



**REQUEST FOR PROPOSALS
EMPLOYEE BENEFITS INSURANCE BROKER & CONSULTING SERVICES
17-010**

ADDENDUM # 1

JANUARY 9, 2017

This addendum is hereby made part of said documents and shall be acknowledged in the space provided by all persons submitting proposals for # 17-010 Employee Benefits Insurance Broker & Consulting Services. The following are questions and answers that have been received regarding this bid.

Proposals are due no later than 2:00PM (CST) Monday, January 16, 2017.

Please see the attached documentation for the questions, answers and requested report information for all three cities, Bedford, Colleyville, and Watauga.

As per the specifications, no more questions will be accepted or addressed in regards to this proposal # 17-010 Employee Benefits Insurance Broker & Consulting Services.

Thank you,

Deby Woodard
Assistant Finance Director / Purchasing Manager

ADDENDUM # 1

**REQUEST FOR PROPOSALS
EMPLOYEE BENEFITS INSURANCE BROKER & CONSULTING SERVICES
17-010**

ACKNOWLEDGED RECEIPT OF ADDENDUM # 1 DATED JANUARY 9, 2017

COMPANY: _____

ADDRESS: _____

CITY, STATE, ZIP: _____

TELEPHONE: _____

FAX: _____

REPRESENTATIVE: _____

SIGNATURE: _____

RFP 17-010 ADDENDUM # 1 QUESTIONS & ANSWERS

Questions:	City of Bedford	City of Colleyville	City of Watauga
1. What are each of the cities currently paying in consulting fees/commissions on an annual basis?	\$34,000 annually	The following numbers are based up on the estimated premiums for Colleyville for this year. \$83,891.90	Watauga pays 3% - Approximately \$40,000 per year.
2. Do the current brokers receive any additional form of compensation? (i.e. for voluntary products, etc.)	Not to our knowledge.	No.	Not to our knowledge.
3. Should pricing be based on a group basis or broken out by city?	Broken by city, but providing based on group in addition would be acceptable .	Prefer broken out by city so we would know what to budget for each year.	By City.
4. What platform does each city currently utilize for online benefits administration?	We use eSuite in Logos our HRIS system. We utilize CIGNA's system .	Colleyville currently does not have an online platform for benefits enrollment. To track insurance deductions and payroll, we use Munis by Tyler Technologies.	Watauga uses the provider's website and HRConnection (www.hrconnection.com) to track elections.
5. Can you please clarify the following: The RFP states that the cities are looking for a broker and benefits consultant. We are not insurance brokers however we have extensive background and experience in benefits consulting and administration and are interested in submitting a bid as a benefits consultant and continuation of services. Is that allowed?	No, we need a firm that can facilitate both functions.	No, we need a firm that can do both.	No, we need a firm that can facilitate both functions.
6. The RFP mentions that the cities may issue one award or more than one award. In that case, our firm can respond to this bid as the benefits consultant and continuation of services?	We are seeking a firm that can provide both broker and consulting services. However, all proposals are welcome and will be reviewed.	We are seeking a firm that can provide both broker and consulting services. However, all proposals are welcome and will be reviewed.	We are seeking a firm that can provide both broker and consulting services. However, all proposals are welcome and will be reviewed.
7. Who is the current provider for the core benefits plans? (medical, dental, and vision).	Medial, Dental, Life and AD&D: Cigna Vision: Vision Service Plan	Medial, Dental: Blue Cross BlueShield Vision: Superior Vision	Medical: Cigna Dental: Aetna Vision: Vision Service Plan
8. Who is the current provider for the voluntary /supplemental benefits?	Colonial and VSP	Basic & voluntary life and AD&D insurance and long term disability is with Dearborn National. Flexible Spending Account (Health Care FSA and Dependent Care FSA) is with Discovery Benefits. Employee Assistance Program is with Alliance Work Partners. Wellness Program is through Baylor Scott & White. Pricing Transparency Services are provided by Compass Professional Health Services. Allstate provides Accident, Short Term Disability, Cancer and Critical Incident Coverage.	Life/AD&D: and LTD: Lincoln Financial Group H.S.A.: Optum Bank
9. Who administers the EAP plan?	Aetna	Alliance Work Partners	Lincoln Financial Group
10. Please provide the COBRA rates.	See attached or contact for the information.	See attached or contact for the information.	See attached or contact for the information.
11. Please provide a report of the past 24 months of health paid claims.	See attached or contact for the information.	See attached or contact for the information.	Claims report is provided by Aetna. We have attached the most recent copy we have available. We just switched to Cigna effective 10-1-1 and claim reports are not yet available.
12. Please provide a report of month to month enrollment.	Do not have this in report format. Less than 7 a month. Realistically, 2-5 a month.	See attached or contact for the information.	Watauga does not have this in a report format. Approximately 155 employees enrolled per month.
13. Please provide any medical/pharmacy plan utilization reports.	See attached or contact for the information.	See attached or contact for the information.	This report is provided by Aetna. We have attached the most recent copy we have available. We just switched to Cigna effective 10-1-1 and is not yet available.
14. What is the cities strategy for human capital and what top three priorities would the cities like implemented into their benefits strategy?	Strive to provide a balanced work-life program that includes a comprehensive benefits plan. Seeking innovative ways to provide quality benefits for employees and would eventually like to move into the self insured market if the political climate for Obama Care remains unchanged. Would like to implement better cost saving strategies and develop a comprehensive plan for dealing with healthcare.	Strive to provide a balanced work-life program that includes a comprehensive benefits plan. Seeking innovative ways to provide quality benefits for employees and would eventually like to move into the self insured if it is a good fit for Colleyville. Would like to implement better cost saving strategies and develop a comprehensive plan for dealing with healthcare increases each year.	Watauga's main priority is to continue to offer a comprehensive and attractive benefits package for employees while controlling costs for the City and employees. We are constantly striving to find innovative ways to keep healthcare costs down.

15. What is the turnover ratio?	For FY2015-16 the turnover rate is 9.32%	For FY2015-16 the turnover rate is 14%	For FY2015-16 the turnover rate is 18%															
16. What are the demographics of the workforce?	See attached or contact for the information.	See attached or contact for the information.	This report is not readily available through Aetna and Cigna's data is not available yet. Below is an analysis of our current workforce by age. <table border="1"> <thead> <tr> <th>Age</th> <th># of EES</th> <th>% of EES</th> </tr> </thead> <tbody> <tr> <td>Under 30</td> <td>32</td> <td>20%</td> </tr> <tr> <td>30-49</td> <td>75</td> <td>46%</td> </tr> <tr> <td>50-64</td> <td>49</td> <td>30%</td> </tr> <tr> <td>65+</td> <td>8</td> <td>5%</td> </tr> </tbody> </table>	Age	# of EES	% of EES	Under 30	32	20%	30-49	75	46%	50-64	49	30%	65+	8	5%
Age	# of EES	% of EES																
Under 30	32	20%																
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50-64	49	30%																
65+	8	5%																
17. Are any collectively bargained employee groups affiliated with any unions?	No.	No.	We do not have unions or collective bargaining, but are Civil Service for Police & Fire.															
18. Do the cities offer benefits to both < 65 and > 65 retirees? If so, are any of these benefits subsidized?	Yes and yes. Small group most are given a retirement health savings plan.	Does not currently offer retiree benefits.	Yes, we offer retiree health, but the retiree pays the full cost. It is not subsidized.															
19. Is the same benefit plan offered to retirees?	Yes.	Not applicable.	Yes.															
20. Is the incumbent broker/consultant allowed to respond to this RFP?	Yes.	Yes.	Yes.															
21. Is this RFP different from the incumbents scope of services?	Yes. We are requesting legal services and educational opportunities other than on-line that we have to research on our own.	Yes, Our incumbent is paid on a commission basis and we are requesting flat fee pricing. Also we need online enrollment software.	Yes. The incumbent is paid on a commission basis and this proposal requests flat fee pricing. Also, proactive legal services and educational opportunities are requested in the proposal.															
22. When does the current PBM expire?	Bedford does not have PBM.	Colleyville does not have a separate pharmacy benefit manager.	Watauga does not have a pharmacy benefit manager.															
23. Are there any existing service issues with any vendors or lines of coverage?	No. We just need access to training, legal and research.	No.	No.															
24. How is historical information currently tracked and stored? (spreadsheet, data warehouse).	Spreadsheets.	Individual employees' plan selections and premium information is tracked in Tyler Technologies Munis software.	Medical files, spreadsheets, payroll system.															
25. When was the last compliance review conducted?	2015-2016 in house.	Fall 2015.	Fall 2016.															
26. Would it be possible to send the RFP in an editable word format?	See attached. However the contents of the document may not be changed in any manner.	See attached. However the contents of the document may not be changed in any manner.	See attached. However the contents of the document may not be changed in any manner.															
27. What efficiencies do the cities hope to achieve through the interlocal agreement?	Fee reduction, collaboration on benefit related projects by having a common Consultant on record.	Savings as a result of economies of scale.	Savings as a result of economies of scale.															
28. Will the cities share a common health plan, or will each city have the ability to have differing benefits?	Independent, but looking at collaborative effort.	Each city will have the ability to select its own benefits but we may want to collaborate if it makes financial sense.	Each city will have the ability to select its own benefits but we may want to collaborate if it makes financial sense.															
29. Do the cities expect to have a single contract with health/insurance vendors, or will each city contract be independent?	Independent contracts.	Independent contracts.	Independent contracts.															
30. Does each city currently retain their own consultant/broker/advisor? Who are the current advisors?	Yes, Benefits Seminars Plus.	Yes, Holmes Murphy & Associates.	Yes, Benefits Seminars Plus.															
31. How long has each city retained their current advisor?	22 years.	Since 2011 when Holmes bought our business from Cooper.	Over 13 years.															
32. What is the current compensation provided to the advisors?	\$34,000 annually.	Approximately \$83,900 annually.	3% - Approximately \$40,000 annually															
33. Can you provide current benefit information with plan designs, rates, and contributions? An enrollment kit or other communication should be sufficient.	See attached or contact for the information.	See attached or contact for the information.	See attached or contact for the information.															
34. Please indicate which health plans are currently self-funded or insured (page 6).	Fully insured.	None are self-insured. They are all fully insured.	None are self-funded. They are all fully insured.															
35. Are there any benefits that are subject to bargaining or employment agreements (such as retiree benefits)?	No.	No.	Only those outlined in the City Manager's contract.															
36. Describe any wellness initiatives undertaken by any of the cities (page 6).	Currently have a contract with Baylor Scott and White to outsource wellness.	See attached Open Enrollment Guide. The employees and spouses wellness outcomes drive what the employees and spouses pay in medical premiums. We have an aggressive wellness program.	Watauga is currently working with Cigna on new initiatives, but have done biometric screenings, step challenges, weight loss challenges and offered health classes. More details are available in the Benefits Guide.															
37. Do the cities currently utilize an online benefits enrollment platform (page 5)?	Yes, through our in-house system Tyler Tech Logos Esulte.	Currently using paper, no online software is currently being used.	Watauga uses HR Connection provided by the current consultant/broker.															
38. Please provide information on the vendor and the services included in the online platform to ensure the similar services are proposed (page 5).	See above.	Do not currently have an online platform.	HR Connection www.hrconnection.com															
39. How frequently do the cities expect to bid for alternative health and insurance benefits (page 6)?	Annually.	Once a year typically in April or May each year.	Annually.															

40. When was the last time each city bid for health and insurance benefits? (page 6)	May 2016.	May 2016.	Watauga's last bid was in May 2016.
41. How does each city evaluate bids and make decisions on selecting insurance providers (i.e., through a committee, city management)?	Typically with a committee that provides input with the HR team and City Manager's office being the final decision makers.	Evaluate the bids with a Benefits/Wellness Committee comprised of employees. These recommendations are then taken to city management and approved by Council.	We evaluate the bids with a Benefits/Wellness Committee comprised of employees. These recommendations are then taken to the City Manager and approved by Council.
42. Is retiree medical benefits included in the bidding, or is this treated separately (page 8)?	Included.	Do not have retiree benefits.	It is combined.
43. Does each city have a meeting schedule for benefits committees, council meetings, or management meetings? If so, please provide the expected schedule. Alternatively, please advise if the cities expect some frequency, such as quarterly, meetings.	We only attend council meetings when taking contracts for approval that is in June. We prefer our consultant to meet with our insurance committee during the RFP process and attend open enrollment meetings. Periodic meetings as needed also occur when issues arise.	Consultants meet with the Benefits/Wellness Committee at least twice to evaluate bid options in May/June. Consultants meets with Council at least once per year in June/July to discuss bid recommendations. Consultants meet with employees at least once a year in the summer to discuss insurance changes. Periodic meetings will occur as need arises or major changes are made to offerings.	Typically, the consultants will meet with the Benefits Review Committee at least twice to evaluate bid options in May/June. Consultants will meet with Council at least once a year in June/July to discuss bid recommendations. Consultants also meet with employees at least once per year in the summer, during open enrollment, to discuss insurance changes and answer questions.
44. Will the consultant meet with all three cities jointly (in a single meeting), or will each city expect individual meetings?	For interviews in the evaluation process the consultant will meet with all three cities at once. For final contract negotiations and day-to-day work, there will be individual contact with the cities.	For interviews in the evaluation process the consultant will meet with all three cities at once. For final contract negotiations and day-to-day work, there will be individual contact with the cities.	For interviews in the evaluation process the consultant will meet with all three cities at once. For final contract negotiations and day-to-day work, there will be individual contact with the cities.
45. Describe the situations where the consultant would conduct employee meetings.	Would not conduct meetings but would assist during open enrollment meetings and insurance committee meetings.	Consultants would assist during open enrollment and be asked to speak during that process. Consultants will speak to employees during all employee meetings, but will not be conducting any meetings. Consultants are asked to provide technical information and guidance to the Benefits/Wellness Committee and will periodically provide presentations to this group, Council and all employees as needed.	Consultant will not conduct employee meetings, but should attend and assist during open enrollment or if there is a need to make a major change mid-year. Usually, the consultant assists with preparing the PowerPoint and answering questions as a SME.
46. Please share all relevant information pertaining to the genesis of the relationship with the cities of Colleyville, Bedford and Watauga.	All three cities needed to go out for bid for this service. We are interested in pursuing a joint insurance bidding process. Felt combining resources would provide economies of scale in the service fees and also having a common consultant would lay the ground work for a possible joint insurance bid.	All three cities are interested in combining resources when possible to improve processes or increase efficiencies.	All three cities are interested in combining resources when possible to improve processes or increase efficiencies.
47. Describe how the decision making process will be carried out.	As per indicated in the specifications, the cities will conduct the evaluation and interviews together and make the consultant decision together based on the evaluation criteria.	As per indicated in the specifications, the cities will conduct the evaluation and interviews together and make the consultant decision together based on the evaluation criteria.	As per indicated in the specifications, the cities will conduct the evaluation and interviews together and make the consultant decision together based on the evaluation criteria.
48. Describe what criteria is sought for the winning bid.	The evaluation criteria is identified within the specifications. The ability to provide new innovative approaches to plan designs, training, research and legal services are important.	The evaluation criteria is identified within the specifications. The ability to provide new, innovative approaches to benefits management, provide training, guidance, research, compliance audits and legal services. Seeking to move from a commission based fee structure to a flat fee structure.	The evaluation criteria is identified within the specifications. Watauga seeks a consultant that can also provide innovative approaches to benefits management and cost-savings. Will also like to receive training, guidance, research, compliance audits and legal services. Watauga is seeking to move from a commission based fee structure to a flat fee based structure. Watauga would like to continue using an online platform for benefits management.