

RAM, OLSON, CEREHINO & KOPCZYNSKI LLP
ATTORNEYS

June 3, 2014

VIA PERSONAL DELIVERY

Christine Powlan
Business Services Manager
Department of Industrial Relations
Division of Administration – Contracts Unit
1515 Clay Street, Suite 1306
Oakland, CA 94612

Bid Protests
Department of General Services
Offices of Legal Services
707 Third Street,
7th Floor, Suite 7-330,
West Sacramento CA 95605

RE: Notice of Protest DIR/DWC RFP # 14-001

To Whom It May Concern:

Enclosed please find proposer Peer Review Solutions' Notice of Protest with respect to DIR/DWC RFP #14-001, filed pursuant to the terms of that RFP, Public Contract Code §§10341-10345 and Title 2 California Code of Regulations §§1195 – 1195.6.

Yours truly,



Karl Olson

PEER REVIEW SOLUTIONS

NOTICE OF PROTEST RE DIR/DWC RFP#14-001

Introduction

On April 9, 2014, The Department of Industrial Relations (“DIR”) issued a Request for Proposal for a third party to provide independent medical review services for the treatment of injured workers who have made claims with the Division of Workers’ Compensation (the “RFP”). Peer Review Solutions (“Peer Review”), a small, local, minority-owned business submitted a proposal, as did 5 other entities. On May 27, 2014, the DIR posted a notice of intent to award indicating that all of the work to be performed would be awarded to the incumbent, Maximus Federal Services Inc. The Notice of Intent to Award also indicated that Peer Review’s proposal failed the first stage of evaluation, thus its cost offer was never considered.

As set forth below, on numerous occasions during the RFP process, the DIR committed errors violating both its statutory obligations under Public Contract Code (“PCC”) § 10344 (b) and (c), and the terms of the RFP itself. These errors are sufficiently material to justify invalidating the proposed award. Moreover, Peer Review respectfully submits that if the prescribed procedure had been followed, Peer Review would have been awarded some or all of the work to be performed.

1. **The DIR repeatedly failed to produce proposals and evaluation documents in violation of PCC § 10344 (c) (2)**

As a preliminary matter, the DIR has failed to promptly make available public documents with respect to the RFP, thereby significantly prejudicing Peer Review with respect to this protest.

PCC § 10344 (c) (2) states that “[a]ll proposals and all evaluation and scoring sheets shall be available for public inspection at the conclusion of the committee scoring process”. The State Contracting Manual likewise expressly states that in order to avoid protest exposure, agencies

“should ensure that bidders are given *timely* and *prompt* access to all applicable IFB or RFP evaluation materials following the posting of a notice of intent to award”. (§ 6.40 9.)

Immediately after the DIR publicized the Notice of Intent to Award, counsel for Peer Review made numerous telephone and email requests to DIR representatives, including the DIR’s chief counsel, seeking access to these documents. The DIR failed to produce the winning proposal until after 10 am on Monday, June 2, 2014 – less than one day before the deadline for filing protests – and failed to provide to Peer Review copies of *any* documents until after 5 p.m. on Friday, May 30th, 2014 – less than two business days before the deadline for protests. (See email correspondence attached hereto as **Exhibit A.**)

As of 2 pm on June 2, 2014 – the afternoon before the deadline for filing protests – the DIR acknowledged that it was in possession of additional evaluation materials that it had failed to produce, and that due to internal vacation schedules, production of these documents would be delayed. (See email correspondence attached hereto as **Exhibit B.**) Finally, after repeated requests by counsel for Peer Review, at 2 p.m. on June 3 – **less than three hours before protests were due** – the DIR produced more documents it has allegedly “just found”. (See email correspondence attached hereto as **Exhibit C.**)

Peer Review submits that this blatant lack of transparency alone is material enough to justify invalidation of the proposed award. Barring that, at a minimum, Peer Review has been significantly prejudiced in its ability to evaluate the bid process and file a timely and adequate protest. Accordingly, Peer Review reserves the right to augment this notice and/or its protest submission as necessary upon review of the recently and belatedly produced documents.

2. The DIR breached the oral presentation requirements of the RFP and the requirements of PCC § 10344 (c)(2)

The RFP states that oral presentations are a mandatory component of each proposal, and that “failure to make this oral presentation will be considered as being non-responsive to this RFP and the proposal will be rejected.” (RFP p. 22, § C 5 d 4). The RFP further states that oral presentations were to be completed between May 19 and 22, 2014, and that evaluation of bids for minimum qualifications would be completed on the following day, May 23, 2014. (RFP p. 16, § C 1 e-f.)

At no time following the submission of Peer Review's proposal did the DIR provide any scheduling information with respect to oral presentations, nor did it provide any indication that Peer Review's proposal was non-responsive or otherwise unqualified to continue through the RFP process. In the absence of any communication from the DIR, counsel for Peer Review contacted the DIR to inquire why Peer Review had not been granted an oral presentation. The DIR's chief counsel replied at 7:20 pm on May 21, 2014 – the night before the final day for oral presentations - and stated only that Peer Review would be "allowed" to make a presentation the following morning at 9 am. (See letter and covering email attached hereto as **Exhibit D**). Aside from giving Peer Review less than 14 hours' notice, the DIR did not offer, and has not since offered, any explanation for its exclusion of Peer Review from the oral presentation process. Ultimately, counsel for Peer Review negotiated a five hour extension on the presentation deadline and Peer Review made its presentation with less than 19 hours' notice.

The DIR's conduct with respect to mandatory oral presentations significantly prejudiced Peer Review in competing in the RFP process and raises serious questions about whether DIR ever intended to give, or gave, Peer Review's proposal serious consideration.

3. The DIR changed the pricing for the contracted service after bids were tendered, thereby giving the incumbent an improper advantage

The RFP was made available to prospective proposers on April 9, 2014. The final date for proposal submission was May 12, 2014. (RFP p. 16, § C 1).

On May 19, 2014, the DIR issued a press release announcing that it was reducing its fees for independent medical reviews and independent bill reviews by 25%. (A copy of the press release is attached hereto as **Exhibit E**). This is crucial information with respect to the cost component of the RFP – all bids were prepared based in part on information about the amounts paid to the incumbent under the existing contract. Given the timing of the announcement, the only reasonable inference is that the incumbent was aware of this impending fee change when bids were submitted, and therefore had an unfair opportunity to incorporate this impending change into its costing offer. Peer Review was not notified of this impending change, and could not have learned of it independently at any time prior to the May 19 press release. In other

words, all bidders were not given access to identical information and facts about the bid documents, statement of work, or qualification requirements.

Moreover, and more troublingly, *during the bid evaluation process*, the incumbent announced that it would retroactively reimburse the DIR for work already performed and paid under the existing contract. While Peer Review acknowledges and respects that cost savings are crucial for the DIR as for government more generally, this offer of a retroactive payment made by an incumbent and bidder during the RFP process raises serious questions about the fairness of the evaluation process.

4. The DIR's evaluation of proposals was fatally flawed

Given that even today the DIR had not yet produced all proposals and bid evaluation materials, Peer Review has been unable to comprehensively review the evaluations. This much is known, however: to date, the incumbent and now successful bidder has simply not successfully performed the work contracted, and the DIR is well aware of this fact. During the incumbent's tenure, there have been delays of many months in processing reviews and appeals, and there is currently a troubling backlog of incomplete work. This is perhaps in part due to the fact that they have not thus far computerized their systems (while Peer Review and likely other bidders offered fully automated systems). In the face of this failure to perform the existing contract, it simply defies belief that Maximus' new bid, correctly evaluated, would prevail such that none of the five other bidders received any portion of the work to be performed.

Given the failure to produce evaluation materials, Peer Review reserves the right to provide a more detailed description of flaws in the evaluation at the submission stage of the protest.

Conclusion

Peer Review respectfully submits that but for the DIR's significant breaches of law and the terms of the RFP itself described above, its bid would have resulted in award of a contract for some or all of the work to be performed. The award of this contract to Maximus should therefore be set aside. More generally, DIR's conduct described herein calls into question the integrity of the entire RFP process. This merits further investigation and review.

Counsel for Peer Review Solutions
Karl Olson
Ram, Olson, Cereghino & Kopczynski LLP
555 Montgomery St., Suite 820
San Francisco, CA
94111
415-433-4949
kolson@rocklawcal.com

EXHIBIT A

Susan Brown

From: Susan Brown
Sent: Thursday, May 29, 2014 1:09 PM
To: 'CJagard@dir.ca.gov'
Cc: Karl Olson; 'DOverpeck@dir.ca.gov'; Ann Williams
Subject: DIR DWC RFP14-001 - Peer Review Solutions

Mr. Jagard,

I work with Karl Olson. As you know, we are counsel to Peer Review Solutions, one of the unsuccessful proposers in the above-noted RFP.

We have left voicemails with Christine Powlan and others at the Dept. of Industrial Relations, seeking copies of all proposals and evaluation materials with respect to this RFP. Unfortunately, no one has returned our calls. As I'm sure you appreciate, our client is entitled to timely access to these documents. Please arrange to have them forwarded to me as soon as possible via email or fax to 415-433-7311.

Yours,

Susan Brown
Associate
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555 Montgomery Street, Suite 820
San Francisco, CA 94111
Tel: 415-433-4949
Fax: 415-433-7311
Email: sbrown@rocklawcal.com

Susan Brown

From: Jagard, Christopher@DIR <CJagard@dir.ca.gov>
Sent: Thursday, May 29, 2014 5:04 PM
To: Susan Brown
Cc: Karl Olson; Overpeck, Destie@DIR; Ann Williams
Subject: Re: DIR DWC RFP14-001 - Peer Review Solutions

I believe Christine Powlan will be responding to your request but I will confirm.
Chris

On May 29, 2014, at 1:09 PM, "Susan Brown" <sbrown@rocklawcal.com> wrote:

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Sent: Friday, May 30, 2014 5:28 PM
To: Susan Brown; Jagard, Christopher@DIR
Cc: Pirrone, Jessica@DIR; Karl Olson
Subject: RE: DIR DWC RFP14-001 - Peer Review Solutions
Attachments: IMR RFP Evaluation Summary Worksheet.pdf; IMR RFP Phase 1 and 2 Scores.pdf

Ms. Brown,

At this time I am able to share with you Proposals with Costs from Claims Eval, DC Risk, and CID as well as score sheets. Due to their size, the proposals will follow in several emails. The score sheets are attached.

Christine Powlan
Business Services Manager
Department of Industrial Relations
510.286.1137 cpowlan@dir.ca.gov

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To: Karl Olson
Cc: Susan Brown; Powlan, Christine@DIR; Jagard, Christopher@DIR
Subject: Re: DIR DWC RFP14-001 - Peer Review Solutions

Dear Karl:

As you know, I was in San Francisco today. Unfortunately, my directions to get you all of the records today got lost in translation. The person who has access to the records is now gone for the day. I sincerely apologize and would provide the records to you personally if I could -- as it stands I am in SFO waiting to get back to LA. In any event, you have my word that I will do everything in my power to get the remaining records to you no later than Monday morning.

Sincerely,
Jessica

On May 30, 2014, at 6:04 PM, "Karl Olson" <kolson@rocklawcal.com> wrote:

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Cc: Jagard, Christopher@DIR <CJagard@dir.ca.gov>; Pirrone, Jessica@DIR <JPirrone@dir.ca.gov>; Karl Olson
Sent: Fri May 30 19:32:05 2014
Subject: Re: DIR DWC RFP14-001 - Peer Review Solutions

Thank you. Please advise as to why the other documents are unavailable and when we will receive them.

On May 30, 2014, at 5:27 PM, "Powlan, Christine@DIR" <CPowlan@dir.ca.gov> wrote:

Ms. Brown,

At this time I am able to share with you Proposals with Costs from Claims Eval, DC Risk, and CID as well as score sheets. Due to their size, the proposals will follow in several emails. The score sheets are attached.

Christine Powlan
Business Services Manager

Department of Industrial Relations
510.286.1137 cpowlan@dir.ca.gov

From: Susan Brown [<mailto:sbrown@rocklawcal.com>]
Sent: Friday, May 30, 2014 4:43 PM
To: Jagard, Christopher@DIR
Cc: Pirrone, Jessica@DIR; Powlan, Christine@DIR; kolson@rocklawcal.com
Subject: RE: DIR DWC RFP14-001 - Peer Review Solutions

Mr. Jagard,

We have not yet received either documents or any indication from anyone in your office as to when documents will arrive. The intent to award was posted at the beginning of this week. I cannot imagine what is causing the delay. Our client is entitled by statute to prompt receipt of these documents. Moreover the state's manual concerning RFP's expressly requires you to ensure "all bidders are given timely and prompt access to all applicable IFB or RFP evaluation materials following the posting of a notice of intent to award". (6.40 8).

Given that by the terms of the RFP, protests must be filed by June 3, the failure of your office to produce documents has significantly prejudiced my client, and we will raise this issue both with the DGS and before the court as necessary.

Susan Brown

Associate

Ram, Olson, Cereghino and Kopczynski LLP

555 Montgomery Street, Suite 820

San Francisco, CA 94111

Tel: 415-433-4949

Fax: 415-433-7311

Email: sbrown@rocklawcal.com<<mailto:sbrown@rocklawcal.com>>

From: Jagard, Christopher@DIR [<mailto:CJagard@dir.ca.gov>]
Sent: Thursday, May 29, 2014 5:27 PM
To: Susan Brown
Cc: Pirrone, Jessica@DIR; Powlan, Christine@DIR
Subject: Re: DIR DWC RFP14-001 - Peer Review Solutions

I don't have an estimate at the moment. Jessica Pirrone from our office will be working with Christine on getting you the docs.

On May 29, 2014, at 5:20 PM, "Susan Brown"
<sbrown@rocklawcal.com<<mailto:sbrown@rocklawcal.com>>> wrote:

Thank you. When may we expect the documents?

From: Jagard, Christopher@DIR [<mailto:CJagard@dir.ca.gov>]

Sent: Thursday, May 29, 2014 5:04 PM

To: Susan Brown

Cc: Karl Olson; Overpeck, Destie@DIR; Ann Williams

Subject: Re: DIR DWC RFP14-001 - Peer Review Solutions

I believe Christine Powlan will be responding to your request but I will confirm.

Chris

On May 29, 2014, at 1:09 PM, "Susan Brown"
<sbrown@rocklawcal.com<<mailto:sbrown@rocklawcal.com>>> wrote:

Mr. Jagard,

I work with Karl Olson. As you know, we are counsel to Peer Review Solutions, one of the unsuccessful proposers in the above-noted RFP.

We have left voicemails with Christine Powlan and others at the Dept. of Industrial Relations, seeking copies of all proposals and evaluation materials with respect to this RFP. Unfortunately, no one has returned our calls. As I'm sure you appreciate, our client is entitled to timely access to these documents. Please arrange to have them forwarded to me as soon as possible via email or fax to 415-433-7311.

Yours,

Susan Brown

Associate

Ram, Olson, Cereghino and Kopczynski LLP

555 Montgomery Street, Suite 820

San Francisco, CA 94111

Tel: 415-433-4949

Fax: 415-433-7311

Email: sbrown@rocklawcal.com<<mailto:sbrown@rocklawcal.com>>

<IMR RFP Evaluation Summary Worksheet.pdf>

<IMR RFP Phase 1 and 2 Scores.pdf>

EXHIBIT B

Susan Brown

From: Pirrone, Jessica@DIR <JPirrone@dir.ca.gov>
Sent: Monday, June 02, 2014 2:35 PM
To: Susan Brown; Powlan, Christine@DIR
Cc: Jagard, Christopher@DIR; Karl Olson
Subject: RE: Cost Proposals of CID Management and Peer Review Solutions

Apparently there was a miscommunication. We are doing our best to get you the records as quickly as possible.

From: Susan Brown [<mailto:sbrown@rocklawcal.com>]
Sent: Monday, June 02, 2014 2:28 PM
To: Pirrone, Jessica@DIR; Powlan, Christine@DIR
Cc: Jagard, Christopher@DIR; kolson@rocklawcal.com
Subject: RE: Cost Proposals of CID Management and Peer Review Solutions

Ms. Pirrone,

That is simply false.

On May 29, 2014, at 1:09 pm, in an email to Mr. Jagard copied to Destie Overpeck, I requested copies of **“all proposals and evaluation materials with respect to this RFP”**. On that day and on the preceding day, Mr. Olson and I left voicemails for Ms. Powlan and another DIR representative at 510-286-1137 and at 510-286-3918 making the same request. No one responded to either voicemail.

Now, at 2:20 pm on the day before protests are due, your office is a) acknowledging you have not produced these documents, and b) claiming not to have received a request that was submitted in writing, to which Mr. Jagard replied, and that repeats verbatim the statutory language describing the documents your office is obligated by law to make available to the public for every single RFP it issues.

Susan Brown
Associate
Ram, Olson, Cereghino and Kopczynski LLP
555 Montgomery Street, Suite 820
San Francisco, CA 94111
Tel: 415-433-4949
Fax: 415-433-7311
Email: sbrown@rocklawcal.com

From: Pirrone, Jessica@DIR [<mailto:JPirrone@dir.ca.gov>]
Sent: Monday, June 02, 2014 2:12 PM
To: Susan Brown; Powlan, Christine@DIR
Cc: Jagard, Christopher@DIR
Subject: RE: Cost Proposals of CID Management and Peer Review Solutions

Dear Susan:

Your original request was for the proposals and evaluations, which we provided . It now appears that you are also seeking notes that were taken in the scoring process. We have asked the three people who scored the bids to provide

us copies of their notes. One of the score keepers is currently on vacation and will not be in the office until tomorrow, but we will try to get the notes of the other score keepers to you today.

Thank you.
Jessica Pirrone

From: Susan Brown [<mailto:sbrown@rocklawcal.com>]
Sent: Monday, June 02, 2014 10:41 AM
To: Powlan, Christine@DIR
Cc: Jagard, Christopher@DIR; Pirrone, Jessica@DIR
Subject: RE: Cost Proposals of CID Management and Peer Review Solutions

Thank you. Please confirm that "score sheets" constitute all evaluation documents, and that your office has not withheld any documents created or used in the scoring process.

From: Powlan, Christine@DIR [<mailto:CPowlan@dir.ca.gov>]
Sent: Monday, June 02, 2014 10:38 AM
To: Susan Brown
Cc: Jagard, Christopher@DIR; Pirrone, Jessica@DIR
Subject: Cost Proposals of CID Management and Peer Review Solutions

Ms. Brown,

Attached is the cost proposal for CID. I sent you the score sheets for all bidders on Friday. Cost proposals for DC Risk and Claims Eval to follow, at which time you will have received all proposals, cost proposals, and score sheets.

Thanks,

Christine Powlan
Business Services Manager
Department of Industrial Relations
510.286.1137 cpowlan@dir.ca.gov

EXHIBIT C

Susan Brown

From: Pirrone, Jessica@DIR <JPirrone@dir.ca.gov>
Sent: Tuesday, June 03, 2014 2:10 PM
To: Susan Brown
Cc: Karl Olson; Powlan, Christine@DIR; Jagard, Christopher@DIR; Taylor, Lachlan@DIR
Subject: RE: Cost Proposals of CID Management and Peer Review Solutions
Attachments: IMR score sheet by Irina Nemirovsky.pdf; IMR score sheet by Lachlan Taylor.pdf; IMR score sheet by Rupali Das MD.PDF

The evaluator who returned from vacation today just provided these to me as well.

From: Pirrone, Jessica@DIR
Sent: Tuesday, June 03, 2014 10:06 AM
To: 'Susan Brown'
Cc: kolson@rocklawcal.com; Powlan, Christine@DIR; Jagard, Christopher@DIR; Taylor, Lachlan@DIR
Subject: RE: Cost Proposals of CID Management and Peer Review Solutions

The evaluator who returned from vacation today found one additional record. It is attached. We have conducted a thorough search for all of the records responsive to your request and have produced everything we located.

From: Susan Brown [<mailto:sbrown@rocklawcal.com>]
Sent: Monday, June 02, 2014 10:15 PM
To: Pirrone, Jessica@DIR
Cc: kolson@rocklawcal.com; Powlan, Christine@DIR; Jagard, Christopher@DIR
Subject: Re: Cost Proposals of CID Management and Peer Review Solutions

If you review the correspondence, I think you will find no one has made any accusations.

It is also worth noting that these are not merely requests - whether it was intentional or not, the DIR actually broke the law by not making these documents available when the notice of intent to award was posted.

On Jun 2, 2014, at 9:10 PM, "Pirrone, Jessica@DIR" <JPirrone@dir.ca.gov> wrote:

It's only the accusations that are tiresome. We are working hard to honor your requests.

On Jun 2, 2014, at 7:25 PM, "Karl Olson" <kolson@rocklawcal.com> wrote:

Jessica,

With all due respect, we are not playing games either. We have a client who was denied a contract and who was initially told at 5 p.m. to show up at a meeting at 9 a.m. the next day and now has a deadline to file a protest tomorrow and wasn't given the documents it needs until very late today, and then only after numerous followup requests. As taxpaying members of the public, we do not appreciate it when we are called "tiresome" for asking the Department to fulfill its obligations.

Best regards, Karl

From: Pirrone, Jessica@DIR [mailto:JPirrone@dir.ca.gov]
Sent: Monday, June 02, 2014 6:43 PM
To: Susan Brown
Cc: Powlan, Christine@DIR; Jagard, Christopher@DIR; Karl Olson
Subject: Re: Cost Proposals of CID Management and Peer Review Solutions

Ms Brown:

Your accusations are unfounded, offensive and becoming tiresome. We are not playing games with you. We have worked after hours and contacted employees on vacation to gather the responsive records. All the people who would have records have been contacted and have produced their records.

We will do a final search tomorrow when the evaluator who has been on vacation returns. We will advise you immediately if we locate additional records.

Sincerely,
Jessica Pirrone

On Jun 2, 2014, at 6:03 PM, "Susan Brown" <sbrown@rocklawcal.com> wrote:

Ms. Pirrone,

This has been a truly unnecessarily difficult process for which my client is quite unfairly incurring expenses. Surely you are aware that whether or not you personally are "aware of" any other records does not answer the question of whether the DIR has fulfilled its production obligations.

Please ascertain the universe of responsive documents as soon as possible and have someone from your office confirm in writing that the DIR has now produced all evaluation materials, or, if they have not all been produced, please produce them immediately.

Thank you.

From: Pirrone, Jessica@DIR [mailto:JPirrone@dir.ca.gov]
Sent: Monday, June 02, 2014 5:58 PM
To: Susan Brown
Cc: Powlan, Christine@DIR; Jagard, Christopher@DIR; Karl Olson
Subject: Re: Cost Proposals of CID Management and Peer Review Solutions

I am not aware of any other responsive records.

On Jun 2, 2014, at 4:54 PM, "Susan Brown" <sbrown@rocklawcal.com> wrote:

Thank you. Do we now have all evaluation materials?

From: Pirrone, Jessica@DIR
[mailto:JPirrone@dir.ca.gov]
Sent: Monday, June 02, 2014 4:07 PM
To: Susan Brown; Powlan, Christine@DIR
Cc: Jagard, Christopher@DIR; Karl Olson
Subject: RE: Cost Proposals of CID Management and
Peer Review Solutions

Attached are the notes of the evaluators on the IMR RFP. As I mentioned in my earlier email, one of the evaluators is on vacation until tomorrow. I was able to reach him and get instructions for locating his notes, which are included in the attachment.

From: Pirrone, Jessica@DIR
Sent: Monday, June 02, 2014 2:35 PM
To: 'Susan Brown'; Powlan, Christine@DIR
Cc: Jagard, Christopher@DIR; kolson@rocklawcal.com
Subject: RE: Cost Proposals of CID Management and
Peer Review Solutions

Apparently there was a miscommunication. We are doing our best to get you the records as quickly as possible.

From: Susan Brown [mailto:sbrown@rocklawcal.com]
Sent: Monday, June 02, 2014 2:28 PM
To: Pirrone, Jessica@DIR; Powlan, Christine@DIR
Cc: Jagard, Christopher@DIR; kolson@rocklawcal.com
Subject: RE: Cost Proposals of CID Management and
Peer Review Solutions

Ms. Pirrone,

That is simply false.

On May 29, 2014, at 1:09 pm, in an email to Mr. Jagard copied to Destie Overpeck, I requested copies of **“all proposals and evaluation materials with respect to this RFP”**. On that day and on the preceding day, Mr. Olson and I left voicemails for Ms. Powlan and another DIR representative at 510-286-1137 and at 510-286-3918 making the same request. No one responded to either voicemail.

Now, at 2:20 pm on the day before protests are due, your office is a) acknowledging you have not produced these documents, and b) claiming not to have received a request that was submitted in writing, to which Mr. Jagard replied, and that repeats verbatim the statutory language describing the documents your office is

obligated by law to make available to the public for every single RFP it issues.

Susan Brown
Associate
Ram, Olson, Cereghino and Kopczynski LLP
555 Montgomery Street, Suite 820
San Francisco, CA 94111
Tel: 415-433-4949
Fax: 415-433-7311
Email: sbrown@rocklawcal.com

From: Pirrone, Jessica@DIR
[<mailto:JPirrone@dir.ca.gov>]
Sent: Monday, June 02, 2014 2:12 PM
To: Susan Brown; Powlan, Christine@DIR
Cc: Jagard, Christopher@DIR
Subject: RE: Cost Proposals of CID Management and Peer Review Solutions

Dear Susan:

Your original request was for the proposals and evaluations, which we provided . It now appears that you are also seeking notes that were taken in the scoring process. We have asked the three people who scored the bids to provide us copies of their notes. One of the score keepers is currently on vacation and will not be in the office until tomorrow, but we will try to get the notes of the other score keepers to you today.

Thank you.
Jessica Pirrone

From: Susan Brown [<mailto:sbrown@rocklawcal.com>]
Sent: Monday, June 02, 2014 10:41 AM
To: Powlan, Christine@DIR
Cc: Jagard, Christopher@DIR; Pirrone, Jessica@DIR
Subject: RE: Cost Proposals of CID Management and Peer Review Solutions

Thank you. Please confirm that "score sheets" constitute all evaluation documents, and that your office has not withheld any documents created or used in the scoring process.

From: Powlan, Christine@DIR
[<mailto:CPowlan@dir.ca.gov>]
Sent: Monday, June 02, 2014 10:38 AM
To: Susan Brown
Cc: Jagard, Christopher@DIR; Pirrone, Jessica@DIR
Subject: Cost Proposals of CID Management and Peer Review Solutions

Ms. Brown,

Attached is the cost proposal for CID. I sent you the score sheets for all bidders on Friday. Cost proposals for DC Risk and Claims Eval to follow, at which time you will have received all proposals, cost proposals, and score sheets.

Thanks,

Christine Powlan
Business Services Manager
Department of Industrial Relations
510.286.1137 cpowlan@dir.ca.gov

EXHIBIT D

Karl Olson

From: Jagard, Christopher@DIR [CJagard@dir.ca.gov]
Sent: Wednesday, May 21, 2014 5:11 PM
To: 'kolson@ramolson.com'
Cc: Overpeck, Destie@DIR
Subject: Peer Review Solutions/Oral Presentation/RFP 14-001
Attachments: Olson letter.RFP 14 001 5 21 14.pdf

Mr. Olson,

Please see my attached response to your 5-21-14 letter to Destie Overpeck.

Chris Jagard
Acting Chief Counsel
Office of the Director Legal Unit
Department of Industrial Relations
Tel: (510) 286-3809

DEPARTMENT OF INDUSTRIAL RELATIONS

Office of the Director – Legal Unit
1515 Clay Street, Ste. 701
Oakland, CA 94612
Tel: (510) 286-3800
Fax: (510) 286-1220

MAILING ADDRESS:
P. O. Box 420603
San Francisco, CA 94142-0603



Via Email: kolson@ramolson.com

May 21, 2014

Karl Olson, Esq.
Ram, Olson, Cereghino & Kocczynski, LLP
555 Montgomery Street, Suite 820
San Francisco, CA 94111

Re: Peer Review Solutions

Dear Mr. Olson,

I have received your May 21, 2014, letter addressed to Destie Overpeck. Peer Review Solutions will be allowed to make an oral presentation tomorrow at 9:00 a.m. at 1515 Clay St., 17th Floor, Oakland, California, as part of the ongoing RFP process (DIR DWC RFP #14-001).

The RFP process will otherwise continue as scheduled.

Sincerely,

Christopher Jagard
Acting Chief Counsel

cc: Destie Overpeck

EXHIBIT E



N E W S L I N E

Newsline No.: 2014-47

Date: May 19, 2014

[Twitter @CA DIR](#)

[Facebook](#)

DIR Reduces Fees for Independent Medical Review, Independent Bill Review by 25 Percent

The Department of Industrial Relations (DIR) is pleased to announce a reduction in Independent Medical Review and Independent Bill Review fees effective April 1, 2014. These new fees represent a 25 percent reduction. Parties who submitted an IMR or IBR on or after April 1, 2014 will receive a refund in the amount of fees paid in excess of the new fee schedule.

IMR Fees

Any IMR application submitted on or after April 1, 2014 will be subject to the following fee schedule:

Standard IMRs Involving Non-Pharmacy Claims*

Previous Fee: \$560 per IMR

Fee Effective April 1, 2014: \$420 per IMR

Expedited IMRs Involving Non-Pharmacy Claims

Previous Fee: \$685 per IMR

Fee Effective April 1, 2014: \$515 per IMR

Standard IMRs Involving Pharmacy Only Claims**

Previous Fee: Not Applicable

Fee Effective April 1, 2014: \$390 per IMRs

IMRs Terminated or Dismissed Not Forwarded to a Medical Professional Reviewer:

Previous Fee: \$215 per IMR

Fee Effective April 1, 2014: \$160 per IMR

IMRs Terminated or Dismissed After Case Forwarded to a Medical Professional Reviewer:

Previous Fee: \$560 per IMR

Fee Effective April 1, 2014: \$420 per IMR

IBR Fees

Any IBR application submitted on or after April 1, 2014 will be subject to the following fee schedule.

Completed IBR

Previous Fee: \$335 per IBR

Fee Effective April 1, 2014: \$250 per IBR

Terminated IBR Not Sent to Review***

Previous Fee: \$65 per IBR

Fee Effective April 1, 2014: \$50 per IBR

* A "non-pharmacy-only" IMR is an IMR where not all treatments in dispute fall under the service category, "pharmaceuticals."

** A "pharmacy-only" IMR is an IMR where all treatments in dispute fall under the service category "pharmaceuticals."

*** Sending an IBR to review means assigning and providing the complete file to a certified coding specialist with the expertise necessary to evaluate and render decisions on all line items in dispute.

###