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Municipalities building a  
stable insurance future.

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# Request For Proposal

## Employee Benefits Consultant Services

Issued By:  
Greater Tompkins County Municipal Health Insurance Consortium

Issue Date: October 4, 2010  
Response Date: November 1, 2010

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**Consortium Members:**

County of Tompkins ~ City of Ithaca ~ Town of Caroline ~  
Town of Danby ~ Town of Dryden ~ Town of Enfield ~ Town of Groton ~ Town of Ithaca ~  
Town of Ulysses ~ Village of Cayuga Heights ~ Village of Dryden ~ Village of Groton ~ Village of Trumansburg

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**Tompkins County, New York:** Tompkins County is located in the Finger Lakes region of New York State. The County's economy and housing are significantly impacted and driven by three higher education institutions – Cornell University, Ithaca College and Tompkins-Cortland Community College.

The county contains a mixture of urban, rural, agricultural, and forested areas over 476 square miles. The 2000 population is listed in the Census as 96,501, which represents a 25 percent increase over the 1970 population. Seventy percent of the County's population resides outside the City of Ithaca.

**TCCOG:** In 2006, the 17 municipalities in Tompkins County formally became the Tompkins County Council of Governments (TCCOG) to provide a forum for discussions and negotiations that would lead to agreements for more efficient and fiscally responsible delivery of government services. With a joint expense in excess of \$20 million dollars a year in employee health care coverage, TCCOG's first order of business was to conduct a brief feasibility analysis and brainstorm an approach for offering a common health insurance program that pools health insurance risk and assures reasonable cost sharing.

**Greater Tompkins County Municipal Health Insurance Consortium:** In 2007, TCCOG received a grant from the New York State's Department of State that subsidized consulting and legal fees to create a health care Consortium. After much work, the Greater Tompkins County Municipal Health Insurance Consortium was established and by August 2009, the Consortium's Board of Directors conducted their first meeting. In mid-2010, 13 of the 17 municipalities signed a municipal cooperative agreement, which formally created the Consortium, and serves as the bylaws of the Consortium.

*All related information is available for download at: <http://www.tompkins-co.org/pubinfo/health/>*

**Self-funded health care:** In September 2010, the Consortium members contributed a sum of \$1.2 million dollars to establish reserve funds. As of January 1, 2011, the Consortium treasurer will begin collection of premium equivalents from the municipalities for the provision of the self-funded health insurance and prescription drug benefits. The Consortium has already aligned third party administrators to process claims for 2011 – Excellus Blue Cross Blue Shield for health care claims, and Medco for prescription drug coverage. Ancillary benefits for approximately 75 employees is under review at the time of the RFP.

**Employee Benefits Consultant Services Overview:** The successful consultant to the Consortium shall provide the all (but not limited to) of the following services:

- Calculate premium rates for each member of the Consortium
- Develop fiscal year budgets
- Serve as Consortium's representative with contractors:
  - attorney
  - actuary

DUE NOVEMBER 1, 2010

- health insurance third party administrator
  - prescription drug third party administrator
  - ancillary benefit administrator
  - auditor
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- Assist in writing and analysis of RFPs for contractors
  - Assure Consortium's compliance all applicable federal, state, and local laws

**Minimum Qualifications** – The Consortium will not consider any proposals that fail to meet the following minimum qualifications: At a minimum, the Consortium seeks a consultant that is:

- Licensed as a benefits consultant in New York State
- Principal Account representative(s) with a minimum of 10 years experience each
- Proven experience with writing employee benefits plans/providing benefits consulting services to 3 or more County governments or BOCES in Upstate New York with populations in excess of 100,000
- Experience with Public Entities with annual benefit claims expenditures in excess of \$20,000,000
- Able to provide a full line of consultation services as referenced in the Request For Proposals
- Experience handling multiple plans for single entity comprised of multiple employers
- Experience with Article 47 of New York State Insurance Law

**Inquiry** – Any inquiries or requests for explanation in regard to the Consortium's requirements should be made promptly by October 15, 2010. No oral interpretation or clarifications will be given as to the meaning of a part of the Request For Proposal documents. Prospective proposers desiring further information or interpretations must make requests in writing by FAX (607-274-5558) or email to Jackie Kippola, Tompkins County Risk Manager at [jkippola@tompkins-co.org](mailto:jkippola@tompkins-co.org) . A response will be issued to all prospective proposers well in advance of the date for submittal of proposals, and shall be in addendum form to this RFP.

**Important** - Please be advised that any firm engaged by the Consortium will be barred from submitting proposals to provide health insurance coverage (including PPO), ancillary coverage, actuary services, or claims administrative services to the Consortium. Nor may an employee of the firm selected to provide consultant services to the Consortium act as a broker or agent for another firm, which may provide direct services to the Consortium. The consultant engaged by the Consortium must have no direct or indirect, financial or non-financial, interest in any vendor

that responds to a RFP written by the consultant or by the Consortium with the assistance of the consultant.

## Instructions to Proposers

Proposals must be submitted in sealed envelopes marked with the name of the Respondent and the words "**RFP - Employee Benefits Consultant Services**", marked on the outside of the envelope. The envelopes shall be delivered to: Tompkins County Administration, 125 East Court Street, Ithaca, NY 14850

Respondents shall submit **ONE ORIGINAL** qualification package with all required submission forms bearing original signatures and duly marked "original" **and THREE (3) HARD COPIES along with a CD containing the proposal in electronic form (Word or PDF format).**

In an effort to promote greater use of recycled and environmentally preferable products and minimize waste, all responses submitted should comply with the following guidelines:

All submittals and copies should be printed on recycled paper with a minimum post-consumer content of 30%.

Unnecessary samples, attachments or documents not specifically asked for should not be submitted.

Respondents assume the risk of any delay in the mail. Whether sent by mail or by personal delivery, Respondent assumes responsibility for having its qualification packages deposited on time at the Finance Department. All packages received after the designated time stated in the Project Announcement will not be considered and will be returned to the Respondent unopened.

Respondents shall execute the Insurance Binder, Non-Collusive Certificate and Anti-Discrimination Clause, which are enclosed.

The enclosed Tompkins County Insurance Certificate shall be filled out in its entirety and submitted as part of this proposal. No other Certificate of Insurance will be accepted. Any submittals lacking an executed Certificate of Insurance, in amounts outlined in the hold-harmless clause, may be considered as incomplete and non-responsive.

Any deviations to the RFP are to be so noted and fully explained. Deviations will be analyzed and, if deemed to be in the best interests of the Consortium, specification requirements may be waived.

It shall be the responsibility of each Respondent to call to the attention of the Consortium any apparent discrepancy in the RFP or any question of interpretation thereof. Failure to do so constitutes acceptance as written.

No Respondent may withdraw its submittal within ninety (90) days after the actual date of the opening thereof.

The Consortium reserves the right to reject any or all submittals, to negotiate with any qualified sources or to alter the scope of services.

The Consortium reserves the right to revise or amend the requirements of the RFQ prior to the receipt deadline by written addenda.

No charges will be allowed for federal, state, municipal sales, and excise taxes from which the Consortium is exempt. Exemption certificates, if required, will be forwarded.

Respondents shall be notified in writing of their status at the time of consultant selection.

A firm that does not respond to three (3) consecutive RFP/RFQ notices will be dropped from the Consortium's Consultant list. Firms that wish to remain on the Consultant list are to submit qualification packages or return a completed Declination of Response Form.

**Packages lacking any of the submittals required in this RFP may be considered as incomplete and non-responsive.**

Qualifications shall be evaluated on the basis of the selection criteria. A contract will be negotiated with and awarded to the Respondent that possesses qualifications which appear to be in the best interests of the Consortium.

The Respondent selected for the design project shall be barred from bidding on the construction or supply and installation of the designed project to avoid conflict of interest.

The selected Respondent shall be required to sign a Consortium Contract for implementation of the work of this project. The Consortium reserves the right to extract certain language from a company's agreement and incorporate it into a Consortium contract, if mutually agreeable to both parties.

The apparent silence of the RFP as to any details or the omission from it of a detailed description concerning any point shall be interpreted as meaning that only the best commercial practices are to prevail and that only materials and workmanship of first quality are to be used, specified or accepted.

Any and all confidential materials shall be submitted in a separate envelope, with the envelope clearly marked with the word CONFIDENTIAL on the outside. All confidential materials submitted shall be so clearly marked on the top of each page as CONFIDENTIAL. All other materials submitted in response to the specifications and requirements contained herein shall be considered non-confidential.

All proposals submitted to Consortium become the property of Consortium and are subject to Public Information Policy.

# Request For Proposal

## Employee Benefits Consulting Services

### 1.0 Purpose

The Greater Tompkins County Municipal Health Insurance Consortium, hereinafter referred to as “the Consortium” seeks proposals in response to the Request For Proposal from experienced and qualified firms to provide employee benefits consulting services, for the review and analysis of the currently in place, benefit plans and the design, development, implementation of new contemporary benefit plan provisions. The proposal should detail the firm’s conceptual approach to handling the Consortium’s account, and providing both insurance/PPO placement and employee benefits advisory services.

### 2.0 Scope of Work

While the exact range and extent of services is subject to negotiation, it is anticipated that the selected consultant(s) shall provide, as a minimum, professional services and dedicated personnel necessary to perform the following:

- Attend all appropriate meetings of the Board of Directors, Joint Committee on Plan Structure and Design, and the Planning Committee.
- Develop a complete understanding of the Consortium’s areas of exposure with regard to employee/retiree costs, and advise the Consortium representatives about short and long-term solutions.
- Evaluate existing benefit plans & PPO contracts and their associated loss history and make recommendations concerning any changes, modifications and/or additions to the terms, conditions, and coverage needed to yield a comprehensive employee benefits management program to further the interests of the Consortium, the employees and the taxpayers.
- Prepare competitive bid specifications review responses by insurance companies, PPOs, Administrators, and other service providers capable of quoting on benefit plans deemed necessary the Consortium.
- Provide service for day-to-day contact and service to employers.
- When so authorized, negotiate on the Consortium’s behalf the details of stop loss insurance and or PPO insurance contracts with selected carriers and audit resulting policies for complete accuracy of coverage, pricing, terms and conditions, and compliance with financial arrangements and administrative procedures acceptable to the Consortium.

- Prepare quarterly reports, including a schedule of consultation services rendered during the prior year, with recommendations for broker services deemed to be necessary the subsequent year.
- Upon request, provide consultations services for the Consortium's risk related issues arising out of Consortium contractual agreements and purchases.
- Provide assistance in the form of advisory services or written reports as is customarily expected from a professional insurance broker/consultant.
- Provide as required, assistance with forecasting and budgeting for annual insurance/Risk Management related expenditures.
- Calculate premium rates for each member of the Consortium
- Develop fiscal year budgets
- Serve as Consortium's representative with contractors:
  - attorney
  - actuary
  - health insurance third party administrator
  - prescription drug third party administrator
  - Ancillary benefit administrator
- Assist in writing and analysis of RFPs for contractors
- Assure Consortium's compliance New York State Insurance Department, as well as all applicable federal, state, and local laws
- Prepare appropriate reports as required by New York State Insurance Department

### **3.0 Current Program**

It should be noted that for 2011, the Consortium will self-fund the majority of its current Health Benefits. Consortium employees and retirees are covered under Excellus Blue Cross Blue Shield for health coverage and Medco for prescription drug coverage. Approximately 75 employees receive ancillary benefits offered by the Teamsters Union.

### **4.0 Term of Contract**

The initial term of the consultant contract shall be for a period of two (2) years. The contract shall be renewable by mutual consent on an annual basis thereafter for no more than (3) additional years, for a maximum total contract term of five (5) years. The contract may be terminated by the Consortium without cause by giving the other party written notice of such intent not less than thirty (30) days. In the event of termination, claims for compensation owed the consultant by the Consortium shall be limited to verifiable services rendered.

## **5.0 Legal Compliance**

**5.1 Legal Compliance** Each proposer is responsible for full and complete compliance with all applicable laws, rules, regulations and licensing requirements imposed by any public authority having jurisdiction.

**5.2 Proposal's Insurance** The consultant must provide and maintain in force at all times during the term of the services contemplated herein, insurance for Workers' Compensation, Commercial General Liability, Automobile Liability, and Errors and Omissions Liability. Such policies shall be issued by companies authorized to do business in the State of New York. Evidence of such coverage is to be submitted as part of the proposal.

**5.3 Approval of Agent/Account Representative** The Consortium reserves the right to require the successful consultant to replace the assigned agent/account representative with another agent of the same company if, in the opinion of the Consortium staff, the agent/account representative is not rendering or is incapable of rendering the quality of service and cooperation required.

**5.4 Auditable Records** The successful consultant shall maintain such accounts and records in connections with its performance of services for the Consortium as may reasonably be required by the Consortium. The consultant shall, at any reasonable time, afford the Consortium's agents and auditors reasonable facilities and access for the examination and audit of its records pertaining to its performance and shall, upon request by the Consortium, produce and exhibit all such records.

**5.5 Non-Discrimination** The consultant shall not discriminate or permit discrimination in its operations or employment practices against any person or group on the grounds of race, color, creed, national origin, gender or handicaps, and shall furnish evidence of compliance with this provision when so requested by the Consortium

**5.6 Indemnification** The *consultant*, in performing its obligations under this contract, is acting independently and the Consortium assumes no responsibility or liability for the *consultant's* acts or omissions to third parties, and the consultant shall agree to indemnify and hold harmless the Consortium, its officers and employees against any and all claims, lawsuits, judgments, costs and expenses for which recovery of damages is sought, suffered by any person or persons, that may arise out of or be occasioned by the consultant's breach of the terms or provisions of the contract, or by any negligent act or omission of the consultant, its officers, agents, employees, or invitees, in the performance of *this* contract; except that the indemnity specified in this paragraph shall not apply to any liability resulting from the sole negligence of the Consortium, its officers or employees.



## Proposal Format

**6.1 Executive Summary** Prefacing the proposal shall be a brief Executive Summary of three (3) pages or less, providing in concise terms a summation of the proposal and bearing the signature of an individual authorized to bind the firm.

**6.2 Structure of Proposal** The proposal itself shall be organized in the following format and informational sequence:

**Part I -Business Organization:** The proposal shall include relevant historical data and identification of the branch office or subordinate element, *which* will perform the work contemplated herein. The owners and principal management personnel by the firm shall be identified fully.

**Part II -Concept and Solution:** The proposer's understanding of the tasks presented in Paragraph 2.0 (Scope of Work) shall be defined in detail and proposed solutions outlined. Any restrictions or limitations must be defined.

**Part III -Program:** The proposer's technical plan to accomplish the work shall be presented, including time-related displays, graphs and charts showing tasks, subtasks, milestones, and decision points, including the points at which deliverable reports will be provided. The scope of services available in the area of benefits management, self funding, PPO, ASO agreements / claims management service arrangements, and related functions should be described in detail.

**Part IV -Account Team Personnel:** the names and titles of the team proposed for assignment to the Consortium's account shall be identified in full, with a description of team leadership, interface and support functions, and reporting relationships, along with individual backgrounds of personnel who will be actively engaged in work related to the account and the primary work assigned to each person.

**Part V -Services:** A description of the services to be provided without additional compensation beyond commissions / fees earned as the result of coverage's placed in the insurance market place.

A description of any fee schedule for services to be provided at additional cost not considered a part of routine consulting services and corresponding amount of time shall be indicated.

**Part VI – Reporting:** Report package shall be identified and explained. Any and all on-line support functions should be identified here.

### **A letter of qualification and performance data supporting the proposal.**

An explanation of what distinguishes the services the submitting firm can provide from those of other brokerage firms.

**Part VII – References:** Give at least 3 examples of entities that you've provided the same type of service for, and describe achievements for those entities.

## **7.0 Proposal Evaluation Factors**

The evaluation criteria will have the following rank of importance, with items listed in descending order of importance.

- Concept and proposed solutions, including responsiveness to terms and conditions, completeness and thoroughness of documentation and the ability to provide indisputable cost containment solutions to the Consortium's employee benefits program.
- Demonstration of successful prior performance of comparable services in the public / not for profit sectors.
- Adequacy and technical depth of personnel assigned to the account
- Maximum total compensation level for contract period
- Evidence of good organization and management practices
- Depth and breadth of services available
- References
- Prior experience and expertise of the personnel to be assigned to the account
- Past record of performance with clients on such factors as cost control, timeliness, ability to maintain schedules, quality of work, responsiveness and cooperation with client personnel.