



Metro

Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

16

**FINANCE AND BUDGET COMMITTEE
SEPTEMBER 17, 2008**

SUBJECT: WORKERS' COMPENSATION INVESTIGATION SERVICES

ACTION: AWARD MULTIPLE AWARDS AGREEMENT

RECOMMENDATION

Authorize the Chief Executive Officer to:

A. Award a seven-year fixed price, unit-rate multiple awards agreement to provide workers' compensation investigation services in an amount not to exceed \$4,153,807, inclusive of four one-year options, effective October 1, 2008, with the following firms:

RJN Investigations, Inc.	PS-0531-2152-A
Baechler Investigative Services	PS-0531-2152-B
Probe Information Services, Inc.	PS-0531-2152-C
Benn & Associates	PS-0531-2152-D
Fu-Gen, Inc	PS-0531-2152-E
Access Investigation Services, Inc.	PS-0531-2152-F
Worldwide Intelligence Network	PS-0531-2152-G
Karen Paris Investigations	PS-0531-2152-H
ID Investigators & Adjusters, Inc.	PS-0531-2152-I
Bonnamy & Associates	PS-0531-2152-J
MJM Investigations, Inc	PS-0531-2152-K
Budiselich & Associates	PS-0531-2152-L
Miles Investigations, Inc.	PS-0531-2152-M
West Shield Investigations	PS-0531-2152-N
Frasco Investigation Services	PS-0531-2152-O

B. Execute contracts with any or all of the five qualified alternative firms listed below during the course of the seven-year agreement should there be a need to replace any firm or expand the panel within the above total amount not to exceed \$4,153,807:

- Aztec Private Investigations, Inc
- Burton Investigations
- Specialized Investigations
- Page Investigations
- Stewart Investigative Services, Inc

C. Issue task orders under this agreement in amount not to exceed \$4,153,807.

RATIONALE

These actions establish a panel of firms that will provide investigation services for Risk Management's Special Investigations Unit beginning October 1, 2008. The panel will provide investigative resources on an "as needed" basis in support of our workers' compensation program and courtesy investigations from time to time. Approval of the five qualified alternate firms will allow us to be able to replace or add qualified firms without redoing a procurement process and ensures a panel of sufficient size to meet our needs.

Background

Workers' Compensation Program

We have an aggressive and effective workers' compensation fraud deterrence, detection and prosecution program. Each of these elements has been instrumental in deterring fraud and containing our overall workers' compensation costs. A panel of highly qualified investigation firms who are diverse in experience, technical expertise, ethnicity and geographic location are vital to our ability to continue to tailor investigation resources to the workload and to be effective in keeping our costs down.

Courtesy Investigation Services

The panel will also be utilized for courtesy investigations. Courtesy investigations are cases where individual departments require an investigation but have no resources to investigate or expertise in conducting investigations. These investigations are requested by managers throughout the agency for a variety of issues such as identifying and locating subrogation targets to recoup our losses, locating witnesses in Metro-involved traffic accidents or litigation cases, investigation of employee use of leave programs, investigation of illegal sale of fare media, and other issues, both criminal and administrative. Up to now all courtesy investigations have been conducted in-house by staff investigators. Requests for courtesy investigations have grown significantly. Therefore, staff resources will be supplemented by support from the panel to accommodate the increased workload.

FINANCIAL IMPACT

Funding of \$551,955 for this service is included in FY09 budget in cost center number 0531, under project number 300004, RM - Workers' Compensation. Since this is a multi-year contract, the cost center manager and Chief Financial Services Officer and Treasurer will be accountable for budgeting the costs in future years, including any option exercised. In FY08, \$383,969 was expended on investigation costs.

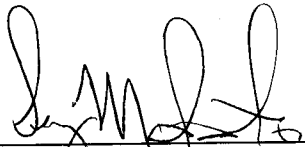
ALTERNATIVE CONSIDERED

The option of bringing all investigation services in-house was considered. This alternative is not recommended because the level of investigative services required fluctuates significantly from week to week, our large service area, and the need for specialized vehicles and surveillance equipment. Use of the panel allows us to effectively task firms with the necessary manpower in the right geographic areas and who will provide the appropriate vehicles and equipment for the investigations at hand.

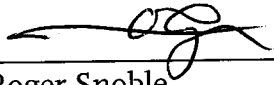
ATTACHMENT

A. Procurement Summary

Prepared by: Pamela Murano, Manager
Special Investigations Unit



Terry Matsumoto
Chief Financial Services Officer and Treasurer



Roger Snoble
Chief Executive Officer

**ATTACHMENT A
PROCUREMENT SUMMARY**

WORKERS' COMPENSATION INVESTIGATION SERVICES PANEL

1.	Contract Number: PS05312152 A through O																	
2.	<p>Recommended Vendor(s):</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">RJN Investigations, Inc.*(A)</td> <td style="width: 50%;">ID Investigators & Adjusters, Inc. (I)</td> </tr> <tr> <td>Baechler Investigative Services *(B)</td> <td>Bonnamy & Associates (J)</td> </tr> <tr> <td>Probe Information Services, Inc.(C)</td> <td>MJM Investigations, Inc.*(K)</td> </tr> <tr> <td>Benn & Associates*(D)</td> <td>Budiselich & Associates*(L)</td> </tr> <tr> <td>Fu-Gen, Inc.*(E)</td> <td>Miles Investigations, Inc.* (M)</td> </tr> <tr> <td>Access Investigation Services, Inc. (F)</td> <td>West Shield Investigations* (N)</td> </tr> <tr> <td>Worldwide Intelligence Network (G)</td> <td>Frasco Investigation Services* (O)</td> </tr> <tr> <td>Karen Paris Investigations (H)</td> <td></td> </tr> </table> <p><u>Qualified Alternate Investigation Firms:</u> Aztec Private Investigations, Inc.* Burton Investigations Specialized Investigations Page Investigations* Stewart Investigative Services, Inc.</p> <p>* Investigation firms on current investigations panel.</p>		RJN Investigations, Inc.*(A)	ID Investigators & Adjusters, Inc. (I)	Baechler Investigative Services *(B)	Bonnamy & Associates (J)	Probe Information Services, Inc.(C)	MJM Investigations, Inc.*(K)	Benn & Associates*(D)	Budiselich & Associates*(L)	Fu-Gen, Inc.*(E)	Miles Investigations, Inc.* (M)	Access Investigation Services, Inc. (F)	West Shield Investigations* (N)	Worldwide Intelligence Network (G)	Frasco Investigation Services* (O)	Karen Paris Investigations (H)	
RJN Investigations, Inc.*(A)	ID Investigators & Adjusters, Inc. (I)																	
Baechler Investigative Services *(B)	Bonnamy & Associates (J)																	
Probe Information Services, Inc.(C)	MJM Investigations, Inc.*(K)																	
Benn & Associates*(D)	Budiselich & Associates*(L)																	
Fu-Gen, Inc.*(E)	Miles Investigations, Inc.* (M)																	
Access Investigation Services, Inc. (F)	West Shield Investigations* (N)																	
Worldwide Intelligence Network (G)	Frasco Investigation Services* (O)																	
Karen Paris Investigations (H)																		
3.	<p>Cost/Price Analysis Information: The Project Manager for the Special Investigation Unit (SIU) performed a market analysis to determine fair and equitable pricing for these contracts. Data was obtained from the current panel for Investigative Services, from Investigative Firms and from other Public Agencies in the determination of fair and equitable rates. All Contractors performing investigative services under these contracts will be compensated utilizing the same, pre-established rates.</p>																	
	<p>A. Bid/Proposed Price: Rates to be utilized were established by the SIU Project Manager</p>	<p>Recommended Price: Contract awards are "\$0" based. Task Orders will be issued for specific work. Project Manager estimates that average annual expenditures of \$593,401 will be issued as task orders to Contractors on the panel.</p>																
	<p>B. Details of Significant Variances are in Attachment A-1.D - None</p>																	
4.	Contract Type: Fixed Unit Rate, Task Order Contract																	

5.	Procurement Dates:		
	A. Issued: 4/07/08		
	B. Advertised: 4/09/08 and 4/10/08		
	C. Pre-proposal Conference: 4/15/08		
	D. Proposals Due: 5/05/08		
	E. Pre-Qualification Completed: 8/22/08		
	F. Conflict of Interest Form Submitted to Ethics: 8/08/08		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 25% DALP	Date Small Business Evaluation Completed: Aug. 7, 2008	
	B. Small Business Commitment: 100% Details are in Attachment A-2 (DBE Prime Only)		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 48	Bids/Proposals Picked up: 72	Bids/Proposals Received: 31
8.	Evaluation Information:		
	A. Bidders/Proposers Names: (See Attachment A-3 for list of Proposers.)	<u>Bid/Proposal Amount:</u> N/A	<u>Best and Final Offer Amount:</u> N/A
	B. Evaluation Methodology: Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: 9/23/08		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Maria V. Lechuga	Telephone Number: (213) 922-7206	
11.	Project Manager: Pamela Murano	Telephone Number: (213) 922-3625	

ATTACHMENT A-1 PROCUREMENT HISTORY

WORKERS' COMPENSATION INVESTIGATION SERVICES PANEL

A. Background on Contractor

RJN Investigations, Inc. of Riverside, California has been in business since 1992. Since that time, RJN Investigations has provided Workers' Compensation Investigation services for the City and County of San Francisco, the County of Riverside, Riverside Department of Corrections and Southern California State Fund.

Baechler Investigative Services of San Diego, California has been in business since May 1981 and has provided Workers' Compensation Investigation Services for such companies as Intercare Insurance Services and the Los Angeles County District Attorney's Office.

Probe Information Services, Inc. was established in 1992. Their headquarters are in Sacramento, California, but they offer comprehensive services in at least 12 other states. They have provided Workers' Compensation Investigation services for the County of Sacramento, City of Palo Alto and other independent or private companies.

Benn & Associates of Orange, California was incorporated in California in May 1997. Since that time, Benn & Associates has provided Workers' Compensation Investigation Services to the Housing Authority of the City of Los Angeles, the County of San Bernardino and such companies as SBC/Pacific Telesis, The Stockman Group and others.

Fu-Gen, Inc of Beverly Hills, California has been in business since 1985. Over the past two decades, Fu-Gen, Inc. has provided workers' compensation investigation and fraud investigation services to a variety of Fortune 500 companies, the County of Los Angeles, the City of Los Angeles, insurance companies as well as law firms.

Access Investigation Services, Inc. is located in Anaheim, California. The firm was established in 1997. Its staff has over 35 years of combined experience conducting investigations within the public and private sector. Access has provided services to small and medium companies as well as Fortune 500 corporations in the insurance, entertainment, and hospitality industries.

Worldwide Intelligence Network was established in 1991 and has main offices in Los Angeles and New York. Their staff has over 40 years of investigative experience combined with an investigative staff consisting of retired intelligence agents and police detectives that are located across America and throughout the world. Their clients consist of attorneys, public corporation, business entrepreneurs, the entertainment industry and individuals.

Karen Paris Investigations was started in February 2001 by Ms. Paris who has sixteen years experience in the industry. Karen Paris Investigations is located in Irvine,

California but provides investigation services to a wide variety of clients throughout the Southern and Central California areas, as well as areas in Arizona. Karen Paris has provided services to the County of Los Angeles, County of San Bernardino, Fontana Unified School District, State Compensation Insurance Fund and St. Joseph Health System.

ID Investigators & Adjusters, Inc. is located in Westlake Village, California and have been operating as state licensed private investigators since 1978. Mr. Kane has over 19 years experience in the field of police and private investigations. ID Investigators provides services to the County of Los Angeles, Kaiser Permanent, Crawford & Company, Specialty Risk Services and Tristar Risk Management

Bonnamy & Associates has over 26 years experience in insurance claim investigations. Their main office is in Naperville, IL and another office in Scottsdale, Arizona. With over 28,000 investigations handled to date and over two decades of experience, Bonnamy and Associates have provided services to clients such as Metra, Chicago's commuter rail agency, the Union Pacific, the State of Arizona as well as Amtrak.

MJM Investigations, Inc. was started in 1989 in Raleigh, NC and also has an office in Ontario, California. Since 1989, MJM Investigations, Inc. has grown to be known as a global leader in insurance fraud mitigation and claims investigative services. MJM has provided services for the California Insurance Fraud Division, Sedgewick CMS, Unum Provident, County of San Bernardino and City and County of San Francisco.

Budiselich & Associates of Anaheim, California has been in business since 1995. Since then, Budiselich & Associates has provided Workers' Compensation Investigation Services to companies such as Golden State Transportation, Secure Solution, forward Claims Services Inc. as well as attorney offices.

Miles Investigations, Inc. of Long Beach, California has been in business since March 1986. In that time, Miles Investigations Inc. has provided workers' Compensation Services for the Long Beach Housing Authority, Intercare, State of Arizona, Department of Health Services, the City of Santa Ana Housing Authority and others.

West Shield Investigations of Newport Beach, California was started in May 1981. Since then, West Shield has provided Workers' Compensation Investigation services for Farmers Insurance Group, City of Long Beach and County of Los Angeles.

Frasco Investigation Services of Burbank, California has been in business for over 40 years providing Workers' Compensation Investigation Services for several area municipalities including Burbank and Long Beach.

Qualified Alternate Investigation Firms:

Aztec Private Investigations, Inc. of Azusa, California was established in 1980 and has provided Workers' Compensation Investigation Services to the City and County of Los Angeles as well as other private companies.

Burton Investigations is located in Gardena, California. Mr. Curtis J. Burton has over 20 years of experience conducting surveillance operations involving Workers' Compensation Fraud. Mr. Burton has worked for RJN Investigations as an independent contractor, but was also on the Panel of Investigators for Avis Car Rental from 1994 to 1997. Additionally, Burton Investigations provided services to Compton City Attorney LeGrand H. Clegg.

Specialized Investigations of Northridge, California was established in 1981 as a special investigations unit by the parent company, Schiffrin, Gagnon & Dickey, Inc. Their client list include insurance carriers such as Zurich North America, the Zenith, Travelers, as well as Hertz Claims Management and other self-insured companies, third party administrators, law firms, public entities, corporations, businesses and individuals.

Page Investigations of Moreno Valley, California was established in 1991. Since then, services have been provided to County San Bernardino Risk Management, and various attorneys in Workers' Compensation surveillance cases.

Stewart Investigative Services was started over 16 years ago in Riverside, California as a sole proprietor, and incorporated in 2001. Since then, the company has been providing insurance services to workers' compensation insurance carriers, third party administrators, self insured public entities and liability insurance companies. The company has been on the selected investigations panel for the County of San Bernardino, the County of Los Angeles as well as the Los Angeles Unified School District.

B. Procurement Background

On April 7, 2008, a solicitation was issued to establish a Panel for Workers' Compensation Investigation services using the explicit factors evaluation methodology. This solicitation required award to the highest rated firms based on the combined technical criteria. The Source Selection committee reviewed the proposals and ranked the firms technically. Price was not a factor in this solicitation since the Special Investigations Unit (SIU) established the rates that will be used to compensate the contractors selected for the panel. The fifteen firms with the highest scoring were recommended for award.

Task Orders will be issued for each individual assignment. Task Orders will be assigned to contractors based on the following criteria in the listed order of importance:

- past performance on prior task order work,
- qualifications of the Contractor, and
- geographical considerations.

The Diversity & Economic Opportunity Dept. (DEOD) recommended a Disadvantaged Anticipated Level of Participation (DALP) of 25%. Five of the fifteen contractors recommended for award are DBE primes.

C. Evaluation of Proposals

Thirty-one proposals were received and evaluated in accordance with our Procurement Policies and Procedures Manual. Five proposers did not meet the minimum

requirements and were not considered beyond the preliminary evaluation. The technical qualification of the remaining twenty-six proposers were evaluated and scored based on a review of the proposals, clarifications, and reference check information. The fifteen contractors recommended for award and the five alternates were selected based on the highest scores received and were determined to be the most advantageous when qualifications and other factors were considered. The remaining six proposals received the lowest scores and, therefore, were not considered for award or as alternates.

D. Cost/Price Analysis Explanation of Variances

The recommended price has been determined to be fair and reasonable based upon a market analysis performed by the SIU Project Manager. Data was obtained from the current panel for Investigative Services, from Investigative Firms and from other Public Agencies in the determination of fair and equitable rates. All Contractors performing investigative services under these Contracts will be compensated utilizing the same, pre-established rates.

**ATTACHMENT A-2
LIST OF SUBCONTRACTORS**

WORKERS' COMPENSATION INVESTIGATION SERVICES PANEL

PRIME CONTRACTORS –

Small Business Commitment

DBE Primes (100%)

Fu-Gen, Inc.
West Shield Investigations
Aztec Private Investigations, Inc.
Burton Investigations
Page Investigations

Non-DBE Primes (0%)

RJN Investigations, Inc.
Baechler Investigative Services Inc
Probe Information Services, Inc.
Benn & Associates
Access Investigation Services
Worldwide Intelligent Network
Karen Paris Investigations
ID Investigators & Adjusters, Inc.
Bonnamy & Associates
MJM Investigations, Inc.
Budiselich & Associates
Miles Investigation, Inc.
Frasco Investigation Services
Specialized Investigations
Stewart Investigative Services, Inc

Total Commitment (DBE Primes only) 100%

**ATTACHMENT A-3
LIST OF PROPOSERS**

- A. Recommended Proposer: R/JN INVESTIGATIONS, INC.
7095 Hollywood Blvd., #765
Hollywood, CA 92028
Name(s) of principal(s): Robert Nagle, President
Recommended Subcontractors: None
- B. Recommended Proposer: BAECHLER INVESTIGATIVE SERVICES
P.O. Box 19727
San Diego, CA 92159
Name(s) of principal(s): Anthony Baechler, President/CEO
Recommended Subcontractor(s): None
- C. Recommended Proposer: PROBE INFORMATION SERVICES, INC.
6375 Auburn Blvd.
Citrus Heights, CA 95621
Name(s) of principal(s): Ross Stewart, President
Recommended Subcontractor(s): None
- D. Recommended Proposer: BENN & ASSOCIATES
2570 N. Santiago Blvd., Ste. A
Orange, CA 92867
Name(s) of principal(s): Jolynn K. Benn, President
Recommended Subcontractor(s): None
- E. Recommended Proposer: FU-GEN, INC.
8306 Wilshire Blvd., Ste. 106
Beverly Hills, CA 90211
Name(s) of principal(s): Glenn S. Brown, CEO
Marsha L. Brown, President
Recommended Subcontractor(s): None
- F. Recommended Proposer: ACCESS INVESTIGATION SERVICES, INC.
5140 E. La Palma Ave., #207
Anaheim, CA 92807
Name(s) of principal(s): George Dominguez, Owner/President
Recommended Subcontractor(s): None
- G. Recommended Proposer: WORLDWIDE INTELLIGENCE NETWORK
9229 Sunset Blvd., Ste. 501
Los Angeles, CA 90069
Name(s) of principal(s): Robert Mann, President
Recommended Subcontractor(s): None

- H. Recommended Proposer: KAREN PARIS INVESTIGATIONS
4000 Barranca Pkwy., #250
Irvine, Ca 92604-4710
Name(s) of principal(s): Karen Fogarty, Owner
Recommended Subcontractor(s): None
- I. Recommended Proposer: ID INVESTIGATORS & ADJUSTERS, INC.
31225 La Baya Dr., Ste. 111
Westlake Village, Ca 91362
Name(s) of principal(s): David C. Kane, President/Owner
Recommended Subcontractor(s): None
- J. Recommended Proposer: BONNAMY & ASSOCIATES
1163 E. Ogden Avenue, Ste 705-333
Naperville, IL 60563
Name(s) of principal(s): William Bonnamy, President
Recommended Subcontractor(s): None
- K. Recommended Proposer: MJM INVESTIGATIONS, INC.
910 Paverstone Drive
Raleigh, NC 27612
Name(s) of principal(s): David Brent Faggart, CEO
Recommended Subcontractor(s): None
- L. Recommended Proposer: BUDISELICH & ASSOCIATES
675 N. Euclid Avenue, #356
Anaheim, CA 92801
Name(s) of principal(s): Ivan Budiselich, Owner/Managing Investigator
Recommended Subcontractor(s): None
- M. Recommended Proposer: MILES INVESTIGATIONS, INC.
P.O. Box 90759
Long Beach, CA 90809
Name(s) of principal(s): Steven Starkel, President
Bruce McConnell, Vice President
Recommended Subcontractor(s): None
- N. Recommended Proposer: WEST SHIELD INVESTIGATIONS
3857 Birch Street, #208
Newport Beach, CA 92660
Name(s) of principal(s): Allen P. Cardoza, President/Owner
Recommended Subcontractor(s): None
- O. Recommended Proposer: FRASCO INVESTIGATION SERVICES
215 W. Alameda Avenue
Burbank, CA 91502
Name(s) of principal(s): John C. Simmers, President/CEO
Recommended Subcontractor(s): None

Alternate Proposer(s):

1. Recommended Proposer: AZTEC PRIVATE INVESTIGATIONS, INC.
P.O. Box 931
Azusa, CA 91702
Name(s) of principal(s): Steve J. Baiza, President/Owner
Recommended Subcontractor(s): None

2. Recommended Proposer: BURTON INVESTIGATIONS
13705 Purche Avenue
Gardena, Ca 90249
Name(s) of principal(s): Curtis J. Burton, Owner
Recommended Subcontractor(s): None

3. Recommended Proposer: SPECIALIZED INVESTIGATIONS
9255 Corbin Avenue, Ste. 200
Northridge, CA 91324
Name(s) of principal(s): Peter Schiffrin, Principal
Recommended Subcontractor(s): None

4. Recommended Proposer: PAGE INVESTIGATIONS
28599 Carnoustie Avenue
Moreno Valley, CA 92555
Name(s) of principal(s): George R. Page, Owner
Recommended Subcontractor(s): None

5. Recommended Proposer: STEWART INVESTIGATIVE SERVICES, INC.
11819 Foothill Blvd., C-371
Rancho Cucamonga, CA 91730
Name(s) of principal(s): Jeff Stewart, CEO
Recommended Subcontractor(s): None