

# City of Murfreesboro



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## Request for Competitive Sealed Proposals (RFCSP)

for

## Employee Benefits Consultant

**ISSUE DATE:**

**SEPTEMBER 9, 2013**

**RESPONSE DUE DATE:**

**OCTOBER 8, 2013**

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## **1. Introduction**

The City of Murfreesboro, Tennessee is issuing a Request for Competitive Sealed Proposals (RFCSP) from qualified employee benefits consultants to provide services for a three-year term commencing on January 1, 2014. Consulting services sought include cost control, consumerism and wellness for the City's self-funded health insurance programs and other employee benefits.

## **2. Competitive Sealed Proposal Process and Schedule**

The Competitive-Sealed-Proposal method is appropriate when qualifications and experience are of particular importance and price is one of several factors used to determine the best service provider. This method requires each participant to submit a proposal based on certain specified elements with knowledge of the factors used to evaluate the proposal and their relative weight. Those interested in participating in the selection process are afforded the opportunity to pose questions in writing about the RFCSP and services sought before submitting a proposal. After the sealed proposals have been submitted and reviewed, the City may obtain additional information or clarifications including additional "best and final offers" from participants, prior to making its final selection, provided that information from one proposer is not disclosed to another. The City will select a responsible and responsive proposer whose proposal is determined to be most advantageous to the City taking into consideration the evaluation factors.

### **2.1 Schedule**

The City intends to adhere to the schedule below for the selection process. Dates may be adjusted by City as needed.

<b>Activity</b>	<b>Target Date</b>
RFCSP Issued	9/9/13
Submittal of questions	9/23/13
Answers to questions	9/30/13
Proposals submitted	10/8/13
Finalists notified	10/29/13
Finalist Presentations	11/6/13
Last Offer	11/13/13
Selection	11/20/13
Negotiation of contract	
City Council action	12/12/13

### **2.2 Evaluation Criteria**

Each proposal will be evaluated based on the criteria listed in Section 8.

### **2.3 Finalist Selection**

The City intends to select two or more Proposers from the RFCSP responses to further evaluate as finalists through on-site presentations. Finalists then will be allowed to

submit revisions to their proposal to make a last and best final offer. Additional discovery may be performed to assist in selecting the finalist.

The finalist will be selected based on all of the evaluation criteria so that the City obtains the best consultant for it for an appropriate fee.

### **3. Contact Information**

Please submit/forward all questions and matters relating to this RFCSP to Mr. Glen Godwin, Human Resources Director, City of Murfreesboro. He may be reached at (615) 848-2553 or by email at [ggodwin@murfreesborotn.gov](mailto:ggodwin@murfreesborotn.gov), or by mail at City of Murfreesboro, Human Resources Department, 111 West Vine Street, Murfreesboro, TN 37130 or P.O. Box 1139, Murfreesboro, TN 37133-1139. Questions should be submitted in writing via email. Any changes to this RFCSP or its Schedule will be posted on the City's website: [www.murfreesborotn.gov/employeebenefitsconsultingrfcsp](http://www.murfreesborotn.gov/employeebenefitsconsultingrfcsp).

### **4. Background**

The City of Murfreesboro, Tennessee is a municipality that currently employs 928 full-time and 329 part-time employees. The City departments include but are not limited to: Police, Fire, Water and Sewer, Street, Solid Waste, Parks and Recreation, Engineering, Planning, Human Resources, Finance and Administration.

The City has a non-ERISA medical plan that provides self-funded health benefits to full time employees, retirees, long term disabled employees ("LTD"), spouses and dependents. There are currently 123 Medicare retirees and 71 Pre-Medicare retirees enrolled in the City's health plan. The City's current vendors include HealthScope Benefits (TPA; Cigna GW network), Delta Dental (dental), Assurant (dental), VSP fully insured (vision), SwissRe (stop loss carrier), The Standard (disability), Minnesota Life (group and voluntary life), Life Services EAP (employee assistance program) and Interactive Health (wellness program).

The City's contract with its current Employee Benefits Consultants, Sherrill D. Morgan & Associates, expires on December 31, 2013. The stop loss carrier's contract expires on June 30, 2014, and Delta Dental's contract expires on December 31, 2016. All other contracts expire effective December 31, 2014.

The City has a defined contribution retirement program administered by ICMA-RC for employees hired on and after July 1, 2010, which includes a deferred compensation component. A defined benefit pension plan, which is self-administered, exists for employees hired before July 1, 2010, as does a deferred compensation plan administered by ING.

The City is beginning a comprehensive classification and compensation analysis that will include the City's focus on the total compensation (salary and benefits) package it provides its employees.

### **5. Services Requested/Specifications**

At a minimum, the City needs professional information, advice and evaluative services for the next three years for its health insurance programs. Such services shall advance the City's commitment to competitive employee benefits and address its need for cost containment and cost reduction strategies in the context of its total employee compensation system. The City has identified certain specific needs and goals below,

and the Proposer's submittal should provide information on the Proposer's expertise in these areas. However, the City recognizes that other aspects of its employee benefit programs may also require or benefit from study and review. Accordingly, the scope of services expected from the selected consultant may not be limited to the identified items. The selected service provider will need industry experience, comprehensive data and financial modeling systems, and legal knowledge of the specified areas.

### Health Insurance

- Health care reform (PPACA) – Timely analysis of law, regulations and compliance alternatives
- Actuarial analyses of networks and contracts
- Utilization disruption analysis for changes in health benefit plan network
- Review of SPD's and SBC's for accuracy
- Annual plan renewals and amendments
- Plan audit
- Pharmacy Benefits Manager (PBM) analysis of transparency and rebates
- Per Employee Per year (PEPY) and Per Employee Per Month (PEPM) cost identification
- Analysis of Plan Design Options including low premium plan for minimum essential coverage (pay or play); working spouse coverage; tobacco cessation program coverage
- Analysis of Retiree (pre-Medicare and Medicare) Benefits and Plan Design Options
- Analyses of Long Term Disabled Benefits
- Analysis of cost and benefits of on-site and near site clinics
- Analysis of goals for auxiliary insured benefits offered (life, dental, vision, long term disability) and contemplated (short term disability)
- Analysis of Stop Loss (Reinsurance)
- Analysis of cost/benefits of using TPA or carrier

### Vendor Procurements

Specifications, Evaluations & Selection for 2014 - competitive procurements for all contracts including:

- Health Benefits Plan (Network, TPA, Carrier, Stop Loss and Private Exchanges)
- Pharmacy Benefits Manager (PBM)
- Ancillary benefits providers (Life, Long Term Disability, Vision, EAP, Wellness, Short Term Disability)

### Consumerism and Wellness

The City's wellness program, "Boro Fit," currently includes testing, analysis, scoring, coaching and online wellness programs provided by Interactive Health Systems. The City needs a consultant who can actively work with its providers to increase participation through plan design and incentives in a manner compliant with PPACA. The City is looking for a strategic plan that will integrate and maximize benefits to employees and covered lives while containing the City's costs for its:

- Health benefit plan
- Wellness plan
- HRA and
- Flexible benefits

It is anticipated that this strategic plan will include expanding access to the City's recreational facilities provided by its "Fit for Success" program. The program is currently offered to actively at work employees; expansion to retirees (Pre-65 and Medicare), dependents (spouses and children) and LTD employees is contemplated.

The City is currently studying modifications to its fitness testing for police and fire applicants for employment and promotion. This may result in additional fitness testing and wellness programs for incumbents as well as applicants.

## **6. City Terms and Conditions**

It is important for each Proposer to become familiar with each paragraph within this section, as these paragraphs will prevail in the event of any discrepancies or differences between project related or contractual documents.

The Proposer must clearly and specifically detail all exceptions to the Terms and Conditions imposed in this section in the transmittal letter that will accompany its RFCSP response.

### **6.1 Standards**

Proposer must affirm that under its employment policies, standards and practices, it does not subscribe to any personnel policy which permits or allows for the promotion, demotion, employment, dismissal or laying off of any individual due to the individual's race, creed, color, national origin, age or sex and that it is not in violation of and will not violate any applicable laws concerning the employment of individuals with disabilities.

It is the policy of the City not to discriminate on the basis of age, race, sex, color, national origin, or disability in its hiring and employment practices, or in admission to, access to, or operation of its programs, services, and activities. With regard to all aspects of this contract, Proposer will be required to certify and warrant that it will comply with this policy.

Proposer understands that it shall be a breach of City's ethical standards policies for any person to offer, give, or agree to give to any City employee or former employee, or for any City employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, evaluation, recommendation, preparation of any part of a requirement or request, influencing the content this RFCSP, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to this RFCSP or any contract or subcontract resulting therefrom.

A breach of these ethical standards may result in civil and/or criminal sanctions and/or debarment or suspension from being a contractor or subcontractor for any City contract.

### **6.2 Warranties**

Proposer warrants it will perform the services in a professional manner according to the standards established in the industry for the type of work to be performed.

### **6.3 Indemnification**

The Proposer shall indemnify the City and hold it harmless against all claims, liability, demands, liens, taxes, loss or damages of any character suffered by the City arising from any operations, acts or omissions of Proposer related to the work. Proposer's indemnification shall also encompass any and all financial damages to City resulting

from the activities and responsibilities of the Proposer, Proposer's employees, and subcontractors.

#### **6.4 Terms for Payment**

Payment for services delivered will be thirty (30) days from the date of the invoice.

#### **6.5 Assignment**

The successful Proposer shall not assign, transfer, convey, sublet or otherwise dispose of any contract award or any or all of its rights, title or interest therein, without prior written consent of the City. Such consent by the City shall not relieve the assignor of liability in the event of default by the assignee.

#### **6.6 Insurance**

The successful Proposer shall maintain at least the following commercial insurance policies for the duration of the Contract in the amounts specified:

- Workers' compensation and employer's liability insurance – Workers' compensation in compliance with the applicable state and federal laws; employer's liability with a limit of \$1,000,000 per occurrence.
- Comprehensive general liability insurance – insurance including blanket contractual, broad form property damage, completed operations, and independent contractor's liability, all applicable to personal injury, bodily injury, and property damage to a limit of \$1,000,000 per occurrence and \$2,000,000 aggregate.
- Comprehensive automobile liability insurance – Must include owned, hired, and non-owned automobiles, for bodily injury and property damage to a combined single limit of \$1,000,000 each occurrence.
- Professional liability (errors and omissions) insurance affording professional liability insurance – to a limit of \$1,000,000 each claim, and \$1,000,000 aggregate.
- Technology Errors and Omissions insurance - to include data breach and loss of personally identifiable information – to a limit of \$1,000,000 each claim, and \$2,000,000 aggregate.

The selected Proposer must provide City with the required insurance certificates and endorsements and name the City as an additional insured on the liability coverages prior to contract execution.

#### **6.7 Scope of Insurance and Special Hazards**

The insurance required under the preceding paragraphs shall provide adequate protection for the successful Proposer and any sub-contractors against damage claims that may arise from operations under this contract, whether such operations are by the insured or by anyone directly or indirectly employed by the successful Proposer.

#### **6.8 Governing Law and Venue**

The contract will be governed by the laws of the State of Tennessee. Venue for any action shall be in the applicable court for Rutherford County, Tennessee.

## **6.9 Compliance With Laws**

The Proposer's contract shall comply with applicable Federal, State, and Local statutes, rules, and regulations. Proposers shall be approved by the appropriate regulatory authorities, if any, in the State of Tennessee to provide the services herein described.

## **7. Guidelines for this Request for Competitive Sealed Proposals Process**

### **7.1 Basis for Proposals**

Only information supplied by the City in writing should be used in the preparation of a proposal. Oral and other interpretations or clarifications shall not be binding. Proposers must acknowledge any subsequently issued addenda by signing and including such documents in the proposal.

### **7.2 Proposer Terms and Conditions**

The Proposer must submit a complete set of any additional terms and conditions that it proposes to have included in contract negotiations with the City with its proposal. City will not accept any contract term limiting Proposer's liability to the amount of the contract. Additionally, the Proposer must submit any and all documents/agreements City must sign with its proposal.

### **7.3 Disclosure of Proposals**

As a matter of state law, each Proposer's RFCSP response in its entirety will become a public record after completion of the selection process. The content of any proposal will not be disclosed to other Proposers during the selection process.

### **7.4 Late Proposals**

Proposals must be received at the specified location on or before the published proposal due date and time. Any proposal received after the time and date set for receipt of proposals will be late and, at the discretion of the City, may not be considered.

### **7.5 Signing of Proposals**

The submission and signature of a proposal shall indicate the intention of the Proposer to adhere to the provisions described in this RFCSP and therefore must be signed by a representative with the authority to do so.

### **7.6 Cost of Proposal**

This RFCSP does not commit the City to pay any costs incurred by any Proposer in preparation and/or submission of a proposal or for procuring or contracting for the items to be furnished under the RFCSP. All costs directly or indirectly related to responding to this RFCSP (including all costs incurred in supplementary documentation or on-site interviews) until contract execution will be borne by the Proposer.

### **7.7 Conflict of Interest, Non-Collusion and Anti-Lobbying**

The Proposer promises that its officers, employees or agents will not attempt to lobby or influence a vote or recommendation related to the firm's proposal, directly or indirectly, through any contact with City Council members or City employees between the release of this RFCSP and award of contract by City, and that there will be no collusion and no conflict of interest.

### **7.8 Ownership of Proposals**

All documents submitted in response to this RFCSP shall become the property of City.

### **7.9 Disqualification or Rejection of Proposals**

Proposers may be disqualified for any of the following reasons:

- There is reason to believe that collusion exists between or among two or more Proposers;
- The Proposer is in arrears on an existing City contract or has defaulted on a previous City contract;
- The Proposer lacks financial stability;
- The Proposer has failed to perform under a previous or current City contract;
- The Proposer has failed to adhere to one or more of the provisions established in this RFCSP;
- The Proposer has failed to submit its proposal in the format specified herein;
- The Proposer has failed to submit its proposal on or before the deadline established herein; or
- The Proposer has failed to adhere to generally accepted ethical and professional principles during the proposal process.

### **7.10 Right to Waive Irregularities**

Proposals shall be considered irregular if they show any omissions, alterations of form, additions, conditions not called for, or irregularities of any kind.

The City reserves the right to waive irregularities. The City also reserves the right to waive any mandatory requirement provided that all proposals failed to meet the same mandatory requirement, and the failure to do so does not otherwise materially affect the procurement. This right is at the sole discretion of City.

### **7.11 Withdrawal of Proposals**

Proposals may be withdrawn by written notice if received by the City prior to the exact hour and date specified for receipt of proposals. A proposal also may be withdrawn in person and the Proposer signs a receipt for the proposal, but only if the withdrawal is made by a person clearly authorized to do so prior to the exact hour and date set for the receipt of proposals.

### **7.12 Amendment of Proposals**

A Proposer must submit any amended proposal before the deadline for receipt of proposals. Such amended proposal must be a complete replacement of a previously submitted response and must be clearly identified as such in the transmittal letter. City will not merge, collate, or assemble proposal materials.

### **7.13 Proposal as Firm Offer**

Responses to this RFCSP, including cost, will be considered firm for one hundred and eighty (180) days after the due date for receipt of response or receipt of the last best and final offer submitted. All proposals must include a statement to that effect.

#### **7.14 Exceptions to RFCSP Specifications**

Although the specifications stated in the RFCSP represent City's anticipated needs, there may be instances where it is in City's interest to permit exceptions to specifications and accept alternatives.

It is extremely important that the Proposer make very clear where exceptions are taken to the specifications and how the Proposer will provide alternatives. Therefore, exceptions, conditions, or qualifications to the provisions of City's specifications must be clearly identified as such together with reasons for taking exception, and inserted into the proposal response. If the Proposer does not make clear that an exception is being taken, City will assume the proposal response is responding to and will meet the specification as written.

Where the Proposer does not agree with City's terms and conditions, the proposal must enumerate the specific clauses that the Proposer wishes to amend or delete and suggest alternative wording. Any minimum terms that City will have to agree to in order to enter into a contract with the Proposer and any item the Proposer considers to be a mandatory term must be submitted with the RFCSP response.

#### **7.15 Consideration of Proposals**

Discussions may be conducted with responsible Proposers for the purpose of clarification to assure full understanding of the proposal. In conducting discussions, there will be no disclosure of any information derived from proposals submitted by competing Proposers. Until the City awards the contract, it reserves the right to reject any or all proposals and waive technicalities, to re-advertise for new proposals, or to proceed with the work in any manner as may be considered in the best interest of City.

#### **7.16 Termination**

The City reserves the right to cancel this RFCSP at any time. City reserves the right to reject any or all proposals submitted in response to this RFCSP.

#### **7.17 Taxes**

Proposer will be responsible for the payment of any applicable tax on the services it will provide. At the time of this RFCSP, neither the State of Tennessee nor the City impose a sales tax on consultant services of this type. Proposers will include in its fee proposal all applicable local, City, state, and federal taxes.

#### **7.18 Award of Contract**

The City reserves the right to withhold final action on the RFCSP for a reasonable time, not to exceed one hundred and eighty (180) days after the date of submitting proposals, and in no event will an award be made until further investigations have been made as to the responsibility of the proposed Proposer. The award of the contract, if an award is made, will be to the most responsible and responsive Proposer whose proposal meets the requirements and criteria set forth in the Request for Competitive Sealed Proposal and whose contract terms are acceptable to City. City reserves the right to abandon, without obligation to the Proposer, any part of the project, or the entire project, at any time before the successful Proposer begins any work authorized by City.

The award of the contract shall not become effective until the contract has been executed by the successful Proposer and City.

### **7.19 Appeal Process**

Each Proposer shall be notified of the Proposer selected for recommendation to the City Council before the proposed City Council action. A protest by an aggrieved Proposer who is not selected will be heard by the City Council if filed with the City Council, through the City Recorder, within seven (7) days after the intended award is announced. Any issue raised by the protesting party after the seven day period shall not be considered as part of the protest. The City Council may stay an award due to a pending protest without financial or other obligation to the Proposer recommended to the Council. The City Council may, by resolution, adopt rules and procedures applicable to protests.

### **7.20 Execution of Contract**

The City shall authorize award of the contract to the successful Proposer. City will require the successful Proposer to sign the necessary documents entering into the required contract with City within 10 days of receipt and to provide the necessary evidence of insurance as required under the contract.

No contract for this project may be signed by City without the authorization of the City Council. No contract shall be binding on City until it has been approved and executed by the Mayor or designee and approved as to form by the City Attorney.

## **8. Criteria Used To Evaluate Proposals**

<b><u>Criteria:</u></b>	<b><u>Description:</u></b>	<b><u>Weight</u></b>
Cost containment-strategic	Ability to show return on investment value via reduced Per Employee Per Year (PEPY) and (PEPM) costs and Trends	20%
Consumerism goals	Ability to work with TPA/City providers in driving consumerism by participants using communication and transparency tools	20%
Health care reform compliance	Ability to provide relevant, timely information for plan compliance, including development of forms and interpretation of regulations	15%
Wellness goals	Ability to work with Wellness provider/TPA/City in plan design, utilization compliance, and overall employee engagement	10%
Data services	Ability to provide City access to web-services, plan modeling, PPACA compliance and modeling, including integration with all City employee benefit providers	10%
Fee	Value of pricing for contract and return on investment (ROI)	10%

Total compensation	Ability to integrate strategies and plans with total compensation strategies of the City	5%
Communication with City HR, Administration	Ability to communicate accurately, effectively through multiple formats including plan review, conference calls, webinars, workshops, on-site meetings with the City Council, Administration, HR. Communication with single point of contract preferred	5%
Public Sector and State of Tennessee experience	Ability to demonstrate work with public sector clients, with self-insured plans and with Non-ERISA plans. State of Tennessee experience desirable.	5%

## **9. RFCSP Requirements and Format**

Please use the following format to structure your RFCSP response. Your response should include each section detailed below in the order presented. The detail represents the items that are to be covered in each section of your response. Failure to follow the directions or to address all items will impact the evaluation. Failure to address a significant portion of the items may classify the response as non-responsive and preclude it from further consideration. **The number of pages in the RFCSP response cannot exceed 50 pages.** Appendices will not be counted as part of the 50 page limit. Resumes and marketing material may be included and will not be counted towards the 50 page limit; however this information must be in its own section at the back of the RFCSP response. All materials must fit into a single binder. Please supply five hard copies and two electronic copies.

### **Cover with Table of Contents**

### **Transmittal Letter**

The transmittal letter will indicate the intention of the Proposer to adhere to the provisions described in the RFCSP without modification. The letter of transmittal should:

- 1) Identify the submitting organization;
- 2) Identify the person, by name and title, authorized to obligate the organization contractually;
- 3) Identify the contact person responsible for this response and specify phone, fax, and email address;
- 4) Explicitly state that Proposer has reviewed and accepted the City's Terms and Conditions;
- 5) State that it has included any additional terms or conditions or documents which it requires;
- 6) Identify any and all exceptions or "deal breakers" to the RFCSP requirements;
- 7) Acknowledge the proposal is considered firm for one hundred and eighty (180) days after the due date for receipt of proposals or receipt of the last best and final offer submitted. If partners are used, they must also guarantee their section of the proposal for 180 days;
- 8) Acknowledge completion of the Fee Proposal; and
- 9) Signed by a person authorized to contractually obligate the organization.

### **Proposal**

- 1) Proposer Profile: The Proposer will provide a description of its organization and any other firms who will be providing products or services through a subcontracting arrangement with the Proposer.
- 2) Qualifications: Proposer's qualifications to perform the services requested that will also address the evaluative criteria.
- 3) Experience: Please describe your organization's experience in providing similar services. Identify and briefly describe any pending criminal or civil suits brought against the Proposer, or suits which have resulted in an adverse judgment or settlement within the past five (5) years, arising out of Proposer's providing employee benefit consulting services, allegations of HIPAA violations, and/or allegations of federal or state regulatory violations in provision of services similar to those requested.
- 4) References: Please provide references for at least five organizations in the United States of similar size and type to City for whom Proposer is or has provided similar services. Identify any public sector experience in Tennessee.
- 5) Key Personnel: Identify and provide a brief professional resume of the key personnel anticipated to be used to provide the services sought.
- 6) Data Analysis: Provide a description of the data methodologies and security to be utilized in providing the services sought. Describe HIPAA compliance practices and procedures
- 7) Communications: Describe strategies and methods the Proposer has developed to communicate with clients in similar consumerism and/or wellness efforts.
- 8) City's responsibilities: Identify and briefly describe the role and responsibilities Proposer would expect City to perform in achieving delivery of the requested services.
- 9) Scheduling: Provide a tentative strategy and timeline for delivery of the services sought or a description of how such strategies and timeline would be developed if the Proposer is selected.
- 10) Fee Proposal: The City is interested in receiving a fee proposal which reflects the existing expertise of the Proposer and its ability to deliver the requested employee benefits consulting services using efficient, proven methods at a reasonable cost. The City requires each Proposer to submit an all-inclusive flat fee for the requested services. The flat fee may be the same for each year of the proposed three year term or may vary, e.g., higher in 2014 because of the procurements to be completed in the initial year, but should not be unbalanced. Proposers may, if they wish, submit a fee proposal which is an alternative to the required flat fee proposal. One or more of such alternatives may be submitted. Any such alternative fee proposal should clearly indicate the rationale for the alternative proposals, the method of calculating the fee and any discrete fees, e.g. separate actuarial or audit fees.

### **Submittal**

**All Proposals should be delivered to Glen Godwin, City of Murfreesboro Human Resources Director, 111 West Vine Street, Murfreesboro, TN 37130 OR P.O. Box 1139, Murfreesboro, TN 37133-1139; Attn: RFCSP Employee Benefits Consultant.**

**All Proposals must be submitted in a sealed envelope clearly labeled "RFCSP-Employee Benefits Consultant". All Proposals must be delivered by 3:00p.m. local time on October 8, 2013.**

**Any changes to this RFCSP or its schedule will be posted on the City's website: [www.murfreesborotn.gov/employeebenefitsconsultingrfcsp](http://www.murfreesborotn.gov/employeebenefitsconsultingrfcsp).**