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CITY OF PALESTINE

REQUEST FOR PROPOSALS (RFP) CONSULTING AND INSURANCE BROKERAGE SERVICES FOR GROUP BENEFITS

Sealed Proposal Due Date: Monday, May 13, 2019 at 3:00 p.m.

I. PURPOSE

The City of Palestine (City) is soliciting Request for Proposals from qualified licensed brokers to provide consulting and insurance brokerage services for the City's group employee benefits for a plan effective date of October 1, 2019. Sealed proposals are due to the City Secretary's Office by **Monday, May 13, 2019, at 3:00 p.m.** Sealed proposals will be opened during the Palestine City Council meeting on **Monday, May 13, 2019, at 5:30 p.m.** In order to be considered, the sealed proposals must address each of the requests for information in the Summary of Qualifications section.

II. SERVICES REQUIRED

The City seeks to identify and retain a licensed broker(s) to provide consulting and insurance brokerage services to assist with the solicitation, selection, implementation, and oversight of the City's group benefits including: medical (including prescription coverage), dental, vision, basic and voluntary life, AD&D, dependent care and medical flexible spending accounts (FSAs), long-term disability, supplemental policies, employee assistance programs (EAPs), wellness programs, COBRA, and retiree coverage. The Plan Year effective date will be October 1, 2019.

The City has approximately 185 full-time benefits eligible employees. The current Employee Benefit Guide for the Plan Year dates of October 1, 2018 through September 30, 2019 may be viewed online at: <http://cityofpalestinetx.com/default.aspx?name=hr.home>.

The main areas of service to be provided will be:

- Annual plan document review for compliance
- Prepare annual GASB reports
- Provide guidance for insurance regulatory and legislative updates
- Provide claims and benefits assistance services
- Assist with annual employee enrollment
- Send RFP to markets for all lines of coverage for Plan Year beginning October 1, 2019
- Provide City Council and Benefits Review Committee with guidance on plan selection options

III. BACKGROUND

The City of Palestine is a home rule City located in Anderson County and has a population of approximately 18,306 per the 2017 U.S. Census estimate. The City operates under a Council-Manager form of government with a Mayor, six (6) Council Members, and a City Manager. The Council Members are elected from single member districts, with the Mayor elected at large. The City Manager is the Chief Executive Officer of the City. It is the City Manager's duty to execute and implement policies as established by the City Council.

IV. SUBMISSION OF RESPONSE

Delivery: Proposals must be sealed. Proposals may be mailed or hand-delivered to the City of Palestine, City Secretary. Sealed proposals for Consulting and Insurance Brokerage Services are due to the City Secretary's Office by **3:00 p.m. on Monday, May 13, 2019.**

Proposals are required to include twelve (12) copies of the Statement of Qualifications (including responses to questions 1 – 18 and the Consultant Questionnaire).

Please include on the sealed bid envelope:

“SEALED RFP 2019-002 - TO BE OPENED: MONDAY, MAY 13, 2019 at 5:30 P.M.”

Proposals received after this time will be returned unopened. The City reserves the right to reject any and all proposals, to request additional information concerning any proposal for purposes of clarification, and to waive any irregularities and informalities in the submittal and evaluation process. This RFP does not obligate the City to pay any cost incurred by respondents in the preparation of the proposal. Furthermore, this RFP does not obligate the City to accept or contract for any implied services.

Mailing Address and Hand Delivery Address:

Teresa Herrera, City Secretary
City of Palestine
ATTN – SEALED RFP 2019-002 - TO BE OPENED: 05/13/2019 AT 5:30 P.M.
504 North Queen Street
Palestine, TX 75801

Your proposal shall be governed by the following schedule:

Friday, May 10, 2019 at 5:00 p.m., Central Standard Time (“CST”)

Deadline for inquiries, questions, requests for information, or pre-proposal conference with the Human Resources Director.

All questions must be submitted in writing to humanresources@palestine-tx.org.

Pre-Proposal Conference: The Human Resources Director will meet with any respondent prior to noon on Friday, May 10, 2019, to provide any additional information. Proposers must schedule an

appointment by contacting the Human Resources Director at 903-731-8421 to schedule the pre-proposal conference.

Monday, May 13, 2019 at 3:00 p.m., CST

Sealed, written proposals due at Palestine City Secretary's Office

Proposals received after the published deadline shall remain unopened and will be returned to the vendor.

Monday, May 13, 2019 at 5:30 p.m., CST

Opening of sealed bids during the Palestine City Council meeting.

To be considered for this engagement you must meet the qualifications and satisfy the requirements set forth in this RFP.

Communications: All communications regarding the submission of your proposal are to be in writing directly through the Human Resources Director at humanresources@palestine-tx.org.

V. PROPOSAL INFORMATION

Disclosure of Existing Agreement

The City of Palestine has an existing agreement with Arthur J. Gallagher & Co.

Contract Term

The City of Palestine intends to enter into an agreement with the Contractor to perform Services for an initial one (1)-year base term, with the option to renew for up to two (2) additional one (1)-year renewal periods, upon mutual written agreement with both parties. The City does not guarantee that a contract will be awarded as a result of the RFP. In the event that a contract award is made, but the contract is not executed, the City does not guarantee that the contract will be re-awarded.

Statement of Qualifications

Each Statement of Qualification (SOQ) must address, but does not need to be limited to, the following information:

Respondents shall include:

Qualifications and Experience

1. List the name and all addresses of location(s) of your firm. Which firm location will be designated as the primary location for services provided?
2. List all individuals and contact information for who would be providing services for this RFP.

3. List an operational history for the past five (5) years that details the involvement as a provider of insurance and/or brokerage services.
4. List any applicable business licenses, permits, certifications, degrees, and other credentials held by individuals who will be providing services.
5. Describe your involvement with municipalities or other governmental agencies that you have provided insurance and/or brokerage services. List any contact information for current/former references for the past five (5) years for governmental clients.
6. Describe whether your firm (or any firm previously affiliated with your firm) has ever undergone an investigation by an outside agency pursuant to the filing of claims and describe the outcome of the investigation including ramifications to your firm or your firm's client cities.
7. Describe whether your firm has ever lost an account due to concerns of improper billing practices, accusations or clients concerns of fraud as defined by applicable Federal or State Authorities.
8. Describe, in detail, whether your firm has ever lost an account due to breach of contract, or incurred any unfavorable contractual outcomes (to include any terminations, etc.)
9. Describe your account team structure including:
 - a. Service Team
 - b. Compliance Resources – plan documents execution and revision, regulatory/legislative compliance
 - c. Communications/Marketing
 - d. Annual Open Enrollment Process
10. Describe the reporting support you can provide relative to:
 - a. Financials
 - b. Utilization
 - c. Claims
 - d. Annual GASB reporting
11. How do you assist a client with plan document review and preparation? Include your steps for reviewing annual compliance.
12. How do you measure the success of programs and interventions?
13. Do you believe wellness programs work, why or why not, and what should be considered?
14. How important is participant engagement in cost control and how would you influence or measure?
15. How would you help an employer evaluate network alternatives?

16. If selected as the contractor for the City of Palestine, describe your marketing plan and timeline for a request for proposal process for all of the various tiers of our group benefit plan mentioned in SECTION II for the Plan Year effective date of October 1, 2019.

Rates Fees and Expenses

17. Provide a detailed fee schedule for services related to the scope of work identified in SECTION II of this RFP. Explain whether it is a per participant fee, flat-based, or percentage for each type of services provided. Be specific as to whether the rates will change based on number of enrollees or dollar amount of premiums. Include your fees for annual GASB reporting, and any other reporting you provide for clients.
18. Identify and list all special services and identify charges, particularly disclosure requirements.

Consultant Questionnaire

The City is interested in entering into a relationship with an employee benefits consultant who is able to maximize the value of the benefit program. This will require a consultant who is experienced with cities in Texas and/or other public entities, and who is available and accessible to the staff. To assist in the evaluation of qualifications, please answer the additional questions:

- a. Explain what separates your company from its competitors and what specifically qualifies you to be a consultant for the City.
- b. Disclose your past and present financial relationship to any and all insurance companies, Third Party Administrators (TPA), and/or any other providers of services similar to the ones you may provide for the City of Palestine. Be specific relating to the disclosure of types of income commissions, fees, and/ or overrides.
- c. What types of services do you provide to fully-insured health plan clients? Be specific relating to areas of expertise, and the duties you perform(ed). Include information regarding online or mobile applications for benefits, resources for non-English speaking employees, support for case management, etc.
- d. Describe which of the following services you have provided to your clients as well as the most significant findings of each.
 - i. Claims audits of a TPA or insurance company for a fully-funded health plan.
 - ii. Deployment of specialized Disease Management Programs/Wellness Programs.
 - iii. Establishment and negotiation of local direct provider contracts for specific health related services.
- e. Identify the number and types of RFPs you have completed in the past 12 months for cities or public entities. Provide at least one real example of savings realized as a result of a single RFP.

f. Identify three of your most significant accomplishments on behalf of a municipal organization or similar city in Texas. For each accomplishment, please include a client or former client's name and telephone number who can confirm each claim.

g. What are the steps or due diligence steps you generally adopt before recommending a vendor to your client as a benefit provider?

VI. EVALUATION PROCESS

The City of Palestine reserves the right to accept or reject any and all submissions in the best interest of the City. Proposals will remain in effect for 90 days. Proposals cannot be altered or amended after the submission deadline. Any interlineations, alterations, or erasures made before bid opening must be initialed by the signor of the proposal, guaranteeing authenticity.

Receiving Bids

Sealed bids will be received by the City Secretary. The time received shall be noted on the envelope or box and initialed.

Bids received after the published deadline shall remain unopened and will be returned to the vendor.

Bid Process

Sealed bids will be opened at a City Council meeting where a majority of the Council is present. The bids shall remain on file, open for inspection in the City Purchasing Office for at least forty-eight (48) hours before the contract may be awarded. Bids that are received, which are unmarked, shall be opened for identification purposes only and resealed. The envelope or box shall be marked accordingly.

After bids have been opened, the submittals will be reviewed by the Benefits Review Committee, an evaluation team for the purpose of identifying and recommending those individuals/brokerage firms offering, in total, the highest qualifications and experience with this type of project. All respondents shall be scheduled for an oral interview presentation to the Benefits Review Committee. The Benefits Review Committee shall be responsible for preparing a tabulation sheet for all bids received that will be made available to the public upon request. The tabulation sheets will be forwarded to the City Council to make the final decision of an award. The individual(s) or firm who is awarded a contract will be tasked with seeking bids for all major and supplemental insurance policies, COBRA, and EAP services for the Plan Year beginning on October 1, 2019.

The following information will be taken into consideration during the evaluation process:

1. Meets qualifications identified in the Request for Proposal.
2. Included complete and clear responses to requested information.
3. Ability to provide the full range of services requested.

5. Demonstrates sound judgment, integrity, and reliability as determined by the references provided.
6. Cost of providing services as per the submitted rate schedule.
7. Results of an oral presentation to the Benefits Review Committee.

The following criteria and weight factors will generally be used to evaluate responses:

1. Qualifications and Experience – 25%
2. Range of Services Available to Employees – 15%
3. Rates, Fees and Expenses – 15%
4. References – 15%
5. Questionnaire – 15%
6. Oral Interview Presentation to Benefits Review Committee – 15%

Proposal Packages

Proposal packages will be available on Friday, April 26, 2019 at 5:00p.m., from the City Secretary's Office, 504 North Queen Street, Palestine, TX or on the City of Palestine's webpage: www.cityofpalestinetx.com.

Point of Contact

In the event clarification or additional information is needed, contact:

City of Palestine Human Resources Department
504 North Queen Street
Palestine, Texas 75801
903-731-8421 Telephone
humanresources@palestine-tx.org

Notice

Any notice provided by this RFP or required by law to be given to the respondents by City of Palestine shall be deemed to have been given and received on the next business day after such written notice was deposited in the U.S. Postal Service mail facility in City of Palestine, Texas by registered or certified mail addressed to the respondent at the address provided in the sealed respondent. Any interpretation, corrections, or changes to this Request for Proposals will be made by addenda. The sole issuing authority of addenda shall be the City of Palestine City Secretary. Addenda will be mailed to all who are known to have received a copy of this Request for Proposals. Bidders shall acknowledge receipt of all addenda.

VII. CONTRACT TERMS

Contract Term

If the City Council recommends an award, the City will require the selected respondent to sign a separate, formal contract that fully incorporates all provisions of this solicitation. The City reserves the right to modify terms and conditions of any proposed contract during negotiations with the respondent.

Assignment

The selected respondent shall not sell, assign, transfer, or convey any resulting contract in whole or in part without the prior consent from the City Council.

Termination of Contract

The City of Palestine reserves the right to terminate the contract immediately in the event the successful respondent:

1. Fails to meet delivery schedules.
2. Defaults in the payment of any fees.
3. Otherwise fails to perform in accordance with this contract.
4. Becomes insolvent and/or files for protection from bankruptcy law.

Termination of Convenience

The termination of the contract may be terminated without penalty, by either party by providing thirty (30) day's written notice to the other party, or under any other provisions provided by City Charter.

VIII. INQUIRIES

Any questions relating to this Request for Proposals must be submitted in writing to:

City of Palestine, Attn: RFP 2019-002, Human Resources Director, 504 North Queen Street, Palestine, TX 75801 or Email: humanresources@palestine-tx.org