



# **REQUEST FOR PROPOSAL**

## **EMPLOYEE BENEFIT ADVISORY/ PATIENT ADVOCATE SERVICES**

The City of Sachse is soliciting submittals for the herein described services and/or commodities for the purpose defined in this document. By responding to this request, the offeror agrees to perform in accordance with the terms and conditions set forth in this document in the event that the response is selected for contract award.



## Table of Contents

<b>Purpose for RFP Solicitation.....</b>	<b>3</b>
<b>City of Sachse Information.....</b>	<b>3</b>
<b>Evaluation Criteria.....</b>	<b>4</b>
<b>Questions and Timeframe.....</b>	<b>4</b>
<b>Confidentiality.....</b>	<b>5</b>
<b>Selection Process.....</b>	<b>5</b>
<b>General Information.....</b>	<b>5-6</b>
<b>Scope of Services &amp; Broker/Consultant Information.....</b>	<b>6-9</b>
<b>APPENDIX “A”.....</b>	<b>10-11</b>



## Request for Proposal (RFP)

### Purpose for RFP Solicitation

City of Sachse requests a formal proposal from qualified insurance brokers/consultants who are interested in providing brokerage, patient advocacy and consulting services for our Employee Benefit Program. There is not an express or implied obligation for the City of Sachse to reimburse responding brokers/consultants for any expenses incurred in preparing or presenting proposals in response to this request.

### City of Sachse Information

Sachse is a thriving city in the Dallas Metroplex. Sachse was founded in 1845 and is located in partially in Collin County and in Dallas County. Sachse is approximately 20 miles northeast of downtown Dallas with a population of just over 20,000.

Our mission is to attract and retain quality employees by developing, communicating and administering a competitive compensation and benefit package. Our current benefit year is May 1 through April 30.

The City of Sachse currently has approximately 119 full-time employees who are eligible for all employee benefits. The City of Sachse provides the following programs:

<b>BASIC BENEFITS</b>
Medical
Dental
Vision
Life/AD&D and Dependent Life
Long Term Disability
Employee Assistance Program
COBRA Administration
Health Reimbursement Arrangement Administration
<b>VOLUNTARY BENEFITS</b>
Medical Flexible Spending Account
Dependent Care Flexible Spending Account
Supplemental Life (Self, Spouse, Children)
Worksite Benefits



## Evaluation Criteria

Responses to the RFP will be evaluated on the following criteria:

- Quality of Broker response
- Proposed approach and plan to support the City of Sachse
- Proactive services/programs in place which will provide a ROI and/or positive financial impact to our budget
- Quality of Services; Experience of firm and staff
- Fees & costs
- Customer Service dedication
- References of broker/consultant and firm
- Additional services available

During the evaluation process, the City of Sachse reserves the right to request additional information or clarifications from brokers/consultants or to allow corrections of errors or omissions.

## Questions and Timeframe

Questions concerning the RFP should be e-mailed to Cheree' Bontrager Director of Human Resources, at [cbontrager@cityofsachse.com](mailto:cbontrager@cityofsachse.com).

A copy of all questions/responses will be e-mailed to all bidders. To allow adequate time for the City of Sachse to respond to all questions, please submit them no later than Monday, May 28, 2012.

Two hard-copies along with one (1) unbound original of the written proposal and supporting materials must be received by the City of Sachse at the following location no later than **2:00 p.m. (CST) on Monday, June 4, 2012. Please note that the City of Sachse is not asking for, nor authorizing your soliciting quotes from insurance carriers at this time.**

Attn: Terry Smith  
City of Sachse  
City Secretary  
3815-B Sachse Road  
Sachse, TX 75048

Bids/proposals will be publicly opened and read aloud in the Court Room, at the address above shortly after the specified time for delivery. Offerors are invited to be present for acknowledgement of proposals. After the official public opening, a period of not less than one week is necessary to evaluate proposals. The amount of time necessary for proposal evaluation may vary and is determined solely by the City. Following City Council action to award or reject, all proposals submitted are available for public review.

Bid/Proposal Deliveries: All bids must be clearly addressed to the City Secretary's office and include the bid name and number on the outside of the envelope/package. The City of Sachse cannot guarantee that any bids/proposals sent priority mail will be delivered to the City Secretary's Office by the closing date and time. It is recommended that bid/proposal deliveries be made either in person or via an alternate delivery method ensuring delivery to the physical address. ***Bidder shall bear full responsibility for ensuring that the bid/proposal is delivered to the specified location by due date and time.*** Late bids will be rejected as non-responsive.



PROPOSAL NAME: Benefits Broker/Consultant  
PROPOSAL NO.: RFP 2012-0604  
DUE DATE/TIME: 2:00 p.m., June 4, 2012

The City reserves the right to reject any and all submittals and to waive any informality in submittals received, deemed to be in the best interest of the City. No officer or employee of the City of Sachse shall have a financial interest, direct or indirect, in any contract with the City of Sachse.

TO APPEAR IN THE DALLAS MORNING NEWS IN THE FOLLOWING EDITIONS:

First Publication: May 20, 2012

Second Publication: May 27, 2012

### **Confidentiality**

We require that you hold all details of this Request for Proposals confidential and private, and refrain from discussing or sharing its contents with any other party. The information provided in response to this RFP will be held confidential to the extent allowed by law.

### **Selection Process**

The proposals will be measured against the evaluation criteria. All brokers/consultants must agree that their proposals are a firm offer. An interview session may be conducted with the selected proposal(s) that is deemed to be the most suitable for the City of Sachse.

#### **TIMELINE**

RFP Questions  
Responses to Request for RFP  
Select Broker/Consultant

#### **COMPLETION DATE**

5:00 PM CST, Monday, May 28, 2012  
2:00 PM CST, Monday, June 4, 2012  
June 18, 2012

### **General Information**

All proposals and related materials become the property of the City of Sachse and will not be returned. The City of Sachse is not obligated to accept any proposal or to negotiate with any proposal. All transactions are subject to the final approval of the City of Sachse.

The City reserves the right to be the sole judge as to whether such items proposed will serve the purpose intended. The City reserves the right to accept or reject in part or in whole any proposal submitted without cause for liability, and to waive any technicalities or informalities for the best interest of the City. Award of contract shall be made to the most responsible, responsive offeror whose negotiated best and final offer is determined to be the best value offer, taking into consideration the relative importance of price and other factors set forth in the Request For Proposals.



Proposals must comply with all federal, state, county and local laws. The contractor agrees, during the performance of work or service, to comply with all applicable codes and ordinance of the City of Sachse, Dallas County, or State of Texas as they may apply, as these laws may now read or as they may hereafter be changed or amended.

### **Scope of Services**

The City of Sachse is seeking a broker/consultant to perform services related to the design, bidding process and overall administration of medical, dental, vision, life, prescription, disability, wellness, patient advocacy, compliance and voluntary benefits.

The City is seeking a consultant to provide creative long-term strategies and short-term tactics that improve plan performance and desired business results in the City's Benefits program on a continual basis. Additionally, the consultant should bring to the table innovative, integrated solutions for City consideration that may influence or impact projected healthcare costs and trends in areas such as Wellness, Disease Management and overall Health Plan Management in all areas of benefits.

The desired consultant shall have the proven ability to make a real and sustained difference in plan management with their clients, proven positive relationship with staff, and a proven understanding of client business focus. Consultant shall have the ability to find ways to save money, yet deliver expected services to our staff and competitive plans to our employees that maintain our market competitiveness.

It is the City's intent to hire a consultant who is an independent, unbiased consultant, not affiliated with any institution that may bid for services for the City of Sachse.

Specific responsibilities include, but are not limited to:

- Determining and recommending the most economical funding methods for the benefit programs.
- Representing the City of Sachse in all negotiations with providers on all issues including those related to premiums, benefit levels, plan design and special terms and conditions.
- Meeting with and providing reports to various City of Sachse representatives.
- Researching and advising the City of Sachse on any new developments in the law and employee benefit programs on an ongoing basis.
- As requested by City of Sachse, preparing bid specifications and soliciting proposals from insurance markets which specialize in group insurance plans as needed. Evaluate bids and bidders including administration, claim payment procedures, customer service, network, financial soundness, and identifying the most cost-beneficial package from various bidders.
- Providing ongoing service and support of all benefit programs selected, including but not limited to enrollment support, installation and on-going day to day requests.
- Provide coverage documents for all benefit plans.
- Review and be responsible for the accuracy and correctness, prior to delivery, of all coverage documents and/or pricing policies, including all changes and endorsements.
- Advise the City of Sachse regarding "gaps" in coverage and/or inadequate coverage.
- Participate in marketing and educational programs.
- Participate in Annual Health Fair or Wellness Activities.
- Administration of Section 125 Regulations.
- Administration of COBRA.



## Broker/Consultant Information

To assist in the evaluation of potential brokers/consultants, please provide the following information to the best of your ability:

### **I. General Questions**

- Describe your firm's size and ownership structure. Please include the following;
  - Date your firm was established and a brief history; provide number and location of offices;
  - Provide total number of full-time benefit employees at the office that will work directly with the City of Sachse, their office location, and describe the role of each employee with respect to our account.
  - What is the client to account manager/consultant ratio? Provide the average brokerage/consultant staff tenure. Indicate any past or contemplated changes in ownership structure of the firm.
- Describe the types of clients and size of their organization to whom your firm typically provides employee benefit program consulting/broker service expertise. How many government entities do you represent?
- Is your organization is a consultant, broker, or agent, and is not affiliated with any insurance company, third party administrative agency, or provider network.
- Have any of the principals, or the firm, ever been named in a lawsuit dealing with health and welfare consulting/brokerage service provided by you? If so, please provide the details and outcome of these lawsuits.
- Confirm your firm carries Professional Liability Insurance, Errors and Omissions coverage or Fidelity Bond and your limits of coverage. (Please provide copies of certificates)
- Describe the performance standards of your firm. Include response time and quality standards, availability of key staff and other guarantees that would ensure quality service in a timely manner.

### **II. Cost-Containment**

- Outline your ability and the resources (e.g. actuaries, economic forecasting) available to establish trends and recommendations in plan design.
  - What are your data sources?
  - Provide examples of how you communicate this information.
- Describe your ability to provide actuarial services and resources available.
- Describe how you would assist us with premium funding projections during our annual budget process.
- Describe your capabilities to provide benchmarking data for the City of Sachse.
  - What is the data source?
  - How many employer groups does it contain?
  - What is the average employer size and number of covered employees?
  - How many governmental entities are included?
  - Define how the data can be categorized, i.e., regional, national, employer size, etc.
- Describe any cost saving programs you have implemented for similar sized employers in the past five (5) years.
- Describe your process for negotiating renewals and your approach to going to market for the best products for your clients?
  - Does your firm track first renewal offers vs. final offers, and if so, what are your results? How many years of data can you produce?





- Describe your experience with self-funded and alternately funded plans, including your ability to set reserves, report experience, and project funding levels.
- What resources do you use to analyze medical and pharmacy claims?
- How many H.S.A. and H.R.A. plans does your firm currently manage for clients?
- Describe your process for handling large claim reviews and audits? Provide an example of a large claim review/audit results.

### **III. Compliance**

- Describe the process your service team uses to review plan documents, contracts, summary plan descriptions and other legal agreements prior to submission to your clients for execution.
- Detail your ability to monitor and research regulatory and legislative developments at both the state and federal level and how this will be communicated to the City of Sachse.
- Please describe the level of support to benefits staff in updating all compliance materials (e.g. plan documents, etc) and providing on-going training.
- Does your firm have dedicated resources for compliance? Are these resources in house or outsourced?
- Does your firm provide COBRA, HIPAA, Flexible Spending Account, H.S.A., H.R.A. account administration services? If so, is this service in house or outsourced? If so, what is the fee structure, if any?
- Does your firm provide access to labor attorney? If so, what is the fee structure, if any? Does it provide a free initial consult?

### **IV. Advocacy**

- Does your firm provide a patient advocate services to help the employees of the City with claims and other benefit issues? If so, is there a cost associated with this service?
  - Do you provide any stewardship reports? If so, please provide frequency and examples.
- How does your firm measure service quality?
- Describe how your service team will track objectives and activities associated with plans to ensure that all tasks are completed and items are addressed.
- Describe how your firm serves as a liaison between vendors and benefits staff to resolve employee claim issues.
- Is your advocacy staff a dedicated team or do they function in other roles? If other roles, please describe.
- What are your customer service/advocacy hours of operation?
  - Define all areas in which customer service is accessible, i.e. phone, email, website? Please explain.
- Does your firm retain a nurse or doctor on staff to provide assistance to customer service/advocacy?
- Please describe your phone system configuration (i.e. automated, voicemail, live person).
- Does your firm provide any type of claim cost / transparency comparison service? If so, please explain. Is there a cost associated with this service?
- Does your firm provide claims auditing? If so, how do you report claim recovery ROI? Please provide examples.

### **V. Technology**

- What technology support do you provide to your clients? Identify those that are a standard part of the consultant / broker relationship and those that are provided at an additional fee. Please outline any additional fee structure(s).

### **VI. Wellness**





- Does your firm provide assistance and direction with the development of alternative employee benefit programs, such as wellness programs, non-smoker incentives, etc? If so, please describe examples of low-cost wellness tools and any associated fees as well as your process for measuring the success or failure of a wellness program?
- Does your firm provide any of the following wellness tools? If so, describe how and if there is an additional charge associated and if the tool is supported in house or outsourced
  - Health Risk Assessment
  - Biometric Screenings
  - Technology
  - Coaching
  - Live seminars
  - Webinars
  - Challenges
  - Incentive design administration
  - Wellness newsletter
  - Tracking tools
  - Flu shots (in-house) or outsourced.

#### **VII. Communication**

- Describe the communication support your organization provides for annual enrollment and effective communication of our benefit plans such as on-site enrollment support, customized enrollment presentations and communication material. Please provide samples of communication materials (i.e., newsletters, benefit statements, payroll stuffers).
- Do you provide assistance with the development and distribution of employee benefit surveys? If so, please describe the scope of your services and any associated fees.

#### **VIII. Compensation – Fees and Format**

The City of Sachse is exploring the best method of fees and format for Broker/consultant services. It is anticipated the broker/consultant will be paid for all services based on a fixed annual fee. However, the proposal should include a fee schedule based on both flat fee/and or commission basis. The broker/consultant must disclose any additional fees, commissions, or compensation (including potential bonus arrangements). In addition, please provide the following information:

- Projected Fees: Describe in detail your fee structure and/or commissions for the services you will perform for The City of Sachse. Describe your firm's philosophy regarding commissions for employer paid benefits & other ancillary products versus fixed fees and the percentage of your clients who are compensating your firm with fee-based arrangements?
- The City of Sachse expects to contract with the successful bidder for a period of at least twelve (12) months. However, the City desires a long-term relationship with the consultant selected assuming the consultant services continue to meet the City's requirement and pricing remains competitive. Does your firm provide a multiple year compensation arrangement and/or service agreement? Describe our right to terminate a contract with you.
- The City is exempt from federal excise tax and state sales tax. Unless specifications specifically indicate otherwise, the price proposal must be net exclusive of above-mentioned taxes and will be so construed. Therefore, the proposal price shall not include taxes.

#### **IX. References**

- Please provide a list of three government entities for which your firm is currently providing similar services. Include company size and demographics, name and telephone number of the contact person.

#### **X. Additional Information**

- Provide any additional information that should be considered in the selection process.



**APPENDIX "A"**  
**CITY OF SACHSE, TEXAS**  
**GENERAL TERMS AND CONDITIONS**

The City of Sachse, Texas is accepting quotations for the goods and/or services listed in the attached Request for Proposal document ("RFP"). The following terms and conditions will apply to this Proposal. Please read the terms and conditions carefully. By submitting a proposal for the goods and/or services listed in the RFP document, you will agree to the following terms and conditions.

1. **PATENT RIGHTS.** Contractor agrees to indemnify and hold the City harmless from any claim involving patent right infringement or copyrights on goods supplied.
2. **EVALUATION.** Bids/proposals will be evaluated as outlined in the bid/proposal document.
3. **FUNDING.** The City of Sachse is a home-rule municipal corporation operated and funded on an October 1, to September 30, basis; accordingly, the city reserves the right to terminate, without liability to the city, any contract for which funding is not available.
4. **ASSIGNMENT.** The successful bidder shall not sell, assign, transfer or convey this Contract in whole, or part, without the prior written consent of the purchasing division.
5. **CHANGE ORDERS.** No oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in the resulting Contract. All change orders to the Contract will be made in writing by the City.
5. **ADDENDA.** Any interpretations, corrections or changes to this bid packet will be made by addenda. Sole issuing authority shall be vested in the City purchasing division. Addenda will be sent to all who are known to have received a copy of this bid packet, if the addenda contain changes to the "specification" or "bid form," bidders shall acknowledge receipt of all addenda or they will be declared non-responsive.
6. **INDEMNIFY AND HOLD HARMLESS.** Contractor shall release, defend, indemnify and hold harmless the City and its officers, agents and employees from and against all damages, injuries (including death), claims, property damages (including loss of use), losses, demands, suits, judgments and costs, including reasonable attorney's fees and expenses, in any way arising out of, related to, or resulting from the performance of the work or caused by the negligent act or omission of Contractor, its officers, agents, employees, subcontractors, licensees, invitees or any other third parties for whom Contractor is legally responsible (hereinafter "claims"). Contractor is expressly required to defend City against all such claims. In its sole discretion, City shall have the right to select or to approve defense counsel to be retained by Contractor in fulfilling its obligation hereunder to defend and indemnify City, unless such right is expressly waived by City in writing. City reserves the right to provide a portion or all of its own defense; however, City is under no obligation to do so. Any such action by City is not to be construed as a waiver of Contractor's obligation to indemnify City pursuant to this Contract. Contractor shall retain City approved defense counsel within seven (7) business days of City's written notice that City is invoking its right to indemnification under this Contract. If Contractor fails to retain counsel within such time period, City shall have the right to retain defense counsel on its own behalf, and Contractor shall be liable for all costs incurred by City.



7. **REMEDIES.** The successful bidder and the City agree that each party have rights, duties, and remedies available as stated in the Uniform Commercial Code and any other available remedy, whether in law or equity.
8. **VENUE.** This Contract shall be governed and constructed according to the laws of the state of Texas. This Contract is performable in Dallas County, Texas. Exclusive venue shall be in Dallas County, Texas.
9. **PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS.** No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract void by the City.
10. **NOTICES.** Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, fax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to the City at 3815-B Sachse Road, Sachse, Texas, 75048, and marked to the attention of the City Secretary.
11. **SILENCE OF SPECIFICATIONS.** The apparent silence of these Specifications as to any detail or to the apparent omission of a detailed description concerning any point, shall be regarded as meaning that only the best commercial practices are to prevail. All interpretations of these Specifications shall be made on the basis of this statement.
12. **INVALIDITY.** The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.