Clarification of the RFP**

### **Question 1) Can companies from Outside USA apply for this? (like from India or Canada)**

Answer: Yes, but the Contractor must meet the requirements in Section 6.2 C subsection (iv) Business License/Authority to do Business in Illinois. Also, refer to Section 7.2, Evaluation Criteria, A, item 3, which states:

3. Professional Qualifications and Specialized Experience of Respondent's Key Personnel (and Team Members) and Local Availability of Key Personnel committed to the City of Chicago for the services outlined.

### **Question 2) Whether we need to come over there for meetings?**

Answer: While conference calls will be the norm, there will be occasions where a meeting at a City of Chicago location is required.

### **Question 3) Can we perform the tasks (related to RFP) outside USA? (like, from India or Canada)**

Answer: Refer to answer to Question 1.

### **Question 4) Can we submit the proposals via email?**

Answer: No, the Proposals must be submitted in accordance with Section 5.2 Deadline and Procedure for Submitting Proposals, A through E and Section 6.1, Format of Proposals, pages 6 and 7 of the RFP which states in part:

"Submit 1 hardcopy original and 6 electronic copies of the Proposal in searchable pdf format on USB drives or CD-ROMs. In addition, submit 1 CD-ROM with a redacted copy of the Proposal in .pdf format for posting on the City's website as described in Section 5.5C."

### **Question 5) Can you provide more detailed information regarding most recent unemployment claims history such as:**

01/01/2019 – 11/5/2019:

- a) Total number of claims –
- b) Number of contested claims -
- c) Average number of unemployment hearings–

Answer: Yes. See response below:

**01/01/2019 – 11/5/2019:**

- a) Total number of claims – 1,324
- b) Number of contested claims - 223
- c) Average number of unemployment hearings – 52

**Question 6) Does this RFP encompass just one state unemployment account number?**

Answer: The State of Illinois and Washington D.C.

**Question 7) Can you please provide your Claims summary report (i.e. CY 2018 or 9/1/2018 – 8/31/2019).**

Answer: Yes. See attached Exhibit 10: City of Chicago 2018 UI Summary Report in Addendum #2.

**Question 8) Can you please provide your Claims details report (i.e. CY 2018 or 9/1/2018 – 8/31/2019). Feel free to delete any columns that contain Social Security numbers or names.**

Answer: Yes. See attached Exhibit 11: City of Chicago 2018 UI Detail Report in Addendum #2.

**Question 9) The total number of state unemployment tax account numbers (SUTA #s) under each FEIN number.**

Answer: Yes, there is one SUTA number attached to each FEIN as shown below.

1 SUTA number is assigned to each FEIN number.

City of Chicago has 1 FEIN number (36-6005820)

City of Chicago has 1 SUTA number (0806834)

The City has SUDO FEIN which is 96-6107552. However, the City does not have a SUTA number assigned to this FEIN number.

**Question 10) An estimate of the number of claims protested (quit & discharge separation reasons) over the next 12 months. An example of your answer might be: 10– 20 protestable claims a month.**

Answer: In 2018, there were 92 discharge claims and 49 claims under the quit separation reason. There are approximately 12 protestable claims monthly between these two separation codes.

**Question 11) An estimate of the annual number of claims not protested (layoffs, project closures, end of event/assignments, no protest per employer requests, etc.) over the next 12 months. An example of your answer might be: 5 – 10 non-protestable claims a year.**

Answer: See attached Exhibit 12: 2017 - 2019 YTD Quits and Discharges Percentages of Claims in Addendum 2.

**Question 12) An estimate of the number of hearings and 2nd level appeals over the next 12 months. An example of your answer might be: 3 – 5 hearings a month.**

Answer: The estimated number of hearings and 2<sup>nd</sup> level appeals is about 5 hearings per month. As of 11/5/2019, there was an average number of 52 hearings.

**Question 13) The number of state unemployment tax account numbers (SUTA #s) under all FEIN #s.**

Answer: Refer to the answer to Question 9.

**Question 14) Does the City of Chicago currently utilize an internal payroll system or contract a third party of payroll need?**

Answer: The Chicago Automated Time and Attendance system (CATA), and the Chicago Integrated Personnel and Payroll System (CHIPPS) are employed to collect and process employee payroll information. Both systems reside on Oracle Financial and Human Resources systems.

**Question 15) Please confirm there is only 1 FEIN / 1 SUI account associated with approximately 40 departments with the City of Chicago. If not, please confirm the total number of legal entities that may have designated SUI accounts with the City of Chicago.**

Answer: Refer to the answer to Question 9.

**Question 16) How many unemployment hearings did the City of Chicago have in 2018 and 2019 year to date, respectively? What is the hearings win rate?**

Answer: Refer to the answer to Question 7.

**Question 17) Will a weekly payroll file (and separation file with termination reasons) be provided? If so, is the payroll data combined for all City of Chicago departments or sent separately for each department? If sent separately, is a consistent format utilized across all departments?**

Answer: The City will work with the selected Contractor to determine the best way to provide data regarding payroll files.

**Question 18) Will there be a single point of contact for claims (Chicago Department of Resources) or will the selected provider work directly with department HR managers? Does this answer vary based on question/data need?**

Answer: The City will provide one point of contact to the selected Contractor for the unemployment claims.

**Question 19) If applicable, please describe current UI vendor's claims protest process, claims through board of review.**

Answer: The current process flow is attached as Exhibit 13: UI Process in Addendum 2.

**Question 20) Does the City of Chicago plan to add additional departments in the near future? If so; please describe.**

Answer: As with any large municipal government, the City has and will implement changes to the organization to address issues such as, delivering services more effectively, reducing costs, adapting to changing or new services, etc.

Going into 2020 there is only one significant addition, which is to consolidate a number of support divisions within the Fire, Police, and Emergency Management (9-1-1 services) into one Public Safety Department. Examples of support functions are human resources, finance, IT.

**Question 21) Is there specific data the City of Chicago requests to determine chargebacks to each department? If so, please describe data requirements.**

Answer: The City needs clarification for appropriate response.

**Question 22) Could you please provide a current annual UI program report from your current vendor? If unable to provide, please estimate current volume of items below:**

Of the estimated 2,500 UI claims, how many claims were protested?

Of the protested claims, how many were won due to protest?

Answer: Refer to the answer to Question 7.

**Question 23) What is the current compliance rate in terms of claims response?**

Answer: Refer to the answer to Question 7.

**Question 24) Are there specific issues/concerns with the current program or new target goals The City of Chicago is seeking?**

Answer: The City is seeking to improve investigation of unemployment claims in order to more effectively identify and contest unwarranted claims; maintaining records in a consistent manner; and improved, automated system for monitoring and tracking claims status such as open and closed cases; as well as improving ease of access for employees involved with unemployment claims processing.

**Question 25) Edge only has \$1MM in Automotive liability coverage. The RFP is requiring \$2MM. Will the City of Chicago accept \$1MM? If not, naturally, we will not be able to participate in the RFP. Thank you.**

Answer: No, the City of Chicago requires at least the \$2MM in Automotive Liability coverage

**Question 26) Our company only has \$1MM in Automotive liability coverage. The RFP is requiring \$2MM. Will the City of Chicago accept \$1MM.**

Answer: Refer to the answer to Question 25.

**CITY OF CHICAGO - DEPARTMENT OF PROCUREMENT SERVICES**

**DECEMBER 11, 2019**

**ADDENDUM NO. 2**

**To**

**REQUEST FOR PROPOSAL ("RFP")**

**FOR**

**UNEMPLOYMENT CLAIMS ADMINISTRATION**

**SPECIFICATION NO: 128803**

Consisting of Sections I – III including this Acknowledgment.

**III. ADDENDUM RECEIPT ACKNOWLEDGMENT**

I hereby acknowledge receipt of Addendum No.2 to the RFP named above and further state that I am authorized to execute this Acknowledgment on behalf of the company listed below.

\_\_\_\_\_  
Signature of Authorized Individual

\_\_\_\_\_  
Title

\_\_\_\_\_  
Name of Authorized Individual (Type or Print)

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Business Telephone Number

<p><b>Complete and Return this Acknowledgment by email to <a href="mailto:Altha.riley@cityofchicago.org">Altha.riley@cityofchicago.org</a></b></p>
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**EXHIBIT 10: CITY OF CHICAGO 2018 UI SUMMARY REPORT**



# CLAIMS SUMMARY BY TERMINATION REASON

Company: City of Chicago  
State: All States  
Company Hierarchy: All Hierarchy

Charges Between 01/01/2018 and 12/31/2018

Termination Reason	Claim Count	Favorable	Unfavorable	Eligible	Pending	Potential Liability	Liability Removed	Charges To Date	Credits To Date	Remaining Liability
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Active

Client Shut Down Due to Holiday and Returning to Work	1	0	0	1	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Job Refusal	1	0	1	0	0	\$10,816.00	\$10,816.00	\$10,816.00	\$0.00	\$0.00
Laid Off and Returned to Work	7	2	0	5	0	\$33,150.00	\$16,965.00	\$1,758.00	\$0.00	\$16,185.00
Leave of Absence	33	30	0	0	3	\$364,699.00	\$348,397.00	\$9,700.00	(\$3,980.00)	\$16,302.00
Not Separated	51	30	3	14	4	\$500,702.00	\$388,068.00	\$165,451.00	(\$13,661.00)	\$112,634.00
Returned to Work	1	1	0	0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Suspended w/o pay	4	2	1	0	1	\$52,702.00	\$28,668.00	\$13,870.00	(\$13,412.00)	\$24,034.00
Works as Needed	120	3	1	116	0	\$1,102,657.00	\$331,599.87	\$324,144.50	(\$3,934.63)	\$771,057.13
Active subtotal	218	68	6	136	8	\$2,064,726.00	\$1,124,513.87	\$525,739.50	(\$34,987.63)	\$940,212.13

Discharge

Attendance and/or Tardiness Issues	12	9	2	1	0	\$147,555.00	\$130,401.00	\$37,427.00	(\$10,069.00)	\$17,154.00
Discharged	9	3	3	3	0	\$106,665.00	\$81,850.00	\$48,508.50	(\$11,170.50)	\$24,815.00
Drug Test Failure	2	1	0	1	0	\$32,604.00	\$29,172.00	\$12,870.00	\$0.00	\$3,432.00
Failed to Meet Employment Requirements	1	1	0	0	0	\$11,076.00	\$11,076.00	\$0.00	\$0.00	\$0.00
Insubordination / Improper Conduct	8	3	1	4	0	\$63,570.00	\$53,044.00	\$16,507.00	(\$3,217.00)	\$10,526.00
Intoxication	2	1	0	0	1	\$28,210.00	\$16,302.00	\$2,630.00	(\$2,630.00)	\$11,908.00
Involuntary Retirement	3	0	0	3	0	\$40,118.00	\$18,592.00	\$18,592.00	\$0.00	\$21,526.00
Misappropriation - Funds or Property	1	1	0	0	0	\$11,908.00	\$11,908.00	\$0.00	\$0.00	\$0.00
No Call No Show	3	3	0	0	0	\$24,788.00	\$24,788.00	\$2,478.00	(\$1,053.25)	\$0.00
Not Contested	1	0	0	1	0	\$16,302.00	\$16,374.00	\$16,374.00	\$0.00	(\$72.00)
Policy Violations	31	20	9	2	0	\$391,078.00	\$313,103.00	\$108,841.00	(\$34,269.00)	\$77,975.00
Poor Performance	19	0	1	18	0	\$210,181.00	\$107,838.00	\$108,882.00	(\$1,044.00)	\$102,343.00
Discharge subtotal	92	42	16	33	1	\$1,084,055.00	\$814,448.00	\$373,109.50	(\$63,452.75)	\$269,607.00

Lack of Work

Lack of Work	856	2	2	852	0	\$8,184,469.00	\$1,757,533.20	\$1,751,781.50	(\$5,926.30)	\$6,426,935.80
Lack of Work subtotal	856	2	2	852	0	\$8,184,469.00	\$1,757,533.20	\$1,751,781.50	(\$5,926.30)	\$6,426,935.80

Misc

# CLAIMS SUMMARY BY TERMINATION REASON

Company: City of Chicago  
State: All States  
Company Hierarchy: All Hierarchy

Charges Between 01/01/2018 and 12/31/2018

Termination Reason	Claim Count	Favorable	Unfavorable	Eligible	Pending	Potential Liability	Liability Removed	Charges To Date	Credits To Date	Remaining Liability
Invalid	43	41	0	0	2	\$481,537.00	\$457,721.00	\$18,992.00	(\$17,745.00)	\$23,816.00
No Response	1	1	0	0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Not Our Employee	1	0	0	0	1	\$11,908.00	\$2,028.00	\$2,028.00	\$0.00	\$9,880.00
Other	7	1	2	4	0	\$59,799.00	\$9,575.00	\$10,987.00	(\$1,412.00)	\$50,224.00
Same Issue Prior Benefit Year	9	5	1	3	0	\$79,873.00	\$37,842.00	\$22,284.00	(\$2,955.00)	\$42,031.00
Seasonal	323	0	0	323	0	\$4,104,356.00	\$2,118,747.38	\$2,128,577.13	(\$9,829.75)	\$1,985,608.62
Still Working	15	15	0	0	0	\$155,272.00	\$155,272.00	\$31,029.50	(\$458.00)	\$0.00
Misc subtotal	399	63	3	330	3	\$4,892,745.00	\$2,781,185.38	\$2,213,897.63	(\$32,399.75)	\$2,111,559.62

## Quit

Quit - Another Job	2	2	0	0	0	\$23,816.00	\$23,816.00	\$0.00	\$0.00	\$0.00
Quit - Dissatisfied with the Job	1	1	0	0	0	\$938.00	\$938.00	\$37.50	(\$37.50)	\$0.00
Quit - Medical Reasons	5	4	1	0	0	\$45,310.00	\$45,678.00	\$12,948.00	(\$1,130.00)	(\$368.00)
Quit - No Reason was Given	2	2	0	0	0	\$16,302.00	\$16,302.00	\$0.00	\$0.00	\$0.00
Quit - Personal Reasons	22	16	2	4	0	\$255,757.00	\$213,290.00	\$43,166.00	(\$13,638.00)	\$42,467.00
Quit - Voluntary Retirement	10	7	1	2	0	\$67,731.00	\$62,123.00	\$7,855.00	(\$5,038.00)	\$5,608.00
Quit In Lieu of Termination	5	4	1	0	0	\$70,356.00	\$70,356.00	\$16,302.00	\$0.00	\$0.00
Quit to Relocate	2	2	0	0	0	\$11,076.00	\$11,076.00	\$0.00	\$0.00	\$0.00
Quit subtotal	49	38	5	6	0	\$491,286.00	\$443,579.00	\$80,308.50	(\$19,843.50)	\$47,707.00

## Total

1,614	213	32	1,357	12	\$16,717,281.00	\$6,921,259.45	\$4,944,836.63	(\$156,609.93)	\$9,796,021.55
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CLAIMS SUMMARY BY TERMINATION REASON REPORT SUMMARY

Claim Count	Favorable	Unfavorable	Eligible	Pending	Potential Liability	Liability Removed	Charges To Date	Credits To Date	Remaining Liability
1,614	213	32	1,357	12	\$16,717,281.00	\$6,921,259.45	\$4,944,836.63	(\$156,609.93)	\$9,796,021.55

**EXHIBIT 12: 2017 - 2019 YTD QUITTS AND DISCHARGES  
PERCENTAGES OF CLAIMS**

### Quits and Discharges Percentages of Claims

	2017	%	2018	%	2019 YTD	%
Quits	52	3.37%	49	3.04%	49	3.60%
Discharges	82	5.32%	92	5.70%	73	5.36%
Other Contested	131	8.50%	174	10.78%	163	11.96%
Not Contested	1,276	82.80%	1,299	80.48%	1,078	79.09%
Total Claims	1,541		1,614		1,363	
Hearings	47	3.05%	73	4.52%	53	3.89%

## **EXHIBIT 13: UI PROCESS**

## **Exhibit D**

### **The Claims Process**

Claim filed at local unemployment insurance office by employee

Claim notice generated to the employer

Verbal and written communication with the local office adjudicator

Decision(s) issue to both parties by the local adjudicator on relevant issues

#### **Claims process ends unless losing party appeals**

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Appeal filed

Reconsideration by adjudicator or hearing scheduled

Unemployment hearing at which testimony is presented on the issue appealed

Decision sent by mail to both parties

#### **Claims process ends unless losing party appeals**

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Appeal filed

Board of Review evaluates hearing transcript

#### **Decision issued – end of the administrative process**

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Selected vendor will handle the above process for client by verbally communicating with the Illinois Department of Employment Security and filing all necessary, warranted written protests and appeals through the end of the administrative process.