

CITY OF MCKINNEY



REQUEST FOR PROPOSAL EMPLOYEE BENEFITS CONSULTANT

The City of McKinney is soliciting proposals 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.

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LEGAL NOTICE

**City of McKinney, Texas
Advertisement for Proposals**

The City of McKinney is accepting proposals for an Employee Benefits Consultant. Specifications for this project may be obtained on our electronic procurement system @ <https://mckinney.ionwave.net>.

Proposals will be publicly opened and Proposers names read aloud in the office of the Purchasing Manager, at the address below, shortly after the specified time for delivery. Any paper proposals being submitted must be clearly addressed to the Purchasing Department and include the Request for Proposals (RFP) name and number on the outside of the envelope/package.

Proposal Deliveries: The City cannot guarantee, due to internal mail delivery procedures that any proposals sent priority mail will be picked up from the post office by city mail employees and delivered to the Purchasing Department by the closing date and time. It is recommended that proposal deliveries be made either in person or via an alternate delivery method ensuring delivery to the physical address. ***Proposer shall bear full responsibility for ensuring that the proposal is delivered to the specified location by due date and time.*** Late proposals will be considered non-responsive.

PROPOSAL NAME: Employee Benefits Consultant
PROPOSAL NO.: 17-20RFP
DUE DATE/TIME: 2:00 p.m., December 8, 2016
MAIL OR DELIVER TO: City of McKinney
Purchasing Department
PO Box 517
1550D South College
McKinney, Texas 75069

Accommodations and modifications for people with disabilities are available upon request. Requests should be made as far in advance as possible, but no less than 48 hours prior to the meeting. Submit requests to contact-adacompliance@mckinneytexas.org or to Samantha Frison, ADA Coordinator, 972-547-2694.

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

TO APPEAR IN THE MCKINNEY COURIER GAZETTE IN THE FOLLOWING EDITIONS:

First Publication: November 13, 2016
Second Publication: November 20, 2016

GENERAL CONDITIONS OF BIDDING AND TERMS OF CONTRACT

By execution of this document, the vendor accepts all general and special conditions of the contract as outlined below and in the specifications and plans.

I. BIDDING

- A. PROPOSALS – Proposals submitted to the office of the Purchasing Manager shall be a minimum of one (1) original and five (5) copies which shall be submitted in a sealed envelope(s); as well as one (1) electronic copy in PDF format on CD, DVD, USB with signatures included. Copies are to be marked as such.
- B. AUTHORIZED SIGNATURES – The proposal must be executed personally by the vendor or duly authorized partner of the partnership or duly authorized officer of the corporation. If executed by an agent, a power of attorney or other evidence of authority to act on behalf of the vendor shall accompany the proposal to become a valid offer.
- C. LATE PROPOSALS – Proposals must be in the office of the City Purchasing Manager before or at the specified time and date proposals are due. Proposals received in the office of the Purchasing Manager after the submission deadline shall be rejected as non-responsive proposals.
- D. WITHDRAWAL OF PROPOSALS PRIOR TO OPENING – A proposal may be withdrawn before the opening date by submitting a written request for its withdrawal to the City Purchasing Manager.
- E. WITHDRAWAL OF PROPOSALS AFTER OPENING – A proposal may not be withdrawn or cancelled by the vendor for a period of ninety (90) days following the date and time designated for the receipt of proposals unless otherwise stated in the request for proposals and/or specifications.
- F. PROPOSAL AMOUNTS – Proposals should show net prices, extensions and net total where applicable. In case of conflict between unit price and extension, the unit price will govern.
- G. TAX EXEMPT STATUS – 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.
- H. AWARDS – 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, 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.
- I. SILENCE OF SPECIFICATIONS FOR COMPLETE UNITS – All materials, equipment and/or parts that will become a portion of the completed work including items not specifically stated herein but necessary to render the service(s) complete and operational per the specifications are to be included in the proposal price. Vendor may be required to furnish evidence that the product or service, as proposed, will meet or exceed these requirements.

- J. ADDENDA - Any interpretations, corrections or changes to the specifications and plans will be made by addenda no later than seventy-two (72) hours prior to opening. Addenda will be distributed to all known recipients of proposal documents. Vendors shall acknowledge receipt of all addenda with submission of proposal.
- K. GENERAL BID BOND/SURETY REQUIREMENTS – Failure to furnish bid bond/surety, if requested, will result in proposal being declared non-responsive. Non-responsive proposals will not be considered for award.
- L. GENERAL INSURANCE REQUIREMENTS – Failure to furnish Affidavit of Insurance if, insurance coverage is required in these specifications, will result in proposal being declared non-responsive. Non-responsive proposals will not be considered for award.
- M. RESPONSIVENESS – A responsive proposal shall substantially conform to, or exceed, the minimum requirements of this Request for Proposal. Offers containing any clause that would limit contracting authority shall be considered non-responsive. Example of proposals that would limit contracting authority is one made contingent upon award of other offers currently under consideration.
- N. RESPONSIBLE STANDING OF OFFEROR – To be considered for award, offeror must at least: have the ability to obtain adequate financial resources; be able to comply with required or proposed delivery/completion schedule; have a satisfactory record of performance; have a satisfactory record of integrity and ethics; be otherwise qualified and eligible to receive award.
- O. PROPRIETARY DATA – Offeror may, by written request, indicate as confidential any portion(s) of a proposal that contain proprietary information, including manufacturing and/or design processes exclusive to the vendor. The City of McKinney will protect from public disclosure such portions of a proposal unless directed otherwise by legal authority including existing Open Records Acts.
- P. PUBLIC OPENING – Offerors are invited to be present for acknowledgement of proposals. Proposals duly received will be publicly acknowledged at an official public opening in such a manner so as to avoid disclosure of the contents to competing offerors through the negotiation process. 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.

II. PERFORMANCE

- A. DESIGN, STRENGTH, AND QUALITY – Design, strength, and quality of materials and workmanship must conform to the highest standards of manufacturing and engineering practices.
- B. AGE AND MANUFACTURE – All tangible goods being proposed must be new and unused, unless otherwise specified, in first-class condition, of current manufacture, and furnished ready to use. All items not specifically mentioned that are required for a complete unit shall be furnished.
- C. DELIVERY LOCATION – All deliveries will be made to the address(es) specified on the purchase order during normal working hours of 8:00 a.m. to 4:00 p.m., Monday through Friday, unless otherwise authorized by the Purchasing Manager or designee.

- D. DELIVERY SCHEDULE – Delivery may be an important consideration in the evaluation of the proposal. The maximum number of days necessary for delivery ARO shall be stated in the proposal.
- E. DELIVERY CHARGES – All delivery and freight charges, F.O.B. destination shown on purchase order, as necessary to perform contract are to be included in the proposed price.
- F. INSTALLATION CHARGES – All charges for installation and set-up shall be included in the proposed price. Unless otherwise stated, at minimum, basic installation and set-up will be required.
- G. OPERATING INSTRUCTIONS AND TRAINING – Clear and concise operating instructions and descriptive literature will be provided in English if requested. On-site detailed training in the safe and efficient use and general maintenance of item(s) purchased shall be provided as needed at the request of the City. Instructions and training shall be at no additional cost to the City.
- H. STORAGE – Offeror agrees to provide storage of custom ordered materials, if requested, not to exceed 30 calendar days.
- I. COMPLIANCE WITH FEDERAL, STATE, COUNTY, AND LOCAL LAWS – Proposals must comply with all federal, state, county and local laws. Any vehicles or equipment shall contain all standard safety, emission, and noise control requirements required for the types and sizes of equipment at the time of their manufacture. The contractor agrees, during the performance of work or service, to comply with all applicable codes and ordinance of the City of McKinney, Collin County, or State of Texas as they may apply, as these laws may now read or as they may hereafter be changed or amended.
- J. PATENTS AND COPYRIGHTS – The successful vendor agrees to protect the City from claims involving infringements of patents and/or copyrights.
- K. SAMPLES, DEMONSTRATIONS AND TESTING – At the City's request and direction, offeror shall provide product samples and/or testing of proposed items. Samples, demonstrations and/or testing may be requested at any point prior to or following award. Samples, demonstrations and/or testing may be requested upon delivery and/or any point during the term of resulting contract. All samples (including return thereof), demonstrations and/or testing shall be at the expense of the offeror/vendor.
- L. ACCEPTABILITY – All articles enumerated in the proposal shall be subject to inspection by an officer designated for the purpose by the City of McKinney. If found inferior to the quality called for, or not equal in value to the contract specifications, deficient in workmanship or otherwise, this fact shall be certified to the Purchasing Manager who shall have the right to reject the whole or any part of the same. Items and/or work determined to be contrary to contract specifications must be replaced at the vendor's expense. Inferior items not retrieved by the vendor within thirty (30) calendar days, or an otherwise agreed upon time, shall become the property of the City. If disposal of such items warrants an expense, an amount equal to the disposal expense will be deducted from amounts payable to the vendor.

III. PURCHASE ORDERS AND PAYMENT

- A. PURCHASE ORDERS – After the contract is awarded by City Council, a purchase order(s) shall be generated by the City Purchasing Manager to the successful vendor. The purchase order number must appear on all itemized invoices and packing slips. The City will not be held responsible for any work orders placed and/or performed without a valid current purchase order number. Payment will be made for all services rendered and accepted by the contract administrator for which a valid invoice has been received.
- B. INVOICES – All invoices shall reference the Purchase Order number. Invoices shall provide a detailed description for each item invoiced. Payment will be made under terms of net thirty (30) days unless otherwise agreed upon by seller and the purchasing department.
- C. FUNDING – The City of McKinney is 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.

IV. CONTRACT

- A. CONTRACT DEFINITION – The General Conditions of Bidding and Terms of Contract, Specifications, Proposal, Addenda, Negotiated Changes and any other documents made a part of this proposal shall constitute the complete proposal. This proposal, when accepted by the City, shall constitute a contract equally binding between the successful offeror and the City of McKinney.
- B. CONTRACT AGREEMENT – Once a contract is awarded, agreed upon prices shall remain firm for the term of the contract. Contract shall commence on date of award and continue for a period of three (3) years with two (2) one-year renewal options.
- C. CHANGE ORDER – No different or additional terms will become part of this contract with the exception of a change order. 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 and at the discretion and approval of the City. No change order will be binding unless signed by an authorized representative of the City and the vendor.
- D. NEGOTIATION – The City of McKinney may elect to negotiate a contract with the selected offeror(s). Any and all verbal communications and/or commitments made during the negotiation process that are deemed agreeable to both the City and selected offeror shall be submitted in written form and made part of the resulting contract. Although the City of McKinney reserves the right to negotiate, contract award may be made on the basis of initial proposals received without discussions. Therefore, initial proposals will contain the offeror's best terms.
- E. PRICE REDETERMINATION – A price redetermination may be considered by the City of McKinney only at the anniversary dates of multiple year contracts. Request for price redetermination shall be in written form and include written documentation from third party source of increase, substantiating cost increase. City of McKinney reserves the right to approve or disapprove any request as it deems to be in the best interest of the City. A vendor's history of honoring contracts at the awarded price will be an important consideration in evaluating lowest and best value proposal.

- F. **TERMINATION FOR DEFAULT** – The City of McKinney reserves the right to enforce the performance of this contract in any manner prescribed by law or deemed to be in the best interest of the City in the event of breach or default of this contract. The City reserves the right to terminate the contract immediately in the event the vendor fails to perform to the terms of specifications or fails to comply with the terms of this contract. Breach of contract or default authorizes the City to award to another vendor, purchase elsewhere and charge the full increase in cost and handling to the defaulting party.
- G. **TRANSITIONAL PERIOD** – Upon normal completion of this contract, not to include termination for default, and in the event that no new contract has been awarded by the original expiration date of the existing contract including any extension thereof, it shall be incumbent upon the Vendor to continue the contract under the same terms and conditions until a new contract can be completely operational. At no time shall this transition period extend more than ninety (90) days beyond the original expiration date of the existing contract and any extension thereof.
- H. **INVALID, ILLEGAL, OR UNENFORCEABLE PROVISIONS** – In case any one or more of the provisions contained in the Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this contract shall be considered as if such invalid, illegal, or unenforceable provision had never been contained herein.
- I. **INJURIES OR DAMAGES RESULTING FROM NEGLIGENCE** – Successful vendor shall defend, indemnify and save harmless the City of McKinney and all its officers, agents and employees from all suits, actions, or other claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the successful vendor, or of any agent, employee, subcontractor or supplier in the execution of, or performance under, any contract which may result from award. Successful vendor shall pay any judgment with cost which may be obtained against the City of McKinney growing out of such injury or damages.
- J. **INTEREST BY PUBLIC OFFICIALS** – No public official shall have interest in this contract, in accordance with Texas local government code.
- K. **DISCLOSURE OF CERTAIN RELATIONSHIPS** – Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with the City of McKinney disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that may cause a conflict of interest with the City of McKinney. By law, this questionnaire must be filed with the City Secretary, City of McKinney, PO Box 517, McKinney, Texas 75070, not later than the seventh business day after the date the person becomes aware of facts that require the statement to be filed. Go to www.mckinneytexas.org to view Section 176, Local Government Code and for Questionnaire CIQ. A person commits a Class C misdemeanor offense if the person violates Section 176.006, Local Government Code. By submitting a response to this request, bidder represents that it is in compliance with the requirements of Chapter 176 of the Texas Local Government Code.
- L. **WARRANTY** – The successful vendor shall warrant that all materials utilized in the performance of this contract shall conform to the proposed specifications and/or all warranties as stated in the Uniform Commercial Code and be free from all defects in material, workmanship and title.
- M. **UNIFORM COMMERCIAL CODE** – The successful vendor and the City of McKinney agree that both parties have all rights, duties, and remedies available as stated in the Uniform Commercial Code.

- N. VENUE -- This agreement will be governed and construed according to the laws of the State of Texas. This agreement is performable in the County of Collin, Texas.
- O. SALE, ASSIGNMENT, OR TRANSFER OF CONTRACT – The successful vendor shall not sell, assign, transfer or convey this contract, in whole or in part, without the prior written consent of the City of McKinney.
- P. SILENCE OF SPECIFICATIONS – The apparent silence of specifications as to any 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.
- Q. CONTRACT TERMINATION – The City reserves the right to cancel and terminate this contract, without cause, upon thirty (30) days written notice to the other party.

INSURANCE REQUIREMENTS—Consulting Services

- A. Before commencing work, the consultant shall, at its own expense, procure, pay for and maintain the following insurance written by companies approved by the state of Texas and acceptable to the City of McKinney. The consultant shall furnish to the City of McKinney Purchasing Manager certificates of insurance executed by the insurer or its authorized agent stating coverages, limits, expiration dates and compliance with all applicable required provisions. Certificates shall reference the project/contract number and be addressed as follows:

17-20RFP Employee Benefits Consultant
City of McKinney
ATTN: Lisa Littrell
P.O. Box 517
McKinney, Texas 75070
or email to: llittrell@mckinneytexas.org

1. Commercial General Liability insurance, including, but not limited to Premises/Operations, Personal & Advertising Injury, Products/Completed Operations, Independent Contractors and Contractual Liability, with minimum combined single limits of \$1,000,000 per-occurrence, \$1,000,000 Products/Completed Operations Aggregate and \$1,000,000 general aggregate. Coverage must be written on an occurrence form. The General Aggregate shall apply on a per project basis.
2. Workers' Compensation insurance with statutory limits; and Employers' Liability coverage with minimum limits for bodily injury: a) by accident, \$100,000 each accident, b) by disease, \$100,000 per employee with a per policy aggregate of \$500,000.
3. Business Automobile Liability insurance covering owned, hired and non-owned vehicles, with a minimum combined bodily injury and property damage limit of \$1,000,000 per occurrence.
4. Professional Liability Insurance to provide coverage against any claim which the consultant and all consultants engaged or employed by the consultant become legally obligated to pay as damages arising out of the performance of professional services caused by error, omission or negligent act with minimum limits of \$2,000,000 per claim, \$2,000,000 annual aggregate.

NOTE: If the insurance is written on a claims-made form, coverage shall be continuous (by renewal or extended reporting period) for not less than *thirty-six (36) months* following completion of the contract and acceptance by the City of McKinney.

- B. With reference to the foregoing required insurance, the consultant shall endorse applicable insurance policies as follows:

1. A waiver of subrogation in favor of City of McKinney, its officials, employees, and officers shall be contained in the Workers' Compensation insurance policy.
2. The City of McKinney, its officials, employees and officers shall be named as additional insureds on the Commercial General Liability policy, by using endorsement CG2026 or broader .

- 3.. All insurance policies shall be endorsed to the effect that City of McKinney will receive at least thirty (30) days notice prior to cancellation, non-renewal, termination, or material change of the policies.
- C. All insurance shall be purchased from an insurance company that meets a financial rating of B+VI or better as assigned by A.M. Best Company or equivalent.

Certificate of Interested Parties (Form 1295)

(Required by Awarded Vendor(s) Only)

In 2015, the Texas Legislature adopted [House Bill 1295](#), which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

Filing Process:

The commission has made available on its website a new filing application that must be used to file Form 1295. A business entity must use the application to enter the required information on Form 1295 and print a copy of the completed form, which will include a certification of filing that will contain a unique certification number. An authorized agent of the business entity must sign the printed copy of the form and have the form notarized. The completed Form 1295 with the certification of filing must be filed with the City of McKinney.

The City of McKinney must notify the commission, using the commission's filing application, of the receipt of the filed Form 1295 with the certification of filing not later than the 30th day after the date the contract binds all parties to the contract. The commission will post the completed Form 1295 to its website within seven business days after receiving notice from the City of McKinney.

Form Availability:

Certificate of Interested Parties Form is available from the Texas Ethics Commission website at the following address:

https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm

For questions regarding and assistance in filling out this form, please contact the Texas Ethics Commission at 512-463-5800.

I. INTRODUCTION / INFORMATION

PURPOSE

The City of McKinney Human Resources Department is seeking an Employee Benefits Consultant to provide professional services related to the overall design and administration of the City's employee benefits program. The City's foremost goal is to provide a competitive and affordable health plan. To that end, the City is seeking a consultant to develop a strategic benefits plan that will address rising healthcare costs and identify innovative approaches to ensure the best benefits value for the City and its employees. The City is especially focused on making changes to avoid the excise tax associated with high value plans under IRC Section 4980I, effective in 2018.

It is the City's intention to hire a consultant who will act independently of any company that might bid to provide services and/or insurance products to the City of McKinney. The Benefits Consultant will be compensated on a fee-for-service basis only. No other compensation (commissions, overrides, etc.) are to be paid or accepted in relation to any services the Benefits Consultant provides to the City. Respondents must provide a copy of a valid Texas Life and Health Insurance Counselor license to be considered.

BACKGROUND

The City of McKinney has approximately 850 full-time employees and 21 retirees who are eligible for benefits, most of which are provided on a self-funded basis with third-party administration. The City's employee benefits package is administered on a calendar-year basis and includes:

- Self-fund Medical Plan
- Direct Provider Contracts
- Pharmacy – retail & mail order (self-funded)
- Stop Loss Reinsurance
- Dental – with orthodontia (self-funded)
- Vision (fully insured)
- Wellness Program
- Flexible Spending Account (FSA) – health and dependent care
- Health Savings Accounts (HSA)
- Basic and Optional Life & AD&D
- Basic and Enhanced Long Term Disability (LTD)
- Other voluntary benefits

The third party administrator for the group health plans is Allegiance (a Cigna company) and MaxorPlus as the pharmacy benefits manager. The City currently has a direct contract with Occumed and Legacy ER for urgent care services and uses Benefitsolver enrollment platform for online enrollment through a subcontractor arrangement through the current Health Benefits Consultant. All benefits enrollment activities and changes are online.

The City's retirement benefits include mandatory participation in the Texas Municipal Retirement System and optional participation in one of two Section 457 deferred compensation programs, Social Security, as well as a 401(a) money purchase plan.

TIME FRAME

The tentative timeline for this project is noted below.

RFP Released:	November 13, 2016
Questions Due:	November 25, 2016
Responses to Vendors:	December 1, 2016
Proposal due:	December 8, 2016
Proposal Review/Analysis:	January 2017
Finalists Presentation	February 2017
City Council Consideration/Award:	February 2017
Consulting Agreement Signed:	February 2017
*Plan Year Effective Date:	January 1, 2018

*Preparatory work for January 1, 2018 plan year will begin as soon as the contract is awarded.

SCOPE OF SERVICES

The City of McKinney is seeking a Benefits Consultant to provide the following services:

1. Evaluate Current Employee Benefits Program

Evaluate the current employee benefits program with focus on the City's health benefits. Within thirty (30) days of receiving the necessary data, provide a written analysis of each benefit plan with recommended changes. With respect to the medical plan in particular, the evaluation should include an analysis of the following:

- a. Benefit design
- b. Plan documents
- c. Claims, including review of large claims and stop loss
- d. Funding requirements and premium pricing
- e. Utilization management
- f. Stop Loss Reinsurance
- g. Employee survey
- h. Management interviews
- i. Effectiveness of network
- j. Effectiveness of direct provider contracts
- k. Pharmacy benefit
- l. Wellness program
- m. Review of third-party administrator services

2. Recommend Plan Changes

- a. Recommend plan design changes to manage costs and achieve compliance with IRC Section 4980I (**a.k.a. Cadillac Tax**) and all applicable state and federal laws.
- b. Develop annual premium pricing and multi-year funding plan actuarially determined.
- c. Prepare IBNR (incurred but not reported) analysis
- d. Recommend changes to plan document(s)/booklet(s) and other employee communications to improve clarity and to assure consistency with plan objectives.
- e. Recommend appropriate strategies for designing, funding and communication of consumer-driven healthcare and Health Savings Accounts.

3. Plan & Coordinate Competitive Bid Process

- a. Assist the City's Purchasing Department in preparing the RFP/bid specifications.
- b. Assist with the City's RFP process and respond to requests for additional information or clarification through the City's Purchasing Department.
- c. Assist the City with reviewing, evaluating and summarizing competitive proposals.
- d. Prepare recommendation report, including spreadsheet tabulations of all proposals for comparison.
- e. Meet with City of McKinney staff to discuss recommendations.
- f. Coordinate and attend interview meetings with proposers and City of McKinney staff.
- g. Assist City Staff with negotiating terms of contracts with carriers and service providers to assure best value and terms for the City of McKinney.
- h. Attend executive leadership and City Council meetings as required to make presentations in support of recommendations for approval.

4. Negotiate Direct Provider Contracts

Assist City staff with Negotiating direct contracts with local providers and communicate terms with claims administrator for implementation.

5. Implement Benefit Program

- a. Develop an implementation plan for the new benefits plan.
- b. Review rates and cost sharing structure for all benefits to assure consistency with funding plan and contracted rates.
- c. Prepare/review City of McKinney plan documents and contracts to assure consistency with plan objectives and regulatory compliance.
- d. Work with administrators, carriers and City staff to plan and implement annual enrollment process and procedures for ongoing administration (enrollments, terminations, changes, billings, etc.).
- e. Assist City staff with managing, negotiating and implementing annual renewals.

6. Monitor & Report on Plan Utilization

Monitor claims activity reports from administrators/carriers and prepare summary reports for City staff. Notify City staff of unusual activity or issues. At a minimum, meet with City staff quarterly to review the status of the City's employee benefits program, including funding and claim analysis, trends and recommendations for change. Assist with the submission of stop loss claims as needed.

7. Monitor Regulatory Compliance & Industry Trends

Keep the City informed of new developments impacting employee benefit plans, including state/federal regulatory compliance requirements (e.g. the Affordable Care Act) and industry trends; make corresponding recommendations to ensure that City's benefit programs are in compliance with applicable laws and regulations.

8. Work with Management Oversight Committee and Employee Benefits Committee

9. Additional Projects/Services (as needed)

- a. Medical and Dental Claims Audit Services
 - i. Focused Claims Audit

- ii. Random Sample Claims Audit
- iii. Prescription Drug Claims Audit
- b. On-Line Benefits Enrollment & Reporting
- c. Compliance resources and guidance (webinars, online, print, etc.)
- d. COBRA administration
- e. FSA administration
- f. Wellness

RESPONSE FORMAT

Responses must be organized and submitted using the Benefits Consulting Services Questionnaire, Attachment A.

1. Fee Structure

Describe in detail the compensation structure you are proposing for the services you would provide. The description should detail what is covered by any retainer fee along with when hourly rates will occur or any other specific costs, including travel, lodging, printing, etc., that may apply. Fee quoted should be broken out by a) Health Benefits Services (i.e., medical, pharmacy, dental, vision, stop loss reinsurance, FSA, HSA and direct provider contracting), and b) Non-Health Benefits Services (i.e. Basic and Optional Life & AD&D, Long Term Disability, and other voluntary benefits), This necessary in order to appropriately develop funding sources for each group of services.

2. Supporting Materials and Samples of Work Product

Supporting materials and samples of work products should be clearly marked and organized by subject.

3. Statement Affirming Independence

The City's Benefit Consultant and affiliates shall receive no compensation for services provided to the City other than fees paid by the City of McKinney. This section should include a signed statement on company letterhead affirming that the respondent is a licensed Life and Health Insurance Counselor and may provide services independently from any insurance companies and service providers which may bid to provide products or services to the City of McKinney. The statement should further affirm that the respondent and his affiliates will receive no compensation, directly or indirectly, from any insurance company or service provider for services or insurance products placed with the City of McKinney in connection with the consulting services the respondent may provide. Respondents with insurance carrier appointments or corporate affiliations with the insurance industry and related service providers should fully disclose potential conflicts of interest.

4. Required Forms

Provide all required forms to include the Signature Page and the Benefits Consulting Services Questionnaire, Attachment A.

QUESTIONS

All questions regarding the meaning or intent of these documents shall be submitted by email to, Purchasing Manager, Lisa Littrell at llittrell@mckinneytexas.org. The City of McKinney, as it determines necessary for interpretation or clarification, will respond to such questions through written addenda. Formal written addenda will be published and made available through the City's eBid system at <https://mckinney.ionwave.net>. No other interpretations or clarifications shall have legal effect.

TERM OF CONTRACT

The City of McKinney anticipates that the term of the contract for consulting services shall be at least three years with two one year renewals, subject to earlier termination as provided by law and the specific terms of the contract. The award of the contract may include an option for the City of McKinney to renew the contract on a year-to-year basis, as permitted by law and with City Council approval. Pricing information should include the annual rate for each year of the contract.

DISCUSSION AND EVALUATION OF RESPONDENTS

Initial evaluation of the proposals will focus on the qualifications of the respondents. The City of McKinney may conduct discussions with respondents who the City has determined are reasonably qualified for the award of the contract. Respondents will be treated fairly and equally with respect to any opportunity for discussion and revision of proposal. To obtain the best and final offers, revisions may be permitted after the submission of proposals and before the award of the contract. The contract will be awarded to the respondent whose proposal is determined to be the most advantageous to the City of McKinney, considering the importance of cost relative to other evaluation factors included in this request for proposal.

II. EVALUATION CRITERIA AND FACTORS

A. Award of contract shall be made to the most responsible, responsive offeror whose proposal is determined to be the best value offer resulting from negotiation, taking into consideration the relative importance of price and other factors set forth in the Request for Proposals below.

The evaluation criteria will be grouped into percentage factors as follows:

- 35% Firm’s proposed services meet the objectives of this request for proposals and the needs and requirements of the City of McKinney.
- 30% Cost of Services
- 20% Firm’s & proposed project team/staff’s qualifications and experience.
- 10% References & recent proven success
- 5% Additional services and support provided

B. **NEGOTIATIONS** -- The City reserves the right to reject any and all proposals, and is under no obligation to award a contract. The City reserves the right to negotiate a contract with the highest evaluated proposer as determined by the review committee. Should negotiations with the highest evaluated proposer not produce an acceptable contract, the City reserves the right to begin negotiations with the second highest evaluated proposer, and so on, until an acceptable contract is negotiated, or to break off negotiations with all firms and not award a contract. The responsibility for the final selection and award of a contract rest solely with the City Council of the City of McKinney. The City shall not be liable to any proposer for costs associated with responding to this RFP, for proposer’s participation in any oral interview, or any cost associated with negotiations.

III. SUBMISSION INFORMATION

Proposals submitted to the office of the Purchasing Manager shall be a minimum of one (1) original and five (5) copies which shall be submitted in a sealed envelope(s); as well as one (1) electronic copy in PDF format on CD, DVD, or USB with signatures included. Copies are to be marked as such.

Mail or Deliver to:

City of McKinney
Purchasing Department
PO Box 517
McKinney, Texas 75070

If delivered, deliver to:
City of McKinney Purchasing
1550 South College
Bldg. D
McKinney, Texas 75069

Acknowledgment of Addenda (if any):

Addendum 1	_____	Date Received	_____
Addendum 2	_____	Date Received	_____
Addendum 3	_____	Date Received	_____

SIGNATURE PAGE

As permitted under Chapter 791 of the Texas Government Code, other governmental entities may wish to participate under the same terms and conditions contained in this contract (i.e. piggyback). In the event any other entity participates, all purchase orders will be issued directly from and shipped directly to the entity requiring supplies/services. The City of McKinney shall not be held responsible for any orders placed, deliveries made or payment for supplies/services ordered by another entity. Each entity reserves the right to determine their participation in this contract. Would bidder be willing to allow other governmental entities to piggyback off this contract, if awarded, under the same terms and conditions?

Yes__No__

This proposal shall remain in effect for ninety (90) days from opening and shall be exclusive of federal excise and state and local sales tax (exempt).

The undersigned agrees, if the best and final proposal is accepted, to furnish any and all items upon which prices are offered, at the price and upon the terms and conditions contained in the Request for Proposals, General Conditions, Terms of Contract, and Specifications and all other items made a part of the accepted contract.

The undersigned affirms that they are duly authorized to execute the contract, that this company, corporation, firm, partnership or individual has not prepared this proposal in collusion with any other offeror, and that the contents of this proposal as to prices, terms or conditions of said proposal have not been communicated by the undersigned nor by any employee or agent to any other offeror or to any other person(s) engaged in this type of business prior to the official opening of this proposal. And further, that neither the offeror nor their employees nor agents have been for the past six (6) months directly nor indirectly concerned in any pool or agreement or combination to control the price of goods or services on, nor to influence any person to propose or not to propose thereon.

_____	_____
Offeror (Entity Name)	Signature
_____	_____
Street & Mailing Address	Print Name of Signator
_____	_____
City, State and Zip	Title of Signator
_____	_____
Telephone No.	Fax No.
_____	_____
E-mail Address	Mobile No.

Date Signed	

If not the same as above, indicate the city and state that your principal place of business is located:
