



City of Blackfoot

Request for Proposal Employee Benefits Insurance Broker & Consulting Services

City of Blackfoot
157 N. Broadway
Blackfoot, ID 83221
208-785-8600
www.cityofblackfoot.org
April 12, 2017

An Invitation to Submit a Proposal

OVERVIEW

Given the fast pace of change in the benefits and insurance marketplace, and the fact that benefits are our second largest expense, we plan to thoroughly review all our options and match the right broker to our current and future requirements. We are seeking a broker who can share with us innovative strategies to control costs, provide systems that minimize administrative time and costs, operate in a transparent and trusted manner as well as share best practices that will enable us to increase employee loyalty, retention and productivity.

We are focused on choice... your capacity to constantly bring us compelling options; price... a highly competitive set of numbers that insure the highest quality at the lowest cost and service... your problem solving and consultative skills are paramount here.

Proposals will be accepted until 1:00 p.m. on Friday, June 9, 2017. Submittals and requests for information should be sent electronically via the email address below or mailed in a sealed envelope addressed to:

City of Blackfoot
157 N Broadway
Blackfoot, ID 83221
208-785-8600, x-1814
ATTN: Lisa J Tornabene
Email: lisa@cityofblackfoot.org

Thank you for your interest in participating in our Broker selection process and congratulations on being invited to submit a proposal.

Paul M Loomis
Mayor, City of Blackfoot

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I. INTRODUCTION

A. PURPOSE

The purpose of this Request for Proposals (RFP) is to solicit offers from qualified insurance Brokers (Proposer) to provide brokerage and consulting services to the City of Blackfoot (City) in support of the City’s ancillary benefits programs. The medical plan offered to City of Blackfoot employees will not be included in this proposal. Such services will include, but not be limited to: (1) reviewing and advising on appropriate insurance coverage; (2) marketing and placement of insurance, including issuance of requests for proposals, as required; (3) reviewing vendor contracts and evidence of coverage; (4) coordinating with other City benefits service providers; (5) participating in City benefits committee meetings; (6) acting as a liaison and an advocate for the City with insurance companies; and (7) developing and producing communications materials.

B. BACKGROUND

The City of Blackfoot is one of the largest employers in Bingham County. The City has a work force of over 170 employees, including part-time employees.

The current plans are as follows:

- Dental The Standard
- Vision VSP
- Life Insurance The Standard
- Voluntary Life Insurance The Standard
- Short Term Insurance The Standard
- AD&D The Standard
- HRA Buydown BenX
- Flexible Spending Account BenX
- COBRA Administration BenX
- Voluntary Benefits Transamerica

Employee/Insured Population: Approximately 118 Employees

Employees eligible for benefits: Approximately 118

Employee Premium Participation: Dental, vision, basic life, short term disability and AD&D premiums are approximately 100% city-paid for full-time employees and their dependents. In fiscal year 2016-2017 The City of Blackfoot expects to spend \$140,000.00 in premiums for active full time employees.

The City’s management is studying alternatives to the City’s benefits programs. The outcome of this evaluation could lead to a restructuring of the delivery model for the City’s ancillary benefits and, possibly non-renewal of the broker contract resulting from this RFP.

C. CITY MISSION

The mission of the City of Blackfoot is to foster community cooperation in providing for an attractive, clean, safe and enriching environment that assures a high quality of life. We provide services with integrity, professionalism and accountability in an efficient, cost-effective manner.

II. SCHEDULE AND SUBMITTAL

A. RFP SCHEDULE

ACTION	DATE
RFP Issued to Prospective Bidders	April 12, 2017
Written Questions Deadline	May 10, 2017
Proposal Submissions Due	June 9, 2017 no later than 1:00 P.M. (MDST)
Proposal Submission Reviews	Week of June 12 th , 2017
Finalist Interviews	June 26, 2017
New Broker Announcement	June 28, 2017

B. PROPOSAL SUBMITTAL

Questions or comments regarding this RFP must be put in writing and e-mailed to the City no later than May 10, 2017 to lisa@cityofblackfoot.org, subject: Ancillary Benefit Broker Bid.

The City shall not be obligated to answer any questions received after the above-specified deadline or any questions submitted in a manner other than as instructed above.

Proposals must be received no later than 1:00 p.m. (MDST) on June 9, 2017. Any proposal received after this date and time, may, at the sole discretion of the City, be returned or set aside without consideration. It is the practice of the City not to consider late offers unless it is determined that a selection cannot be made from among the proposals received on time.

Proposals shall be submitted by either physical delivery or electronic delivery but not by a combination of these methods.

III. GENERAL INFORMATION

A. PROPOSAL TERMS

Proposals, prices, terms and conditions shall remain firm for a period of one hundred twenty (120) days from the due date for proposals. All materials submitted in response to this RFP shall become the property of the City. The City reserves the right to reject any or all proposals received if such action is considered to be in the best interest of the City. This request does not

obligate the City to pay any cost incurred by vendors related to submission of proposals in response to this RFP.

B. STANDARD AGREEMENT

The City may accept one part, aspect or phase, or any combination thereof, of any proposal unless the company specifically qualifies its offer by stating that the proposal must be taken as a whole. The City may award the service agreement based upon the initial proposals received without discussion of such proposals. Accordingly, each initial proposal should be submitted with the most favorable price and service standpoint. The City reserves the right to negotiate final contract terms with any company, regardless of whether such company was interviewed or submitted a best and final proposal. The City, in its discretion, may terminate the agreement in whole or in part at any time, whenever it is determined that the successful company has failed to comply with or breached one or more of the terms and conditions of the agreement or specifications incorporated therein. In the event of the partial or total termination of the agreement, it is hereby agreed that the City shall only be obligated to pay in accordance with the terms of the agreement for materials and services, which have been accepted by the City.

C. POST SUBMITTAL MEETING

To facilitate consideration of the proposals, the City may, at its option, conduct interviews after receipt of the proposals. If this is necessary, the company will be contacted to arrange a time for an interview.

D. ORAL COMMUNICATIONS

Any oral communication by the City’s Contact Person(s) or designee concerning this RFP is not binding and shall in no way modify the RFP or the obligations of the City, Proposer or Contractor.

E. CHANGES TO RFP

If it is necessary to make material changes to the RFP, the City will mail, fax or e-mail any written RFP addenda to all recipients of record of the original RFP. Recipients of record are those parties that obtained a copy of the RFP directly from the City. It shall be the responsibility of the Proposer to inquire of the City as to any addenda issued, prior to the proposal-submitted deadline. All addenda issued shall become part of the RFP.

F. EXCEPTIONS/DEVIATIONS

Any exceptions to or deviations from the requirements set forth in this RFP must be declared in the proposal submitted by the Proposer.

G. ORAL PRESENTATION

Proposers who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to the City. This provides an opportunity for the proposer to clarify

or elaborate on the proposal. This is a fact finding and explanation session only and does not include negotiation. The City will schedule the time and location of these presentations. Oral presentations are an option of the City and may not be conducted.

H. TERM OF CONTRACT

If a contract is awarded through this RFP, it will be effective upon full execution of the agreement for an initial (three-year) term commencing October 1, 2017 and ending September 30, 2020, unless terminated earlier in accordance with the provisions specified in the City's Standard Agreement. Thereafter, the City reserves the right at its sole option, dependent upon performance, to renew the contract indefinitely at its discretion. The agreement with the City shall be in effect until a contract has been approved by Blackfoot's City Council, or designee, and has been signed by both parties.

I. NEWS RELEASES

News releases pertaining to any award or declination resulting from this RFP may not be issued without the prior written approval of the City. In addition, any information provided to the media that is false and misleading directly or indirectly by individuals participating in the RFP process will result in disqualification of the parties bid presented. The City strongly believes in professionalism, and expects any potential bidders to operate in the same manner. Media releases by disgruntled bidders portray unprofessionalism from both the City and the bidders. This type of action may also result in the City declining to accept competitive bids from whoever falsified the information.

J. CONTRACTOR EVALUATION

At the conclusion of the contract, the City may evaluate the contractor's performance. The results of this evaluation may be considered by the City in evaluating future proposals from the contractor and may be shared with other parties considering engaging the contractor.

IV. PROPOSAL FORMAT

A. REQUESTED FORMAT

Proposals are to be submitted in 8½"x 11" size, typed and, if submitted in paper form, bound with a simple method of fastening. The proposal should not exceed 20 pages in length, excluding appendices, if any and should include an executive summary with supporting documents. Proposers should use the following outline in organizing the contents of their proposals. The letter of transmittal shall, at a minimum, contain the following:

1. Cover Letter
 - a. Identification of the Proposer, including business name, address and telephone number.
 - b. Name, title, address, telephone number, fax number, and e-mail address of a contact person during the period of proposal evaluation.

- c. A statement that the proposal shall remain valid for a period of not fewer than one hundred twenty (120) days from the due date for proposals.
- d. Identification of any information contained in the proposal which the Proposer deems to be, and establishes as, confidential or proprietary and wishes to be withheld from disclosure to others (a blanket statement that all contents of the proposal are confidential or proprietary will not be honored by the City).
- e. Signature of a person authorized to bind the offering firm to the terms of the proposal.
- f. A complete table of contents, including page numbers, should be inserted immediately following the introduction and cover letter, for material included in the proposal.

V. PROPOSAL CONTENT

A. QUALIFICATIONS, RELATED EXPERIENCE AND REFERENCES

This section should establish the ability of the Proposer (and its subcontractors, if any) to satisfactorily perform the required work by reasons of: demonstrated competence in the services to be provided, the nature and relevance of similar work currently being performed or recently completed, record of meeting schedules and deadlines of other clients, competitive advantages over other firms in the same industry, strength and stability as a business concern, and supportive client references. Information should be furnished for both the Proposer and any subcontractors included in the offer.

1. Furnish background information about your firm, including date of founding, legal form (i.e., sole proprietorship, partnership, LLC, corporation/state of incorporation), number and location of offices, principal lines of business, number of employees, days/hours of operation and other pertinent data. Disclose any conditions (e.g., bankruptcy or other financial problems, pending litigation, planned office closures, impending merger) that may affect the Proposer's ability to perform contractually. Certify that the firm is not debarred, suspended or otherwise declared ineligible to contract by any federal, state or local public agency.
2. Describe your firm's most noteworthy qualifications for providing the required services to the City. Specifically highlight those qualifications that distinguish you from your competitors.
3. Identify at least three (3) current clients the City may contact as references and who can independently evaluate the Proposer's expertise in this area. Describe the work performed and include the name, job title, address and telephone number of a contact person for each reference.
4. Describe other lines of business in which your firm is engaged.
5. If your organization is a subsidiary or division of a parent firm, provide similar background information on the parent company and identify any other affiliated companies.
6. Describe your firm's disclosure policy.

7. Disclose any existing or potential conflicts of interest between the scope of work required by the City and your firm's other business activities.

B. STAFFING AND PROJECT ORGANIZATION

This section should discuss the on-site staff who would be assigned to service the City's account, their projected levels of work, and their reporting relationships. Staff outside your own organization are considered support staff for the insurance carrier or vendor.

1. Identify the key personnel from your firm who would be assigned to this project. Include a brief description of their qualifications, current job functions (including other accounts to which they are committed), proposed roles on the City's account team, and office location(s). Designate a principal of the firm who would be ultimately responsible for the relationship and an Account Manager who would provide day-to-day direction of the required work. Furnish brief resumes (not more than two pages long) for all key personnel; include these as an appendix not in the body of the proposal.
2. Include a simple organization chart that clearly delineates communication and reporting relationships among the project staff.

C. WORK PLAN/TECHNICAL APPROACH

This section should establish the Proposer's understanding of the City's objectives and requirements, demonstrate the Proposer's ability to meet those requirements and outline clearly and concisely the plan for accomplishing the specified work.

1. Describe succinctly how your firm would accomplish the work and satisfy the City's objectives described in this RFP. If appropriate, divide the work into segments or tasks to represent milestones for measuring progress.
2. List all names of the insurance companies that underwrite 30% or more of your firm's book of business. Project whether you would approach the same markets on behalf of the City's account or source other markets.

D. FEE

This section should disclose **all charges** to be assessed the City for the Scope of Services.

1. Quote an annual total fixed flat fee for completing all requirements outlined in the Scope of Services.
2. Quote a separate annual total fixed flat fee for the optional work of developing and producing communications materials.
3. For all fees requested above, quote for the Initial Term and for each of the potential optional years that may follow. The annual total fixed fees shall be inclusive of all expenses and costs, including direct labor, indirect costs and profit.
4. The broker/consultant's only permitted source of income, revenue or compensation earned or received in connection with the City's account is the annual total fixed flat

fee paid by the City or commissions that are fully disclosed. Any other source of income, revenue, consideration, or compensation, including, but not limited to, commissions and overrides (including administration income and fees regarding administration of the buydown, FSA and COBRA) received by the broker/consultant in connection with the City's account, must be disclosed and either remitted to the City or subtracted from the fee received from the City. The City may perform random audits to verify that other fees or income are not being "buried" in the fixed costs of the plan.

E. EXCEPTIONS/DEVIATIONS

State any exceptions to or deviations from the requirements of the RFP. If you wish to present alternative approaches to meet the City's work requirements, these should be thoroughly explained.

F. APPENDICES

1. Furnish as appendices those supporting documents (e.g., staff resumes) requested in the preceding instructions.
2. Include any additional information you deem essential to a proper evaluation of your proposal and which is not solicited in any of the preceding sections. Proposers are cautioned, however, that this does not constitute an invitation to submit large amounts of extraneous material; appendices should be relevant and brief.

Proposals must address each specification directly and to the point. Any deviation from the specifications must be noted. The City reserves the right to postpone the award for its own convenience, to accept or reject any or all proposals received in response to this RFP, to negotiate with more than one Proposer simultaneously, or to cancel all or part of this RFP.

By submitting a proposal, the provider is indicating that he/she has read, understands and agrees to all points in the specifications. Unsigned proposals will be rejected.

VI. ADDITIONAL INFORMATION

The City shall not be liable for pre-contractual expenses incurred by the Proposer in the preparation of its proposal and Proposers shall not include any such expenses in their offers. Pre-contractual expenses are defined as expenses incurred by the Proposer to: (1) prepare and submit its offer to the City; (2) negotiate with the City on any matters related to this RFP; and (3) any other expenses incurred by the Proposer prior to the date of award, if any.

The City may award a contract based upon the initial proposals received without discussion of such proposals. Accordingly, each initial proposal should be submitted with the most favorable price and service standpoint.

The City reserves the right to hold negotiations in an attempt to clarify and qualify terms of any proposal.

The City, in its discretion, may terminate the agreement in whole or in part at any time, whenever it is determined that the successful company has failed to comply with or breached one or more of the terms and conditions (scope of services) of the agreement or specifications incorporated therein. In the event of the partial or total termination of the agreement, it is hereby agreed that the City shall only be obligated to pay in accordance with the terms of the agreement for materials and services, which have been accepted by the City.

VII. SCOPE OF SERVICES

A. CONSULTING SERVICES

The bidder's client management team will be expected to perform the following services. Any services not provided directly by the proposing firm should be clearly identified:

- Serve as an advisor on all ancillary benefit related issues demonstrating your firm's knowledge of the municipality industry;
- Review and evaluate the City's benefit components, specifically in the area of design, funding, cost and administration as identified in Section I. Introduction;
- Review levels and types of coverage offered and recommend any changes to current offerings;
- During the initial term, investigate all viable programs, insurers and service providers, and provide a thorough cost benefit analysis report of each option, detailing your firm's resources in these areas;
- Propose recommendations to include comparative alternatives, plan design changes, new products and compliance with all appropriate tax codes, as well as state and federal regulations governing benefit plan. Include three recommended carriers for each ancillary line of coverage in order of preference;
- Review current carrier plans and performance and provide written report on findings;
- Recommend cost containment strategies and techniques on all employee benefits;
- Provide updates on legal issues and regulations as they relate to operations and coverage and detail your firm's resources in this area;
- Provide annual cost analysis and detail your firm's resources in this area and provide examples of reporting capabilities;
- Attend meetings called by the City to discuss, review and evaluate the City's benefit plans;
- Develop open enrollment materials and assist in open enrollment meetings and detail your firm's resources in this area;
- Provide detailed financial reports as requested by the City.

B. ADMINISTRATIVE SERVICES

The bidder will be expected to perform the following services. These services should be included as part of your consulting fee:

- Secure timely renewal quotations from plan providers;
- Negotiate with providers to secure competitive rates and maximize discount levels;
- Prepare specifications, receive and analyze bids and make recommendations for the replacement or modification of current vendors;
- Facilitate in the successful transition of any coverage or administrative service as requested by the City;
- Assistance with employee problems including claim payments, billing eligibility and enrollment;
- Assistance with the development of employee communication tools, including the design and preparation of customized printed materials, on-site employee meetings, city specific web portal, etc.;
- Consult with the City on all benefit regulatory compliance issues and assist in the preparation of reporting requirements;
- Assist the City with all Idaho and Federal laws regarding insurance including COBRA, HIPAA, PPACA, etc.;
- Keep the City apprised of any changes/addendums to PPACA;
- Conduct an annual plan review to determine the year's success, areas of focus for next year, and how to reduce future liability;
- Administer Employee Health Insurance Deduction Buy-downs (if necessary),
- Adhere to any HIPAA law applicable to the Buy-down process;
- Provide Tax Reports applicable to Buy-down process;

VIII. INDEMNIFICATION

The Consultant must indemnify, defend, and hold harmless the Owner, its individual City Council members, agents, consultants and employees (collectively, "Indemnitees"), from and against all claims for death or injury to persons or damage or loss to property, including claims of Owner, third parties, and Consultant's or any subcontractor's employees, and any other claims, losses, damages, or expenses, including attorneys' fees, arising out of the performance of the services by Consultant, including, but not limited to, losses or damages caused in part by the Indemnitees' own negligence (except to the extent prohibited by State of Idaho or Federal law).

IX. EVALUATION PROCEDURE

A. PROCESS

- All proposals received in accordance with these RFP instructions will be reviewed, analyzed, evaluated and scored in accordance with the criteria described below. If

needed, additional information may be requested from one or more Proposers. Interviews and contract negotiations may be conducted with one or more Proposers. The evaluators will then select a Proposer for award. Any selection and contract award is subject to review and authorization by the City Council.

B. REQUEST FOR ADDITIONAL INFORMATION

- During the evaluation the City may require supplemental information in order to fairly evaluate a Proposer’s offer. For this purpose, the City may request such information, including a best and final offer, from the Proposer after the initial submittal. If such information is required, the Proposer will be notified in writing (or by-mail) and will be permitted a reasonable period of time to submit the information.

X. METHOD OF SELECTION

Vendor selection shall be determined by an evaluation of the total content of the proposal submitted. The following will serve as the basic criteria for the selection of the consultant chosen.

POINT SYSTEM	
Miscellaneous factors including RFP adherence to instructions and other factors	5 points
Work plan/Technical approach	15 points
Legislative Compliance and Knowledge of Necessary Requirements (Resources)	10 points
Qualifications, experience, references of Proposer, ability to carry out Scope of Work	10 points
Fixed flat fee for Scope of Services outlined herein	20 points
Cost of benefit plans	40 points

The City shall select two or more proposers deemed to be qualified and best suited among those Proposers submitting proposals, unless the City has made a determination in writing that only one Proposer is fully qualified, or that one Proposer is clearly more highly qualified than others under consideration. The selection of Proposers will be based on the evaluation factors included in this RFP. Negotiations shall be conducted with the selected Proposer(s). Price will be considered when selecting finalists for negotiation, but shall not be the sole determining factor.

After negotiations have been conducted with each selected Proposer, the City shall select the Proposer, which in its opinion, has made the best proposal that is in the best interest of the City. The City shall award the contract to that Proposer. The City may cancel this RFP, or reject proposals at any time prior to an award. The City is not required to furnish a statement of reason why a particular Proposer was not deemed to have made the best proposal.

Should the City determine in writing, and in its sole discretion, that only one Proposer is fully qualified, or that one Proposer is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Proposer.

The City reserves the right to reject any or all proposals, to waive any irregularities or informalities in the offers received and to change the evaluation process described above if circumstances dictate this or it is otherwise in the best interest of the City to do so. In the event a proposal(s) is rejected or otherwise does not result in a contract award, the City shall not be liable for any costs incurred by the Proposer in connection with the preparation and submittal of the proposal.

XI. CONTRACT AWARD

It is the intent of the City to award a single contract as the result of this RFP. However, the City reserves the right to apportion the requirements of this RFP among multiple contractors if this is determined to be in its best interests. Depending on the dollar amount of the award(s) and other factors, the contract(s) resulting from this RFP may require authorization by the City Council.

A handwritten signature in black ink, appearing to read "Paul M. Loomis". The signature is fluid and cursive, with a large loop at the end.

Mayor Paul M Loomis
April 12, 2017

City of Blackfoot
157 N Broadway
Blackfoot, ID 83221