



# CITY OF West Linn

## REQUEST FOR PROPOSAL

### AGENT OF RECORD FOR EMPLOYEE BENEFITS

The City of West Linn is soliciting requests for proposals from qualified contractors to provide benefit broker and consulting services in designing, purchasing and managing employee group benefits. The City wants to ensure we are receiving the optimum level of service at a competitive price, and that our process is fair, open and transparent to all.

The RFP and any other addenda that are issued may be reviewed and obtained at West Linn City Hall, 22500 Salamo Road, West Linn, Oregon, 97068; or on the City's Human Resources Department Website [bids.westlinnoregon.gov](http://bids.westlinnoregon.gov)

**All proposals must be submitted to Elissa Preston, Human Resources Manager, City of West Linn, 22500 Salamo Road, West Linn, Oregon, 97068, by Friday, January 23<sup>rd</sup>, 2015 at 4:00 PM.**

The City may reject any proposal, in whole or in part, not in compliance with all prescribed procedures and requirements, and may reject any or all proposals upon a finding that it is in the City's best interest to do so.

### BACKGROUND

The City of West Linn currently employs approximately 140 employees. Approximately 95 of the employees are represented by one of the City's two labor unions: the American Federation of State, County and Municipal Employees (AFSCME) and the Clackamas County Peace Officers Association (CCPOA).

The City offers two medical insurance plans to approximately 117 eligible employees and their families. We offer a choice of HealthNet and Kaiser. The City also offers dental insurance through ODS (CIS) and Kaiser. The medical and dental plans are all fully insured. The City also provides vision; long-term disability; EAP; VEBA; deferred compensation plans, a flexible spending plan, life insurance and AD&D.

The selected Broker of Record will work with the Human Resources Department and the Employee Benefits Review Committee in evaluating and negotiating employee benefits for the City's employees and their families. Employees have the option of opting out of medical and dental coverage. Currently, represented employees contribute 5% of the premium and non-represented employees contribute 10%.

The Employee Benefits Review Committee is charged with being knowledgeable about the City's health insurance programs. The group makes recommendations regarding health insurance, and provides communication and information to employees.

## SCOPE OF SERVICES

The City of West Linn is looking for a partner to manage costs, comply with legislation, and utilize technology to communicate and administer the Benefit Plans

The Scope of Services includes:

- Provide insurance brokerage and advisory services associated with employee benefit plans. This includes, but not limited to representing the City to assist in controlling health and dental plan expenditures while maintaining a similar level of benefits for employees.
- Define objectives and initiatives through strategic planning. Prepare an annual benefits calendar and execute deliverables accordingly.
- Perform a minimum of quarterly meetings with the City Employee Benefits Review Committee to provide updates and discuss objectives.
- Handle day-to-day and on-going client to carrier communication.
- Compare premium rates to local, regional and/or state public sector norms.
- Communicating the value and objectives of benefit plans to general employees and management. (Includes City Manager, Benefits Committee, and City Council as appropriate.)
- Provide employee assistance for claims resolution through a benefit advocate service and may be required to provide benefit consulting services to employees upon separation of employment (COBRA and early retirees).
- Provide timely updates and ongoing assistance to the City with federal and state reporting and compliance requirements to ensure the City complies with legal requirements.
- The successful Broker of Record will provide an initial evaluation of claims experience and future funding requirements.
- Design employee communication materials which ensure that the City's medical plans comply with legal requirements.
- Facilitate the annual renewal process, which includes, but may not be limited to:
  - i. Review benefit designs and provide recommendations on all health and welfare benefits to provide cost management and savings to the City.
  - ii. Provide input and recommendations on any mandated benefit design changes.
  - iii. Negotiate renewals with carriers and evaluate the renewal calculations.
  - iv. Provide projected rates for active employees no later than four (4) months before annual renewal.
- Provide leadership with respect to carrier relationship management.
- Keep City updated of legislation that could impact the City's insurance plans.

- Provide consulting services and assistance with various health promotion programs aimed at improving employee health and wellness.
- Provide interpretation and analysis of any financial data as provided by insurance carriers

## DURATION OF SERVICES

The initial term of the awarded contract will be for a period of two (2) years. Written extensions may be available upon the consent of both parties.

## SUBMITTAL REQUIREMENTS

Proposals should be straightforward and concise. Emphasis in the proposal must be on completeness, clarity of content, ability to provide the services required, and adherence to the presentation structure required by the RFP. Technical literature and elaborate promotional materials, if any, must be submitted separately.

All responses to the Request for Proposal must:

- Include complete responses to the proposal questions (Attachment A)
- Be submitted on double-sided typed pages and include the following completed attachments:
  - i. Evidence of Insurance (Attachment B)
  - ii. Signed RFP Form (Attachment C)
  - iii. Signed Cost Proposal Form (Attachment D)

Seven (7) copies of the completed proposal must be received at West Linn City Hall by the proposal due date and time. The City, at its discretion, may make additional copies of the proposal for the purpose of evaluation only. The original proposal will include original signatures, in ink, by authorized personnel, on all documents that require an authorized signature.

Submission of a proposal will signify the Proposer's agreement that its proposal and the content thereof are valid for 180 days following the submission deadline unless otherwise extended in writing by both parties. The successful proposal will become part of the contract that is negotiated between the City and the successful Proposer.

**Proposals must be submitted by Friday, January 23<sup>rd</sup>, 2015 at 4:00 p.m. Late proposals will not be considered.**

## **PROPOSAL INSTRUCTIONS**

### A. Proposal Contents

In order to maintain the fairness and integrity of the selection process, it is important that proposals conform to the requirements of this section. Do not include any information that is not specifically requested.

#### Section 1

1. Name, address, title, telephone, and e-mail address of the person who would be responsible for the City contract
2. Provide a statement indicating the terms of your proposal will be valid for a minimum period of 180 days.

#### Section 2

1. List the names, experience, professional qualifications and any certifications of the individuals who would be assigned to the City contract. Indicate whether you and/or your firm are licensed in Oregon.
2. Describe your firm's experience, capabilities and philosophies for providing insurance brokerage services to insured governments; particularly local municipalities. State the reasons why your firm is particularly qualified to serve the City of West Linn.
3. Describe your experience in developing and supporting employer benefit programs, including your experience with:
  - Medical benefits insurance plans, including an employee assistance program
  - Dental Insurance
  - Long Term Disability and Life Insurance
  - VEBA through a VEBA Services Group
  - Flexible Spending Plan
  - Employee benefit review committees, cost projections, employee benefits legislation and law, and benefit administration under collective bargaining agreements.

#### Section 3

1. Provide at least three references and contact information for organizations where you and your firm have provided Agent of Record services for benefit programs.
2. Taking into consideration health care reform, provide an analysis of the anticipated August 1, 2015 market conditions for employee health benefits.

3. Provide a brief description of the marketing strategy you and your firm would propose for the City's August 1, 2015 benefits renewal.

#### Section 4

1. The following cost information is required:
  - i. A schedule of any service fees or remuneration for your firm's services. This would include any base fees, fees per employee and fees for specific services, and any fees that will be paid directly by the City to a third party.

#### A. Appendix

1. All proposals submitted must contain a statement disclosing or denying any interest, financial or otherwise, that any employee or official of the City of West Linn may have in the proposing agency or proposed project.
2. If there are any requirements or provisions contained in this RFP that you believe are unfair, prejudicial, or limit competition, please explain your position.

#### B. Contract

A copy of the contract the selected contractor will be required to sign is attached and is watermarked "SAMPLE". The contract terms also include the scope of services and any special terms and conditions. The contract is not negotiable. Submission of a proposal constitutes agreement to the terms of the contract.

#### C. Mailing Address

Please submit six (6) copies of the proposal, addressed and labeled as follows:

Elissa Preston, Human Resources Manager  
City of West Linn  
22500 Salamo Road  
West Linn, Oregon 97068  
Attention: Proposal for Employee Benefit Insurance Agent of Record

#### D. Deadline

Proposals are due on or before 4 p.m., Friday, January 23<sup>rd</sup>, 2015. Faxed and/or e-mailed proposals will not be accepted. Late proposals will not be considered.

## **GENERAL PROCEDURES AND EVALUATION CRITERIA**

### 1. RFP NOT BASIS FOR OBLIGATIONS; CANCELLATION OF RFP

The request for proposals does not constitute an offer to contract and does not commit the City to the award of a contract to anyone or to pay any costs incurred in the preparation and submission of proposals. The City reserves the right to cancel all or part of this proposal for any reason determined by the City to be in the public interest.

### 2. COMMUNICATION PROCEDURES

The requirements of this section are intended to ensure the fair and equal treatment of all proposing consultants. Until a contract is awarded by the City, consultants are prohibited from contacting the City or its employees for marketing or solicitation purposes. Disregard of the requirements of this section will result in disqualification of the contractor.

The City will respond to questions concerning the preparation of proposals. All questions should be addressed by calling Elissa Preston at 503 742 8606. If the question asked is applicable to all proposals, the City will issue an addendum.

### 3. ADDENDA TO REQUEST FOR PROPOSAL

Addenda shall be sent to all prospective bidders or proposers known to have obtained the solicitation documents, and it may be sent by e-mail to the address furnished to the City by the proposer.

### 4. MODIFICATIONS OR WITHDRAWALS OF PROPOSALS

A. Modifications. Proposals, once submitted, may be modified in writing prior to the time and date set for closing. Any modifications shall be prepared on the company letterhead, signed by an authorized officer, and state that the new document supersedes or modifies the prior proposal. To ensure the integrity of the process, the envelope containing any modifications to a proposal shall be marked as follows: Proposal Modification, Proposal Number or other identification.

B. Withdrawals. Bids or proposals may be withdrawn by written notification on company letterhead signed by an authorized person and received prior to the time and date set for closing. Bids or proposals also may be withdrawn in person prior to the scheduled closing upon presentation of appropriate identification. Requests to withdraw mailed bids or proposals shall be marked as follows: Proposal Withdrawal, Proposal Number or other identification.

5. EVALUATION OF PROPOSALS

Proposals that conform to the proposal instructions will be evaluated. The evaluation process will begin with an evaluation of each proposal using the evaluation criteria identified below. The City may also conduct interviews. The highest rated firm will be eligible for the award of the contract. Contract award will be subject to the approval of the City Manager.

Evaluation Criteria	Weight
1. Experienced Project (Service) Team with the ability to successfully deliver the scope of services on time and within budget	30%
2. Licensing, professional training and certification	10%
3. Market Analysis – Experience with benefit brokering and consulting	25%
4. Cost/Commission Structure	15%
5. Legal and Compliance including ACA and ERISA expertise	20%

The final contract will be prepared by the City using the Proposer’s Scope of Services, and the Proposer shall sign the contract within a reasonable time, not to exceed fourteen calendar days. The City is not obligated to the Proposer until the contract is fully executed. If the Proposer fails to sign the contract within the allotted time, the City may choose to award the contract to the next highest proposer.

6. COMPLAINT PROCESSES AND REMEDIES

Any actual proposer who is adversely affected or aggrieved by the City’s notice of award of the contract to another proposer on the same solicitation shall have seven calendar days after notice of award to submit to the City Manager a written protest of the notice of award. The written protest shall specify the grounds upon which the protest is based. A protest against the solicitation documents, including specifications and contract terms, or the process used in the solicitation, must specify an acceptable ground for the protest pursuant to LCRB 30.140(A) and meet the requirements for a protest in LCRB 30.140(B). In order to be adversely affected or aggrieved, a proposer must itself be eligible for award of the contract

as the best proposer and must be next in line for award. The City shall not entertain a protest submitted after the time period established above. Possible remedies shall include award of the contract or another appropriate remedy based on the kind of relief requested in the protest.

## **PUBLIC CONTRACT RULES**

Except as modified by the terms of this Request for Proposal, the terms and procedures of the City of West Linn Local Contract Review Board Rules (LCRB) shall apply. The LCRB can be accessed at:

[http://westlinnoregon.gov/sites/default/files/fileattachments/finance/page/7060/lcrb\\_rules\\_ad\\_opted\\_1-23-12\\_1.pdf](http://westlinnoregon.gov/sites/default/files/fileattachments/finance/page/7060/lcrb_rules_ad_opted_1-23-12_1.pdf) . A hard copy of the LCRB can be obtained by making a request to the Human Resources Department.

## **CONFIDENTIALITY OF PROPOSALS**

Proposals will be confidential until a notice of intent to award a contract is issued. If any part of the proposal is proprietary and is claimed exempt from disclosure, the Proposer must separately submit that material along with the Proposal, in an envelope marked "Proprietary Information Enclosed; Confidentiality Requested."

## **ANTICIPATED TIMELINE AND APPROVAL PROCESS**

The described timeline is subject to change at the City's sole discretion.

- January 23<sup>rd</sup>, Last day for submittal of completed RFP response. All proposals must be received by 4:00 p.m. PST.
- Proposals will be opened at West Linn City Hall on January 26th. Proposals will remain confidential until a notice of intent to award a contract is issued.
- Review of submittals begins January 27th.
- Week of Feb 16<sup>th</sup> Finalists are contacted for interviews.
- Week of Feb 23<sup>rd</sup> / 30<sup>th</sup>, complete interviews and conduct follow-up reference checks and final selection.
- April 1, 2015 Selected Proposer begins role as Agent of Record for employee group benefits.

## **ATTACHMENT A PROPOSAL QUESTIONS**

### QUALIFICATIONS

1. Describe your experience, capabilities and philosophies for providing employee benefit and insurance brokerage services to municipalities.
2. Identify who on the Proposer's staff would be responsible for the day-to-day administration of the City of West Linn account. Please describe the roles and qualifications of each individual. Provide the days and hours of operation for customer service.
3. What is the average number of clients the individuals in question two (2) are expected to handle/process on a regular basis?
4. How do you ensure and monitor client satisfaction on an ongoing basis?
5. Clear, concise and relevant employee communications are essential. Describe the types of employee educational materials, benefit plan summaries, updates, and other informative communications you produce and routinely provide to your clients. Please provide examples.
6. Describe your customary role during open enrollment.
7. Describe your customary role with respect to Employee Benefit Review Committees.
8. Describe your role in providing benefit advocate services to clients.
9. Do you have legal representatives on staff that can assist us with benefit compliance questions? Is there an additional cost associated with obtaining advice from your in house attorney or compliance officer?
10. Describe how you would keep us legally compliant. What is your process for ensuring that we are up to date on all new benefits legislation and requirements that applies to our organization?
11. How do you communicate health reform legislative requirements and updates to your clients? Do you have any web-based tools available to assist us with ACA compliance?
12. Are you able to prepare the legally required notices we must provide employees? If so please provide samples.
13. Explain the resources you utilize to identify trends and recommend plan design changes.
14. When there are plan design changes, what type of support do you provide to execute such changes with the carriers to ensure a smooth implementation?
15. How will you save the City of West Linn money with the insurance companies you recommend and how will you measure their quality and best practices?
16. How will you bridge the information gap from the outgoing consultant to the new consultant?
17. Describe your proposed form of compensation (i.e. commissions, monthly fee, etc.)
18. What is your firm's opinion and approach to commissions for your clients that are our size and public entities?
19. Are you willing to enter into any performance guarantees that would put a portion of your consulting fees at risk?

**REFERENCES:**

Please provide three references of clients. References that have similar plan demographics to the City of West Linn are preferred.

Client Reference #1

Client Name:  
Contact Name:  
Title:  
Phone Number:  
E-Mail Address:  
Type of Service provided:

Client Reference #2

Client Name:  
Contact Name:  
Title:  
Phone Number:  
E-Mail Address:  
Type of Service provided:

Client Reference #3

Client Name:  
Contact Name:  
Title:  
Phone Number:  
E-Mail Address:  
Type of Service provided:

## **ATTACHMENT B EVIDENCE OF INSURANCE**

The Agent of Record shall procure and maintain insurance and maintain for the duration of this Agreement. The policy must insure against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Agent of Record, their agents, representatives, employees or subcontractors. The cost of such insurance shall be paid by the Agent of Record. Insurance shall meet or exceed the following:

Indemnification: Agent of Record and the officers, employees and agents of Agent of Record are not agents of the City as those terms are used under the Oregon Revised Statutes. Agent of Record shall defend and indemnify the City of West Linn and its officers, employees, and agents from all claims of injury to any persons or damage to property caused by the negligence or wrongful acts or omissions of Agent of Record, employees or agents of Agent of Record.

### **A. Minimum Insurance:**

- At the Agent of Records expense, Agent of Record shall obtain Commercial General Liability Insurance covering bodily injury and property damage on an occurrence form. This insurance shall include Contractual Liability Insurance for indemnify provided under this contract and Product and Completed Operations. Such insurance shall be primary and non-contributory. Coverage shall be a minimum of \$2,000,000 per occurrence and \$5,000,000 aggregate.
- Stop Gap/Employer's Liability Coverage with limits not less than \$2,000,000 per accident/disease.
- Business Automobile Liability Coverage with limits not less than \$2,000,000 per accident for any automobile.
- Worker's Compensation coverage as required by the Industrial Insurance Laws of the State of Oregon.

### **B. Additional Insurance:**

- Consultant's Error and Omissions or Professional Liability with limits not less than \$5,000,000 per claim and as an annual aggregate.
- Network Security and Privacy Liability coverage with limits not less than \$2,000,000 per occurrence and as an annual aggregate, which names the City of West Linn, its officials, employees and volunteers as additional insures. Said coverage shall be primary and non-contributory.

### **C. Self-Insured Retentions:**

- Self insured retentions must be declared to and approved by the City.

**ATTACHMENT B**  
**EVIDENCE OF INSURANCE, Continued**

Commercial General Liability policies must be endorsed to:

- Include the City, its officials, employees, and volunteers as additional insureds,
- Provide that such insurance shall be primary with respects to any insurance or self-insurance maintained by the City.
- Insurance must be placed with insurers that have an acceptable rating.
- The selected Agent of Record shall furnish the City of West Linn with annual certificates of insurance required by this clause. The certificates are to be received and approved by the City before work commences. The City reserves the right to require complete, verified copies of all required insurance policies at any time.
- The selected Agent of Record must require subcontractor to provide insurance coverage which complies with the requirements stated herein.

**ATTACHMENT C  
RFP PROPOSAL FORM**

Benefits Broker and Consulting Services

To the City of West Linn

From: \_\_\_\_\_ Proposer's Name  
\_\_\_\_\_ Address  
\_\_\_\_\_ City, State, Zip Code  
\_\_\_\_\_ Telephone Number/Email

Submittal Requirements Checklist:

- \_\_\_\_\_ Attached completed responses to questions in the order provided (Attachment A)
- \_\_\_\_\_ Proposals (7 copies) are submitted on double-sided typed pages, excluding cover, along with evidence of current insurance requirements and other attachments
- \_\_\_\_\_ A completed and signed RFP Proposal Form (Attachment C)
- \_\_\_\_\_ A completed and signed Cost Proposal Form (Attachment D)

I hereby acknowledge I have read and understand the insurance requirements listed in Attachment B.

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTACHMENT D  
COST PROPOSAL FORM**

Year 1

Year 2

(Select one below)

Annual Fee

\_\_\_\_\_

\_\_\_\_\_

Quarterly Fee

\_\_\_\_\_

\_\_\_\_\_

Monthly Fee

\_\_\_\_\_

\_\_\_\_\_

Other Fees\*

\_\_\_\_\_

\_\_\_\_\_

\*Please provide a detailed explanation of Other Fees

All fee based expenses, including but not limited to, the cost of postage, telephone service, travel, printing of reports, etc. The use of a subcontractor is acceptable, provided that all fees paid by the City are included above.