

# CITY OF COMMERCE

## Request for Qualifications

May 7, 2021



### FY 2022/2023 Insurance Broker & Consulting Services

#### Executive Summary:

The City of Commerce is now accepting sealed proposals for awarding an annual contract for providing Employee Benefits Insurance Broker & Consulting Services for the City of Commerce.

**Deadline:** Sealed proposal submittals must be received by **2:00 PM on Friday, May 28, 2021**. (The clock used by the utility payments desk will be the official time.) Proposals will be opened and logged on this date at City of Commerce, City Hall Executive Conference Room, 1119 Alamo St Commerce, TX 75428. Proposals received after the deadline stated herein will not be opened and shall be considered tardy and nonresponsive.

**MARK ENVELOPE:** “City of Commerce – Employee Benefits Insurance Broker”

**Delivery Address:** Please submit one (1) marked original and three (3) exact duplicate copies of your complete proposal along with one (1) electronic copy (CD or flash drive) properly labeled and clearly marked with “Employee Benefits Insurance Broker” to:

Molly Jacobsen, Director of Administrative Services  
City of Commerce – RFP – Insurance Broker  
1119 Alamo St  
Commerce, TX 75428

**Point of Contact:** All inquiries regarding this RFP must be made, in writing, to Molly Jacobsen, Director of Administrative Services, at [molly.jacobsen@commercetx.org](mailto:molly.jacobsen@commercetx.org). The City shall not be responsible for any verbal communication between any employee of the City and any potential firm. Only written requirements and qualifications will be considered.

The City of Commerce reserves the right to reject any and all bids, to waive irregularities, and to accept the bid deemed the most advantageous to the City.

**Deadline for Submission of Questions is 5:00 pm on Monday, May 24, 2021.**

**Release Date:** Friday, May 7, 2021

## **Introduction**

The City of Commerce is soliciting proposals from companies/firms who are interested and qualified to provide broker and consulting services as it pertains to employee benefits for the City of Commerce. Services must meet the minimum specifications detailed in this request.

## **Clarification and Interpretation of RFP**

1. The Words “must” or “will” or “shall” in this RFP indicate mandatory requirements. Taking exception to any mandatory requirement will be grounds for rejection of the proposal.
2. The City desires to avoid any misunderstanding where it is assumed that a feature is included in the proposal and turns out to be an optional, extra cost feature. As such, any question answered with an indication of compliance will be considered included at no additional cost. Any service that is referred to in the body of the response (does not pertain to attachments and brochures) will be considered included in the basic offer.

## **Purpose of RFP**

The City of Commerce (hereinafter referred to as the “City”) is requesting proposals from qualified brokers and/or consultants to provide professional services related to our fully insured, employee benefit package offered to all our full-time employees. This includes, but is not limited to, services relating to: health (including prescription plans), dental, vision, group life/accidental death & dismemberment (AD&D), long and short-term disability, employee assistance programs (EAPs), and other benefits. Services to the City should include compliance, cost analysis and savings, strategic planning and any other services that may be suggested to benefit the City and the current benefit package offerings. The City is seeking a consultant and broker that is experienced in the benefits market and has experience in advising all levels of staff and management within a municipality.

## **Background**

The City of Commerce is located approximately 60 miles northeast of the Dallas/Fort Worth metroplex. Approximately 9,000 citizens and the Texas A&M University- Commerce Campus call Commerce, Texas home. The City is in Hunt County with a small portion of the school district extending into Delta County. The City provides a full range of municipal services including public safety, inspections, planning and zoning, economic development, code enforcement, public works services of water, wastewater, drainage and streets, parks and recreation, public event coordination, finance, administrative services and more. Approximately 80 full-time and about 20 part-time employees combine for a total staff of around 100 employees.

Human Resources operates out of the Director of Administrative Service’s office and assists all full-time employees with their benefit inquiries and the administration and maintenance of their benefit elections for themselves and their dependents year-round.

## **Overview of Current Benefits**

The City contributes 100% to the total cost of the premium each month for each full-time employee electing medical, dental, and vision options. If a qualifying dependent coverage is selected, the City does not contribute an additional amount to the premium cost but allows the employee to opt into payroll deductions from their paycheck to fund dependent coverage. Employees may elect to waive medical options if they have existing coverage through a spouse or alternative resource, but they will not receive any type of monetary allowance from the City for waiving coverage.

**Medical Insurance:**

Eligible employees have the option of selecting coverage from three different plans. There are three HMO options offered through BlueCross Blue Shield of Texas in the current fiscal year. The city was with United Healthcare for several years but transitioned to BlueCross Blue Shield for Fiscal Year 2021. The plans offered are briefly described below in order from the least expensive plan to the costliest plan for both the employer and the employee.

- **Option #1:** The HMO “HSA” plan has a \$5,000 deductible and includes an HSA option which the employer contributes \$1,250 to on a quarterly basis every year. The employee may elect to take a payroll deduction as well to contribute more dollars to their HSA. The employer pays 100% of the cost of this monthly premium plan on behalf of the employee.
- **Option #2:** The HMO “Base” plans has a \$1,500 deductible, but lab work does not contribute to the plan deductible. This plan is also paid for by the employer at 100% but does not allow for a Health Savings Account option.
- **Option #3:** The third HMO plan is a “Buy-Up” plan which involves the employee taking a bi-weekly deduction of \$22.12 to “buy-up” to this HMO plan, which also includes a \$1,500 deductible, and all lab work contributes to this deductible. The employer pays the remainder of the employee’s monthly premium, comparable to the cost of the monthly premium associated with Option #2 Medical Insurance Plan above.

**Dental Insurance:**

Eligible employees are currently offered one dental plan option, which is a PPO plan and currently provided by Blue Cross Blue Shield. This plan is covered at 100% by the employer for the employee only. Employees may opt to take a payroll deduction to carry eligible dependents on their policy as well. The city does not contribute to dependent coverage.

**Vision Insurance:**

Eligible employees are currently offered one vision plan option through Blue Cross Blue Shield. This plan is covered at 100% by the employer for the employee. Employees may opt to take a payroll deduction to carry eligible dependents on their policy as well. The city does not contribute to dependent coverage.

**Life Insurance and AD&D:**

Eligible employees and retirees are currently provided a life insurance policy by the City for an amount of 2.0 times the employee’s annual salary. Public Safety personnel are provided a policy which covers an additional 2.0 times the rate of their annual salary if they are killed in the line of duty.

Additional voluntary life insurance options are available for selection if an employee wishes to purchase more than the amount in the policy provided by the City. Spouse and children (dependent) policies are available as well for employees who carry a voluntary life insurance policy on themselves. These are completely voluntary and funded by payroll deductions from the employee’s paycheck.

**Long-Term and Short-Term Disability:**

Both of these options are provided to eligible, full-time employees and are 100% funded by the City. Short term and long-term disability policies pay a maximum benefit of \$1,500/week and fund 60% of the employee’s pre-disability earnings following the fulfillment of a pre-disclosed qualifying period.

**Health Savings Account (HSA):**

Eligible employees are offered an HSA account if they enroll in the high deductible (\$5,000) HMO plan as discussed above in Option #1 of the Medical Insurance plans.

## **Scope of Services**

The City is seeking to name a Broker of Record for the City's employee insurance benefits. The City is interested in a broker who can offer programs that contain or reduce costs with effective approaches and a proven history of success. The broker selected will be expected to perform a range of benefit program services in all aspects of the City's benefit program including research, implementation, maintenance, and communication. The City expects the broker to perform all the following functions, including, but not limited to:

### **Analysis and Reporting**

1. Analyze existing benefit package and develop a cost-saving strategy or plan that offers similar or better options of coverage.
2. Identify long-range goals with projections of potential savings.
3. Analyze plan utilization through plan data and statistical or financial reports and provide recommendations for improvement.
4. Perform an analysis on similar sized entities to ensure competitiveness relating to the City's benefit plan offerings and cost.
5. Identify and inform the City of any trends or changing patterns relating to employee benefits and provide appropriate recommendations.
6. Prepare, provide, and present various reports as requested, including cost analysis and other financial reports, forecasting, or trend and experience reports.
7. Provide monthly, quarterly, and annual claim reports for review.
8. Assist with data collection and informational requests for GASB 45 valuations and provide strategic recommendations to mitigate liability.
9. Provide assistance with COBRA Administration. The City currently uses TASC as the vendor for COBRA and would like to remain with them. However, assistance may be requested when working with them.
10. Provide assistance with preparation of yearly ACA reports and complete impact analysis with strategic recommendations relating to ACA or PPACA.
11. Provide full and accurate records with respect to all matters and services provided on behalf of the City benefit plans and programs. All project documents including spreadsheets, assumptions and calculations should be provided upon completion of any projects relating to the City's benefit plans and programs.

### **Communication and Problem Solving**

1. Regularly monitor and evaluate performance measures and guarantees of providers.
2. Act as a liaison between the City and insurance providers.
3. Provide day-to-day consultation and timely response on plan interpretation and problem resolution.
4. Provide timely communication and assistance to all staff and retirees with issues relating to any aspect of the City's employee benefit program including, but not limited to, billing, claims, vendor service issues, disputes, election or eligibility changes, general troubleshooting.
5. Assist Human Resources and other applicable staff in any appeal, arbitration or court processes between the City and the providers on unresolved issues if needed. Provide advice to enforce City, employee, retiree, or dependents rights.
6. Attend City staff meetings as needed or other benefit related meetings for employees for assistance in benefit program maintenance.
7. Attend multiple City staff meetings during the summer related to open enrollment and be available during the week of open enrollment to assist staff and employees with enrollment.
8. Attend City Council meetings on at least an annual basis to provide City Council with an update related to proposed insurance renewals.

## **Compliance**

1. Assist with ongoing plan administration and ensure programs comply with all applicable State and Federal laws, updating staff accordingly with on-site training as requested.
2. Conduct compliance audit of City's applicable policies and procedures relating to the employee benefit program.
3. Assist in creation of communication materials and an annual enrollment guide to educate employees on necessary changes and to conduct dependent verification audits.
4. Assist staff as necessary with annual audit to ensure compliance in reporting or posting/notice requirements for benefit plans.

## **Strategy and Renewal**

1. Establish both long-term (3-5 years) and short-term (annually) strategies for the City's benefit program, including any multi-year plan rates, etc.
2. Bid the City's benefit program for employee and retiree options on an as needed basis and assist in the collection of proposals and any negotiations on various topics including, but not limited to, pricing, service modifications, renewals, contractual terms, premiums, performance measures, communication materials and quality assurance standards.
3. Review and prepare analysis of proposals and provide recommendations for cost savings, plan design, plan quality, premiums, modifications, and any other topics relevant to the benefit program.
4. Conduct thorough market research and provide annual estimates of renewal rates and cost trends to assist in budget preparation.
5. Provide communication materials and support for the annual enrollment period including information on any changes and production of an annual open enrollment booklet. Enough copies of the enrollment booklet should be provided to Human Resources the week before open enrollment to sustain enrollment throughout the fiscal year.
6. Assist in any open enrollment meetings and coordinate any provider representation to communicate changes, etc.

## **Other Services Requested**

1. Assist in the development of an employee wellness program to improve health and reduce costs both long and short term.
2. Provide options for an EAP to review. If selected, assist in implementation and communication of the new program.
3. Create and implement a year-round online portal for services that include, but are not limited to, annual enrollment, new hire enrollment, changes, billing, reports, statements, COBRA administration etc. to reduce administrative demands on staff.
4. Recommend and provide enhancements to marketing and communication materials of any form including both paper and online notifications for benefit, health, or compliance related information.
5. Prepare benefit surveys or provide published benefit-related survey information as requested.
6. Create and present information in meetings with City Council or City staff as needed.
7. Assist in development of satisfaction surveys.
8. Assist in development of risk management and/or control programs or provide recommendations to any current City programs.
9. Manage any transitions between vendors as necessary.
10. Recommend any educational opportunities including seminars, webinars or other options that would be beneficial to the City.

## **Contract Terms and Conditions**

This contract shall be awarded for an initial two (2) year term with two (2) renewal terms of equal duration

available upon the mutual agreement of both parties.

It is also understood that any resulting contract will contain the following language:

*It is further agreed that the firm shall indemnify, hold harmless, and defend the City, its officers, agents, and employees from and against any all claims, losses, damages, causes of action, suits, and liability of every kind, including all expenses of litigation, court costs, and attorney's fees, for injury to or death of any person or for damage to any property arising out of or in connection with the work done by the firm under this contract. Such indemnity shall apply regardless of whether the claims, losses, damages, causes of action, suits, or liability arise in whole or in part from the negligence of the City, any other party indemnified hereunder, the Firm, or any third party.*

It is also understood that any resulting contract will contain the following language:

*The firm assumes full responsibility for the work to be performed hereunder and hereby releases, relinquishes, and discharges the City, its officers, agents, and employees from all claims, demands, and causes of action of every kind and character, including the cost of defense thereof, for any injury to or death of any person and any loss of or damage to any property that is caused by, alleged to be caused by, arising out of, or in connection with the firm's work to be performed hereunder. This release shall apply regardless of whether said claims, demands, and causes of action are covered in whole or in part by insurance and regardless of whether such injury, death, loss, or damage was caused in whole or in part by insurance and regardless of whether such injury, death, loss, or damage was caused in whole or in part by the negligence of the City, any other party released hereunder, the firm, or any third party.*

### **Termination of the Contract**

The City of Commerce reserves the right to terminate the contract with 30-days written notice, in the event the awarded proposer performs any of the following prohibited practices and violated these specifications:

1. By failing to pay any payments due to the City, State, or Federal Governments from the successful bidder or its principals, including but not limited to payments identified within this agreement or any taxes, fees, assessments, or liens
2. By the institution of voluntary or involuntary bankruptcy proceedings against the successful bidder or upon dissolution of the firm or business
3. By violation of any provisions to the agreement
4. By repeated instances of failing to respond in a timely manner to City complaints, issues, or questions
5. By the repeated occurrence of undesirable practices
6. By demonstrating unsatisfactory performance as defined below and/or in the agreement

Such termination is in addition to and not in lieu of any other remedies that the City of Commerce may have in law or equity. Proposer, in submitting this proposal, agrees that the City shall not be liable to prosecution for damages in the event the City declares the proposer in default.

### **Unsatisfactory Performance**

The City of Commerce may consider (and shall not be limited to) the following performances by the contractor as unsatisfactory performance:

1. Failure to provide assistance resulting in a resolution more than three (3) times during the contract period.
2. Failure to meet deadlines for procurement of benefits.

## **Management**

Should there be a change in ownership or management, the contract shall be cancelled unless a mutual agreement is reached with the new owner or manager to continue the contract with its present provisions and pricing. The contract is non-transferable by either party.

## **Instructions to Bidders**

This section outlines specific instructions for proposal submissions. Proposers not adhering to these instructions shall be disqualified without further consideration.

At the public opening, there will be no disclosure of contents to competing firms, and all proposals will be kept confidential during the negotiation process. Except for trade secrets and confidential information which the firm identifies as proprietary, all proposals will be open for public inspection after the contract award. All proposals will be property of the City of Commerce following submission of proposal to the City of Commerce.

The City of Commerce requires comprehensive responses to every section of this RFP. Conciseness and clarity of content are emphasized and encouraged. Vague and general proposals will be considered non-responsive and will result in disqualifications. To facilitate the review of the responses, Firms shall follow the described proposal format. The intent of the proposal format requirement is to expedite review and evaluation. It is not the intent to constrain bidders with regard to content, but to assure that specific requirements set forth in this RFP are addressed in a uniform manner amenable to review and evaluation. Failure to arrange the proposal as requests may result in the disqualification of the proposal.

The City of Commerce requests that proposals be limited to no more than 50 pages, excluding resumes and sample documents. All pages of the proposal must be numbered, and the proposal must contain an organized, paginated table of contents corresponding to the sections and pages of the proposal.

## **Project Timeline**

The vendor/contractor selection process will follow the timeline shown below.

**Request for Proposals Issued:** Friday, May 7, 2021

**Deadline for Submitting Questions:** Monday, May 24th at 5:00 PM

**Proposal Submission Deadline:** Friday, May 28th at 2:00 PM

**Selection Process:** June 1 – 11th, 2021

**Planned Award of Contract:** Tuesday, June 15th, 2021 at 6:00 PM

## **Part 1: Firm & Key Personnel Qualifications and Experience**

1. Briefly introduce yourself and your firm, providing a summary of the administration, organization, and staffing of your firm, including multiple offices, if applicable. Provide an organizational chart indicating the position and names of the core management team who will undertake the engagement with the City of Commerce. Include any support staff and administrative staff who would assist in serving the City.
2. Identify the project manager and each individual who will work as part of this engagement. Include resumes for each person to be assigned. Include any professional designations and affiliations, certifications, licenses, etc.
3. Describe the experience of the firm in the last two (2) years of providing services in similar size and scope as well as any services provided to municipalities similar to Commerce in size and/or structure.
4. The same information must be provided for any associate firm or sub-consultant.

**Part 2: Service Delivery Methods**

1. Provide a detailed work plan for accomplishing the task of providing consulting and broker services to the City.
  - a. Specifically provide an overview of how the submitter will assist with Open Enrollment for City staff.
2. This work plan shall clearly distinguish the firm’s duties and responsibilities and those of the City. Absence of this distinction shall mean the firm is assuming full responsibility for all tasks.

**Part 3: References**

Provide references for similarly successful projects from four (4) governmental agencies or municipalities, including the name of the agency, contact name, telephone, and email addresses. If the firm cannot provide references from four (4) governmental entities, the firm should provide an explanation for the inability to do so and provide additional non- governmental references.

**Part 4: Conflicts of Interest**

Provide a completed copy of the Conflict of Interest Questionnaire (Form CIQ)

In 2015, the Texas Legislature added Chapter 176 to the Texas Local Government Code. Chapter 176 mandates the public disclosure of certain information concerning persons doing business or seeking to do business with the City of Commerce, including affiliations and business and financial relationships such persons may have with officers of the City of Commerce. A copy of this form can be found at the web address below:

[https://www.ethics.state.tx.us/filinginfo/conflict\\_forms.htm](https://www.ethics.state.tx.us/filinginfo/conflict_forms.htm)

By doing business or seeking to do business with the City of Commerce, including submitting a response to this RFP, you acknowledge that you have been notified of the requirements of Chapter 176 of the Texas Local Government Code and you are representing that you are in compliance with them.

Any information provided by the City of Commerce is for informational purposes only. If you have concerns about whether Chapter 176 of the Texas Local Government Code applies to you or the manner in which you must comply, please consult an attorney.

In completing Form CIQ, the following are the current City Council and City employees who may either recommend or approve award of the proposal:

City Council	Mayor Place 1 Place 2 Place 3 Place 4	Wyman Williams Anthony Henry Beckey Thompson Stephanie Muller Teddy Reel
City Staff	City Manager Director of Admin. Services Finance Director Director of Public Safety Director of Public Utilities Director of Public Works	Howdy Lisenbee Molly Jacobsen Jamie Campbell Chris Bassham Timothy Jones Joe Davis

**Part 5: Certification**

Please complete the attached Bidder Certification Form.

## Part 6: Evaluation Process

Evaluation of the proposals is expected to be completed within 14 days after the Proposal Due Date. An evaluation team composed of representatives of the City will evaluate proposals on a variety of quantitative and qualitative criteria. The proposals will be evaluated with respect to criteria specifically developed to examine the technical competence and suitability of prospective proposals. Proposals will be first evaluated after the due date and time for compliance with specified requirements in this RFP.

Proposals will then be objectively evaluated based on the following criteria:

Firm History & Experience	30 Points
Key Personnel Qualifications & Experience	30 Points
Service Delivery Methods	30 Points
References	10 Points

- The City may communicate with vendors to clarify Proposals.
- Once the City has evaluated the submittals, the City reserves the right to conduct interviews with select Proposers. All Proposers will be notified of the results.
- The City will begin negotiating a fair and reasonable price with the most qualified Proposer. If the City cannot reach a fair and reasonable price, then the City reserves the right to suspend negotiations and move to the next most qualified Proposer for contract negotiations.
- This RFP does not commit the City to pay for any direct and/or indirect costs incurred in the preparation and presentation of a response.



## **Bidder Certification Form**

By signature affixed, the bidder certifies that neither the bidder nor the firm, corporation, partnership, or institution represented by the bidder, or anyone acting for such firm, corporation, or institution has violated the anti-trust laws of this State, codified in Section 15.01, et seq., Texas Business and Commerce Code, or the Federal antitrust laws, nor communicated directly or indirectly the bid made to any competitor or any other person engaged in such fine of business.

Bidder has examined the specifications and has fully informed themselves as to all terms and conditions. Any discrepancies or omissions from the specifications or other documents have been clarified with City representatives and noted on the bid submitted.

Bidder guarantees product or services offered will meet or exceed specifications identified in this RFP.

### **Bidder must initial next to each addendum received in order to verify receipt:**

Addendum 1: \_\_\_\_\_ Addendum 2: \_\_\_\_\_ Addendum 3: \_\_\_\_\_

### **Bidder must Complete and Sign**

Name of Firm or Company: \_\_\_\_\_

Representative's Name: \_\_\_\_\_

Representative's Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Date: \_\_\_\_\_

