**Force Account**

**Owner Controlled Insurance Program (OCIP) Incentives**

**Example**

**Overview/Intent**

The intent of the OCIP incentive is two-fold. One is to maximize the scope of construction project improvements by providing incentives that can compensate the contractor for hidden or duplicative business costs associated with insurance. The other is to reward contractors for better than industry standard safety record and performance. A total of $x,xxx is available for this project in three different categories as follows:

* 25%. Responsiveness, accuracy of rates in the OCIP worksheets and additional productive effort during the cost modeling phase.
* 25%. Enrollment and Reporting and Accuracy
* 50%. Safety Compliance, Loss Statistics and Loss Experience compared to Loss Expectations

No incentive will be paid to the Contractor if CDOT does not elect to insure both Worker’s Compensation and General Liability in an OCIP.

**Description**

**Responsiveness, accuracy of rates in the OCIP worksheets and productive effort in the cost modeling that is outside the scope of the original CM/GC contract. 25% ($y,yyy).**

Payment will be based on the following:

The Contractor is determined to be responsive by submitting OCIP worksheets with no hidden costs included or excluded in the rates. The Contractor provides an accurate revised cost loaded WBS with the appropriate insurance costs that were moved to the OCIP no longer in the WBS. The Contractor facilitates the GMP phase by requiring all subcontractors to comply with the OCIP requiements.

Payment will be a lump-sum payment made in an amendment to the design CM/GC contract if CDOT determines on a pass fail basis, that the contractor met all the requirements of this item.

**Enrollment and Reporting and Accuracy. 25% ($y,yyy).**

Payment will be based on the following:

* 1. Enrollments – 5%– All Subcontractors are enrolled prior to the start of work (exception for emergencies as determined by CDOT) – Documentation includes the Subcontractor Application, valid and complete certificate of insurance, and a completed Insurance Calculation Worksheet (form OCIP-B).
	2. Claims Reporting –5%- Required within 24 hours after an incident or accident. The incentive would be lost should there be more than 2 incidents or accidents are reported later than 48 hours afterwards unless injured worker effected this reporting by not coming forward.
	3. Compliance with Claims Cost Control (Injury Counselor) -5%- This includes providing modified duty in compliance with discussion with the Injury Counselor.
	4. Incident Reporting & Analysis -10%- Providing to CDOT and CDOT’s Insurance Broker an incident report and analysis that demonstrates a review with the appropriate contractor and mitigation of future events. Zero un-reported incidents that require any type of investigation.

Payment will be a lump-sum payment made at the time of the final construction invoice for each of the items achieved.

**Safety Compliance, Loss Statistics and Loss Experience compared to Loss Expectations at the time of award. 50% ($z,zzz).**

Payment will be based on the following:

1. Incident Rates -20%- The contractor must at the end of their contract have achieved an Incident Rate less than 75% of the Industry average as outlined below:
	* + NAICS INDUSTRY CODE:
		+ 2373 Construction- Highway, Street & Bridge
		+ Total Recordable Injury Incidence Rate = 4.8 (frequency) – Goal of 3.6 or better
		+ Total Lost Time/Restricted Duty Incidence Rate = 2.6 (severity) – Goal of 2.2 or better
2. Loss Experience / Loss Ratio – 30%- The Contractor can earn 15% for a Loss Ratio of 15% ($1.00 per $1000 of CV - .01% of CV) of the CDOT Expected Loss Rate, or an additional 15% if the Loss Ratio is less than 10% of the CDOT Expected Loss Rate ($.65 per $1000 of CV - .0065% of CV) for the Project.

Payment will be a lump-sum payment made at the time of the final construction invoice for each of the items achieved.