



City of Sanger

Request for Proposals

**Employee Health Insurance and
Benefit Broker Services**

**City of Sanger
1700 7th Street
Sanger, California 93657
(559) 876-6300 extension 1300**

**Issue Date: April 6, 2012
Submission Deadline: 2:00 p.m., Wednesday, April 18, 2012**

PART ONE: GENERAL INFORMATION

1. Background and Objective

The City of Sanger maintains a comprehensive employee health and welfare benefit program for its employees and retirees. The largest program in terms of cost is the employee health benefit program. Currently this is self-funded with a reinsured cap to protect the plan from catastrophic losses. Other components of the employee benefit program include life insurance, vision insurance, dental insurance, disability insurance, and a prescription drug plan.

The following information will provide background needed to estimate the type and amount of resources necessary to fulfill the City's needs as broker and adviser/administrator of City's benefit plans:

Current number of participating employees:

Employee only	17
Employee + dependents	86
Early Retiree	7

Current insurance carriers and benefit providers:

Medical:	Self-insured w/ HealthSmart as Claims Administrator
Network:	FirstHealth Network
Excess Insurance:	HCC
Vision:	Vision Service Plan
Dental:	Ameritas Group
Life & Disability:	The Hartford

The City is seeking a licensed insurance broker that is well versed in the employee health and welfare benefits market and experienced in advising public agencies, to serve as a Broker of Record for placement and marketing of each health and welfare plan, compliance, modeling, benchmarking, claims analysis, Patient Protection and Affordable Care Act (PPACA) consulting and to advise the City in the area of compliance, plan design, plan administration, costs, and communication of benefits to the City's employees.

The City is seeking to implement a three-year agreement with an option to renew annually thereafter upon mutual consent.

2. Submission of Proposal

Three (3) copies of the Proposal shall be submitted under sealed cover and clearly identified on the outside to read:

RFP – Employee Health Insurance and Broker of Record Services
Filing Deadline: 2:00 p.m., Wednesday, April 18, 2012

Deliver Proposal to:
City of Sanger - City Manager's Office
Attn: Becky Hernandez, Executive Assistant to the City Manager
1700 7th Street
Sanger, California 93657

by 2:00 p.m. on Wednesday, April 18, 2012

PROPOSALS RECEIVED AFTER THE FILING DEADLINE WILL BE REJECTED REGARDLESS OF POSTMARK DATE AND WILL BE RETURNED UNOPENED.

Proposals shall be prepared and submitted in accordance with the requirements set forth in this document. All responses must be complete and must address concisely and clearly all information requested in the RFP.

Any proposal may be withdrawn at any time prior to the hour fixed for the opening, provided that a request in writing executed by the proposer or his/her duly authorized representative is filed with the City Manager's Office. The withdrawal of a proposal shall not prejudice the right of a proposer to file a new proposal prior to the time and date set for the opening. After the expiration of the time and date for receipt of proposals, a proposal may not be withdrawn or altered.

Upon contract award, all documents provided by each respondent shall become public records. This shall also include, but is not limited to documents for projects for which all proposals are rejected and projects for which an award is not made for any reason. In the event that one or more proposals are returned to the bidding parties, it is the intent of the City that such documents shall not become public records of the City unless required by the California Public Records Act or other provisions of law.

The City of Sanger is an Equal Opportunity Employer and no proposal shall be rejected on the basis of race, color, religious creed, ancestry, national origin, age, sex, pregnancy, marital status, sexual orientation, medical condition, mental or physical disability, political affiliation/opinion, Veteran's status, or request for family medical leave.

The City reserves the right to make a written request for additional information from a respondent to assist in understanding or clarifying a proposal.

There is no expressed or implied obligation for the City to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To the extent achievable, the following schedule shall govern the review, evaluation and award of the proposals. The City reserves the right to modify the dates below in accordance with its review process.

Estimated Schedule:

Availability of the RFP:	April 6, 2012
Deadline for Questions and Inquiries:	April 16, 2012
Submission Deadline:	April 18, 2012
Evaluation of Proposals:	April 19, 2012
Interviews and Oral Presentations (if selected):	April 24, 2012
Proposed Agreement to City Council for Consideration:	May 3, 2012
Estimated Inception Date:	May 4, 2012

3. Scope of Services

The City is seeking to name a Broker of Record for the City's employee health and welfare insurance benefits and is looking for continuity of services in the rapidly changing area of employee benefits. The City is particularly interested in a broker that can offer creative, innovative approaches with a proven track record that allows the City to maintain quality programs and contain or reduce costs.

The selected broker will perform a full range of benefit program services related to the acquisition, implementation, maintenance, communication and improvement of the City's employee health and welfare insurance benefits. The selected broker shall provide services, including, but not limited to, the following:

A. Analysis and Reporting

1. Analyze existing coverage and identify or develop cost-saving alternative benefit strategies and plans.
2. Assist in the development of long-range goals and strategies, including making projections of potential savings.
3. Provide analysis and recommendations based on utilization and performance reports, statistical and/or financial reports, and plan specific data.
4. Assist the City in monitoring and analyzing experience trends and providing timely alerts on changing patterns and appropriate recommendations.
5. Provide financial and/or performance reviews of self-funded and fully insured plans and programs.
6. Be available to provide various types of reports as needed, such as cost analysis for benefit changes, and other statistical, financial, forecasting, trend, labor negotiations or experience reports.
7. Regularly monitor and evaluate performance measures and guarantees for providers.
8. Maintain full and accurate records with respect to all matters and services provided on behalf of the City's benefit plans and programs. Provide City staff or officials all spreadsheets, assumptions and calculations upon completion of any project performed on behalf of the City's benefit plans and programs.

B. Liaison and Problem Intervention

1. Act as liaison between the City and insurance providers.
2. Provide day-to-day consultation on plan interpretation and problem resolution.

3. Provide timely customer service and assistance to staff, employees and retirees with enrollment, issues involving provider billing, claims, vendor service issues/problems, advocacy for services, disputes, interpretation of contracts and services, changes and general troubleshooting.
4. Act as an advocate or ombudsman in appeal, arbitration or court process between the City and the providers on unresolved issues if needed; provide advice when needed to enforce City, employee, retiree or their dependents' rights.
5. Assist the City in proactive mitigation of negative impacts or disruption of services to employees and retirees from benefit and/or provider network changes.

C. Compliance

1. Assist with ongoing plan administration and ensure that programs are in compliance with State and Federal legislation and regulations.
2. Provide training to City staff, as needed, regarding regulatory updates and/or best practice seminars for the effective administration of benefits plan.
3. Review and disseminate information to staff on new or revised State and Federal legislation and regulations that impacts benefits programs.
4. Assist City staff with annual audit to ensure compliance with all mandated reporting and posting/notice requirements for benefit plans.
5. Develop and/or assist in developing communication materials and tools for conducting dependent verification audits.

D. Annual Renewal Process and Evaluation

1. Establish an annual strategy for benefits. Consider trends, union negotiations, prospective legislation and regulations, new delivery systems and geographic health-care practices.
2. Review and make cost-saving recommendations regarding the modification of plan design, benefit levels, premiums, communications and quality of current employee and retiree benefit plans.
3. Recommend appropriate premium rates and reserves to maintain the viability of the plans to ensure that quality and cost-effective benefits are provided by the plans.
4. Annual estimates of renewal rates and cost trends and assist City staff in preparation of budget figures.
5. Conduct thorough and applicable market research in preparation for contract renewals.
6. Representation in all negotiations with providers on various topics, including, but not limited to, premiums, benefit levels and plan design, performance measures and guarantees, contractual terms and conditions, and quality assurance standards.
7. Make recommendations for items of negotiation with providers, including, but not limited to, benefit levels and plan design, premiums, quality of service, performance measures and guarantees, and return on investment, where applicable.
8. Prepare specifications and compile data, obtain quotes and proposals, negotiate rates and analyze and compare proposals.

9. Review rate proposals to ensure underlying assumptions are appropriate and accurate to the City.
 10. Provide communication development and support for the annual open enrollment period, new benefit offerings and/or changes to the existing benefits offerings.
 11. Attendance at, and assistance with coordination of, an annual Benefits Fair and Health Benefits Committee meetings.
- E. Other Service Requirements
1. Recommend and help develop enhancements and improvements for communications specific to the needs of the City's employees and retirees, including, but not limited to, brochures, pamphlets, matrices, comparison charts, summaries, electronic communications, forms, employee handbooks and employee orientation.
 2. Provide timely research and responses to technical questions posed by City staff.
 3. Provide regular and timely communications needed for the effective administration of benefit plans.
 4. Provide guidance and recommendations on items such as, but not limited to, trends in benefits plans, methods for improving cost containment, financial arrangements and administration.
 5. Provide access to published benefit-related survey information.
 6. Recommend that City staff attend particular broker-sponsored seminars, benefit events and educational forums that would be beneficial to the City.
 7. Develop and/or assist in developing and evaluating employee/retiree needs and satisfaction surveys.
 8. Work collaboratively with other consultants and City staff.
 9. Manage plan transitions as necessary.
 10. Review and evaluate current administrative processes related to enrollment and billing. Recommend and assist with implementation of administrative process enhancements.
 11. Be available for assistance during normal business hours defined as Monday through Friday from 8:00 a.m. – 5 p.m. excluding national holidays.

4. Contract Award

Issuance of the RFP and receipt of proposals does not commit the City to award a contract. The City reserves the right to postpone the RFP process for its own convenience, to accept or reject any or all proposals received in response to this RFP, to negotiate with other than the selected company should negotiations with the selected company be terminated, or to modify or cancel any section of this RFP.

Any agreement resulting from this RFP will be signed only after successful negotiation of contract terms and conditions and all applicable procedural requirements have been met.

The City will review and evaluate all qualified proposals. The City may request an interview with the top rated companies. A reference check may also be conducted.

5. Questions and Inquiries

Questions concerning this RFP may be submitted in writing no later than Monday, April 16 by 3:00 p.m. to:

Becky Hernandez
Executive Assistant to the City Manager
City of Sanger
1700 7th Street
Sanger, California 93657
Fax 559-875-8956
e-mail: bhernandez@ci.sanger.ca.us

PART TWO: PROPOSAL PREPARATION AND CONTENT

1. Overall Presentation

Proposals must be submitted on 8 ½" by 11" recyclable paper with all segments attached in one package. Proposals need not be bound; a single corner staple is sufficient. Proposals must be typed and must not include any unnecessary, elaborate, promotional or display materials. Pages must be numbered at the bottom of the page. All content must pertain to the requirements of this RFP. The entire proposal (3 copies) must be submitted in one sealed envelope clearly marked on the outside that it is in response to the Employee Health Insurance and Broker of Record Services RFP.

2. Title Page

The proposal must have a title page which indicates the name of the company, principal business address, name of the proposal, and the date of the proposal.

3. Table of Contents

The proposal must contain a table of contents listing major topics and relevant page numbers.

4. Transmittal Letter

The proposal must include a transmittal letter that states the company's objective, why the company should be selected, the company's commitment to the City of Sanger, the unique aspects of the proposal, and must be signed by a person who is duly authorized to bind the company to an agreement for the proposed services.

5. Company Profile

In this section, please describe your organization; identify key personnel to be assigned to the City, including name, title, telephone number(s), and experience; and describe your company's experience in providing similar services to other public agencies.

6. Proposed Method of Performance

Please provide information on how your company intends to provide its services to the City to meet the outlined scope of work if awarded the contract.

7. Cost Outline

The City intends to enter into a commission-based arrangement, as opposed to a direct fee type agreement, for the first year with the option of, at the end of the first year, to negotiate a fee-based arrangement for the remaining two (2) years of the agreement.

8. Equal Opportunity Employer Status

Please provide a statement as to whether your organization meets state and federal standards regarding equal opportunity employment laws and regulations. Also provide information as to whether there is any current litigation pending against the respondent alleging a violation of state or federal fair employment provisions.

9. Proof of Insurance

The proposal must include the name of the consultant's liability insurance carrier, the policy coverages and limits, and expiration dates.

The successful responder shall indemnify, defend, and hold harmless the City, its officers, officials, employees, agents and volunteers from and against all liabilities, claims, damages, losses, and expenses, herein, caused in whole or in part by any negligent act or omission of the Provider, its consultants, subcontractors, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the City.

Additionally, the successful responder shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Provider, its agents, representatives, employees or subcontractors.

Minimum Scope and Limits of Insurance

Provider shall maintain limits no less than:

- \$1,000,000 General Liability (including operations, products and completed operations) per occurrence for bodily injury, personal injury and property damage at least as broad as Insurance Services Office (ISO) Commercial General Liability coverage (occurrence Form CG 00 01).
- \$1,000,000 Automobile Liability per accident for bodily injury or property damage at least as broad as ISO Form CA 00 01 covering Automobile Liability, code 1 (any auto).
- Worker's Compensation as required by the State of California.
- \$1,000,000 Employer's Liability per accident for bodily injury or disease.
- \$1,000,000 Professional Liability (Errors & Omissions) coverage.

If Provider maintains higher limits than the minimums required above, the City shall be entitled to coverage at the higher limits maintained by Provider.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City.

Other Insurance Provisions

The general liability policy is to contain, or be endorsed to contain, the following provisions:

- The City, its officers, officials, employees, and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased,

hired or borrowed by or on behalf of the Provider; and with respect to liability arising out of work or operations performed by or on behalf of the Provider including materials, parts or equipment furnished in connection with such work or operations.

- For any claims related to this project, the Provider's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the Provider's insurance and shall not contribute with it.
- Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.
- Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

Waiver of Subrogation

Provider hereby agrees to waive subrogation which any insurer of Provider may acquire from Provider by virtue of the payment of any loss. Provider agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

The workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of the City for all work performed by the Provider, its agents, employees, independent contractors and subcontractors.

Acceptability of Insurers

Insurance is to be placed with California-admitted insurers with a current AM Best's rating of no less than A:VII, unless otherwise acceptable to the City.

Verification of Coverage

Provider shall furnish the City with copies of original certificates and endorsements, including amendatory endorsements, effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences; however, failure to do so shall not operate as a waiver of these insurance requirements. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

Subcontractors

Provider shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

10. City of Sanger Business License Status

Prior to beginning any work, or delivering any equipment or material to be furnished under this proposal, the bidder shall secure the appropriate Business License from the City of Sanger. Business license information may be obtained by calling (559) 876-6300 extension 1100. Should the bidder already have his/her license, please include a copy with your submittal.

11. References

Please provide the company name, contact person, and telephone number for at least three current customers that the City may contact regarding your company's services. Also, provide the same information for at least two previous customers with whom your company is no longer doing business that the City may contact.

12. Sample Agreement

Please provide a sample agreement for the services proposed that reflects the indemnity and insurance provisions shown above.