



City of Hondo, Texas

1600 Avenue M

Hondo, Texas 78005

www.cityofhondo.com

**2017 Request for Proposals
for
Health Insurance Broker Services**

The City of Hondo, Texas will consider proposals for Health Insurance Broker Services. Information, instructions and specifications relative to the submittal of proposals for the insurance coverage requested are hereinafter set forth.

The City of Hondo reserves the right to reject any or all competitive sealed proposals and waive any irregularities contained therein and to accept any competitive sealed proposals deemed most advantageous to the City. Any competitive sealed proposal received after **2:00 PM, local time, Tuesday, May 2, 2017**, will be automatically rejected and returned to the proposer unopened. **The City of Hondo will not accept faxed or emailed proposals.**

The City of Hondo will not be responsible in the event that the U.S. Postal Service or any other carrier system fails to deliver the sealed proposal to the City by the given deadline above.

Background: The City of Hondo, located in Medina County, Texas, is a local government and employs 101 full-time positions who work in the areas of administration, protective services and service/maintenance. Currently the City of Hondo's insurance benefit program is offered to 100-151 full time employees, including dependents and retirees. The benefit program includes health, dental, vision, life, AD&D insurances, and wellness program.

GENERAL INFORMATION AND INSTRUCTIONS

- 1. The purpose of this request for proposal is to solicit and select an independent insurance broker (hereinafter referred to as BROKER) to act as the representative of the City of Hondo (hereinafter referred to as City) for employee health and welfare benefits management. The Broker shall effect the most advantageous placement of insurance coverage including but not limited to the terms and conditions of coverage, continuity and cost. In addition, the Broker must be capable of providing a full range of value-added services, including but not limited to, those outlined in the Scope of Services section.**
- 2. Sealed Bids will be received by:**
Gloria Colbath, City Secretary
1600 Avenue M
Hondo, Texas 78861

retained as a client. For each client, include the name, title, address, fax number, and phone number of a contact person who the City may contact as a reference.

Where applicable, all Offerors submitting proposals must be permitted to contract with the State or any of its subdivisions. Offerors who fall under the guidelines of the Interlocal Cooperation Act, Chapter 791, Title 7, Texas Government Code as amended, will be acceptable.

- 4. Governing Law:** Offerors shall comply with all applicable federal, state and local laws and regulations. Offeror is further advised that these requirements shall be fully governed by the laws of the State of Texas and that the City of Hondo, Texas may request and rely on advice, decisions and opinions of the Attorney General of Texas concerning any portion of these requirements.
- 5. Disclosures of Interests:** This questionnaire is governed by the Texas Local Government Code, §176.006 as amended. The questionnaire must be filled out with the records administrator (City Secretary's Office) of the local government and no later than the 7th business day the Offeror begins discussions or negotiations with the local governmental entity or submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity. The Offeror shall file an updated completed questionnaire with the City Secretary not later than the 7th business day after the date of an event that would make a statement in the questionnaire incomplete or inaccurate. The questionnaire is attached or can be found at the Texas Ethics Commission Website at www.ethics.state.tx.us.
- 6. Underwriting Information:** Due care and diligence has been used in the preparation of these specifications, and the information contained herein is believed to be current and correct. However, the responsibility for determining the full extent of the exposure and verification of all information presented herein shall rest solely with the Offeror. It is incumbent upon Offerors to fully review these specifications and to request additional specific information required. The City, its representatives and its consultant shall not be responsible for any errors and/or omissions in these specifications, nor for the failure on the part of the Offeror to determine the full extent of the exposure.
- 7. Agreement Term:** The term of the ultimate agreement shall be for an initial period of three years beginning upon execution of agreement with the successful Broker, and

shall provide for the option to renew for two (1) year periods, where the Broker and the City of Hondo are mutually agreed.

- 8. Compensation:** Provide a description of the compensation structure proposed by the brokerage firm. The description shall include all bases for remuneration proposed by the firm, i.e., commission, fee, other. Pricing Summary should include all rates, commissions, fees and other expenses for a total proposal price. Provider shall describe all available fee structures offered by the firm; including travel charges and any other cost that may be passed on to the City.

General Requirements & Instructions

1. The City reserves the right to reject any and all proposals, in whole or in part, waive any technicalities, and to accept the proposal which in its judgment is in the best interest of the City and its employees. Since there are important considerations involved in selecting a carrier or broker/consultant, in addition to rates, the City will not be required to accept the lowest proposal. In addition to cost, service will also serve as a basis for award of the contract. This RFP is being solicited under the Texas Local Government Code. The City of Hondo reserves the right to negotiate price, terms and conditions and other factors with this RFP and request a Best and Final Offer which will result in the “best value” for the City.
2. The proposal must conform in all respects to the specifications outlined in this RFP. If the Offeror’s company practice prohibits it from submitting a proposal on the same basis as outlined in the specifications, the Offeror may submit a proposal on a basis that is in accordance with its practice.

Please state clearly, in detail, any deviation from the specifications outlined in this RFP with complete reference to the provision from which the deviation is being made.

3. All prices shall be quoted as required in the specifications. The prices quoted in the proposal shall be firm and not subject to escalation or audit except where otherwise clearly indicated. If the prices are subject to escalation, the Offeror shall provide the basis for escalation and the maximum escalated amount. Prices quoted shall be guaranteed maximums and shall include all costs and expenses that will be incurred by the Offeror. A detailed breakdown of all costs must be provided with the proposal.
4. In case of ambiguity or lack of clarity in stating prices in the proposal, the City reserves the right to reject any or all proposals. The City also reserves the right to exercise its discretion and be the sole judge of the proposal. The City is not liable for any costs incurred by Offerors prior to the issuance of a contract and receipt of all necessary approvals.
5. Any Broker/Agent Commission will be fully disclosed in the rate page.
6. The City in its sole discretion, expressly reserves the right to request and/or require any additional information from the Offerors that it deems relevant with respect to this RFP.

7. All proposals must be signed by persons who have the legal authority to bind the Offeror. The proposal must include a specimen contract and any endorsement, if applicable.

EVALUATION CRITERIA

The proposals received will be evaluated based on the following criteria to determine each Broker's qualifications. The order does not indicate relative ranking.

1. Demonstration of competence, technical expertise, experience in employee benefits, insurance placement and Human Resources.
2. Demonstrated record of responsiveness and quality of customer service on this type of account.
3. Both the Broker's capabilities and the experience of individual team members assigned to the City account will be considered.
4. Availability to travel as needed to corporate headquarters and/or field locations.
5. Rates, fees or charges including the level of detail provided in the firm's fee information, as well as the willingness of the firm to offer flexible fee arrangements.
6. Broker's awareness and ability to provide timely, accurate communication of emerging trends, opportunities, regulatory updates and liabilities to clients.
7. Broker's ability to provide a broad spectrum of consulting services, including, but not limited to actuarial, claims administration, alternative funding arrangements.
8. Responsiveness of the Broker's proposal to the RFP, including clarity and organization of response, clear presentation of Broker's experience and approach to ensuring the needs of the City are fully met.

SCOPE OF SERVICES

The services detailed below are those services expected to be provided by the Broker pertaining to health and welfare benefits. Actual work will be directed by the City and may involve other consulting services that are not listed below.

1. Conduct strategic planning meetings to establish goals, priorities and identify areas of concern.
2. Financial underwriting and claims analysis, including renewal analysis and negotiations, budget projections, funding levels and alternatives, large claims analysis and quarterly reporting of the plan's financial performance.
3. Evaluate plan design in light of industry trends and labor market conditions, claims cost trends, alternative delivery systems and legal requirements. Evaluate eligibility, cost-sharing and benefit structure and network savings.
4. Prepare Requests for Proposals for insurance services or other employee benefit programs; analyze and make appropriate recommendations including premium quotations for Group Health, Dental, Vision, Life, short term disability and Accidental Death and Dismemberment.
5. Apprise the City of local and national trends and innovative ideas, and recommend new products, programs and services to ensure a competitive benefits plan.
6. Review and analyze claims experience data, claims service, efficiency and accuracy of claims administration to ensure that the City is receiving optimum service and benefits from all carriers and vendors.
7. Review on-going employee communications program, including a review of booklets, announcement materials and benefit statements.
8. Manage carrier/vendor relationships, review and advise on master contracts, review carrier service levels and compare to performance guarantees, resolve administrative issues, conduct periodic meetings as necessary.

9. Assist in COBRA, HIPAA, DOL, and ERISA compliance and reporting to include Summary Plan Descriptions and other Plan Documents.
10. Act as a technical resource and provide periodic updates on legislative developments and emerging trends.
11. Evaluate in-house administration procedures including recommendations for improving services and efficiency through the use of technology.

12. Description of Broker Services and Ability

12.1 Describe the process your firm utilizes to manage and administer a benefit package of our size throughout a contract year; i.e. 108 full time employees and 3 retirees.

12.2 What strategy does your firm utilize to manage and forecast a benefit package over a 2-3 year period?

12.3 Describe all services your firm/agency will offer the City.

12.4 What type of performance measures would your firm use to evaluate customer service and the City employee satisfaction? Are you willing to provide performance guarantees to the City for your services?

12.5 Describe your procedure for dealing with employee inquiries.

12.6 Do you offer assistance with claims and/or coverage questions?

12.7 Describe the action that would be taken, the support provided, and the personnel who would be involved in investigating and settling a disputed claim.

12.8 Describe the steps you anticipate will be needed to ensure a smooth transition if you are selected as the new Agent of Record.

Proposal Information

The successful proposer must be able to include the following:

- a.) Furnish a complete name, mailing address, and telephone number.
- b.) Designate the individual(s) along with respective telephone numbers, who will be responsible for answering technical and contractual questions with respect to their proposal.
- c.) Detail the scope of services your company would offer and how your firm would accomplish the work described.
- d.) Outline your ability to provide expertise and experience in the areas of health benefit plan analysis and design. Detail your ability to advise a municipality on health care cost containment strategies. Give examples of your work with other municipalities, similar in size to the City of Hondo, and the end result of that effort.

Selection of Proposals

1. Although cost will be an important factor in awarding the insurance, the City is not obligated to award a contract solely on the basis of the lowest proposal. The City reserves the right to use other subjective criteria and will award the insurance to the broker, agent or company which in the sole opinion of the City, will serve the best interest of the City. The City also reserves the right to waive any informalities or irregularities in any proposals and to reject any or all quotations.

2. Proposals will be carefully evaluated in terms of cost, effectiveness, and compliance with specifications. Award will be made to the Offeror submitting the best value based on the following criteria:
 - Ability to meet specifications in regard to plan design;
 - Demonstration of the ability to provide the services required;
 - Effective administration, implementation, and maintenance of the plan;
 - Offeror's Support Service;
 - A demonstrated commitment to the delivery of quality, cost effective, health care;
 - Length of initial rate/premium guarantee;
 - Professional experience of Offeror;
 - Quality of insurance coverage(s) and/or services offered;
 - Education, license(s), and certification(s);
 - History of Offeror, firm, and/or corporation;
 - Conformance to specification(s);
 - Pricing is important in the context of value. The award of the contract shall be made to the responsible Offeror whose proposal is determined to be the lowest evaluated offer resulting from negotiations after all request for information has been received. All factors outlined in the specifications will be taken into consideration in determining which proposal represents the best value; and

- Other factors as deemed appropriate by the City.

Furthermore, the City reserves the right to award the items of this RFP item by item to one Offeror or possibly a combination of Offerors responsible for one or more items.

3. Offeror finalists selected for final evaluation prior to final selection may be required to make an oral presentation of their proposal to the City and/or its health insurance committee. Such presentations provide an opportunity for the potential company to clarify the proposal to ensure mutual understanding.
4. As provided by state purchasing laws, the City reserves the right to negotiate with any or all proposals after the proposals are opened by the City.

CITY OF HONDO RIGHTS

1. If only one or no proposal is received by "submission date", the City has the right to reject, re-propose, accept and/or extend the proposal by up to an additional two (2) weeks from original submission date.
2. The right to reject any/or all proposals and to make award as they may appear to be advantageous to the City of Hondo.
3. The right to hold proposal for 90 days from submission date without action, and to waive all formalities in proposal.
4. The right to extend the total proposal beyond the original 90-day period prior to an award if agreed upon in writing by both parties and if proposal holds firm.

Submission

Seven (7) copies of the proposal shall be submitted with the name and telephone number of the principal person provided.

Interpretations, changes, modifications or additions to the Request for Proposal resulting from any inquiries shall be published by addenda to all those receiving the original proposal package. All material submitted becomes the property of the City and will not be returned.

The information contained in this RFP is confidential and may be used solely for the purpose of preparing proposals for the City.

Additional Comments

All information and material returned with proposals shall become part of any contract, which results from this proposal. Any proprietary information submitted for review should be submitted in a separate sealed envelope plainly marked as proprietary information. The City of Hondo will disclose this information only to those involved in the selection process.

The City of Hondo is aware of the time and effort you expend in preparing and submitting proposals to the City. Please let us know of any requirements in the RFP, which are causing you difficulty in responding. We want to make this process as easy as possible so that all responsible vendors can compete for the City's business.

If you require any interpretations, clarifications or questions, please direct all inquiries in writing to Dorrance Roderick, Finance Director, City of Hondo, Texas, via e-mail to droderick@hondo-tx.org or fax (830) 426-5189 prior to **2:00 p.m. on April 24, 2017**. A direct response to all inquiries will be posted on the City of Hondo Website.