

22-02HR

REQUEST FOR PROPOSAL

HEALTHCARE INSURANCE BROKERAGE SERVICES

INFORMATION & INSTRUCTIONS

The City of Palmer, Alaska is seeking proposals for an experienced and qualified Insurance Broker of Record for Health Insurance and ancillary benefits as outlined in this RFP. Such services would include, but not be limited to the review, analysis, recommendation, and placement of all employee benefit policies and plans in the areas of health, dental, vision, life, STD/LTD and supplemental insurance policies.

The population of the City of Palmer is approximately 6,100 with 64 full time municipal employees and 33 part-time, seasonal, and on-call employees. In addition to providing traditional government services, the city also operates an extensive Water/Wastewater Utility System and Municipal Airport. Full-time employees who are not temporary or season in nature and are schedule to work more than thirty (30) hours per week are eligible to participate in the health insurance as well as their qualified dependents, currently 62 fulltime employees participate in the insurance. Plan coverage is available for employee, employee and spouse or domestic partner, employee, and child(ren) and employee and family. Our current health care plan includes medical, dental, vision, AD&D, and life insurance as a part of the package. A benefits booklet outlining the city's current insurance coverage and limitations may be found at <https://www.palmerak.org/hr/page/benefits>.

SECTION I

SUBMISSION REQUIREMENTS

1.0 The complete original proposal must be submitted in a sealed package and received in accordance with the instructions detailed in this RFP. All proposals shall be marked RFP No. 22-02HR – Employee Health and Supplemental Insurance Broker Services. Proposers shall file all documents necessary to support their proposal and include them with their proposal. Proposers shall be responsible for the actual delivery of proposals during business hours to the address indicated in this RFP; electronic submissions will not be accepted. It shall not be sufficient to show that the proposal was mailed in time to be received before scheduled closing time.

1.1 Proposal Format: Proposals shall be submitted in the following format and include the following information:

- a) Detailed description of services as described within each Scope of Services as requested
- b) Fee Proposals per instructions in Section III signed by responsible party
- c) Contact names of references with phone numbers
- d) Any additional information pertinent to the proposal

1.2 It is the sole responsibility of the PROPOSER to assure that they have received the entire Request for Proposal (RFP).

1.3 Proposers will be notified via the City of Palmer's website (<https://www.palmerak.org/hr/page/request-proposal-insurance-brokerage-services>) of any change in the specifications contained in this RFP.

1.4 No verbal or written information which is obtained other than through this RFP or its addenda shall be binding on the City of Palmer. No employee of the City of Palmer is authorized to interpret any portion of this RFP or give information as to the requirements of the RFP in addition to that contained in or amended to this written RFP document.

1.5 Right of Rejection and Clarification: The City of Palmer reserves the right to reject any and all proposals and to request clarification of information from any proposer. The City of Palmer is not obligated to enter into a contract based on any proposal submitted in response to this document.

1.6 Request for Additional Information: Prior to the final selection, proposers may be required to submit additional information which the City may deem necessary to further evaluate the proposer's qualifications.

1.7 Denial of Reimbursement: The City of Palmer will not reimburse proposers for any costs associated with the preparation and submittal of any proposal, or for any travel and/or per diem costs that are incurred.

1.8 Gratuity Prohibition: Proposers shall not offer any gratuities, favors, or anything of monetary value to any official, employee, or agent of the City of Palmer for the purpose of influencing consideration of this proposal.

1.9 Right of Withdrawal: A proposal may be withdrawn and resubmitted if done prior to the deadline as listed in the RFP. Such request for withdrawal shall be in writing.

1.10 Right of Negotiation: The City of Palmer reserves the right to negotiate with the selected proposer the exact terms and conditions of the contract.

1.11 Right of Rejection of Lowest Fee Proposal: The City of Palmer is under no obligation to award this project to the Proposer offering the lowest fee proposal. Evaluation criteria included in this document shall be used in evaluating proposals. Award shall be made to the person determined by the City to be the best qualified and shall be for an amount of compensation determined to be fair and reasonable. If compensation cannot be agreed upon with the best-qualified person or firm, negotiations shall be formally terminated with that person. If more than one firm is determined to have submitted a qualified proposal, negotiations may be conducted with the next firm, in order of their respective qualification ranking. The contract may be awarded to the person or firm then ranked as best qualified if the amount of compensation is determined to be fair and reasonable.

1.12 Business License: Palmer Municipal Code, Chapter 5.04 requires that all businesses conducting business within the boundaries of the City have a current business license issued by the City. Prior to any award because of this solicitation, the Contractor may be required to provide proof that they have a current City of Palmer Business License or proof that they have applied for one. Copies of this city code and instructions on obtaining a business license may be obtained at the Finance Department, or by calling 907-745- 3271.

1.13 Exceptions to the RFP: Proposers may find instances where they must take exception with certain requirements or specifications of the RFP. All exceptions shall be clearly identified, and written explanations shall include the scope of the exceptions, the ramifications of the exceptions for the City of

Palmer, and a description of the advantage to be gained or disadvantages to be incurred by the city because of these exceptions.

1.14 Indemnification: Proposer, at its own expense and without exception, shall indemnify, defend, and pay all damages, costs, expenses, including attorney fees, and otherwise hold harmless the City of Palmer, its employees, and agents, from any liability of any nature or kind regarding the delivery of these services.

1.15 Rights to Submitted Material: All proposals, responses, inquiries, or correspondence relating to or in reference to this RFP, and all reports, charts, and other documentation submitted by proposers shall become the property of the City of Palmer when received.

1.16 Basis of Award: Proposals will be evaluated by a minimum of three (3) City of Palmer management level employees according to the following criteria and weight at a minimum:

- a) Understanding of scope and ability to provide services as requested overall clarity and responsiveness of the proposal to this RFP - 10pts
- b) Brokerage Fees – 15pts
- b) Experience and qualifications of the firm and account executive assigned to the city's account - 15pts
- c) Description of how you will handle the account/access to markets for proposed insurance– 15pts
- d) Affordability and Scale of Benefit Package - 45pts

The city administration intends to make a recommendation for contract award to the City Council on October 11, 2022, if there is a proposal that is suitable to the needs of the city. The City Council will provide the final approval based upon what is in the best interest of the City of Palmer.

1.17 Copies: One original and three (3) copies of the proposal and supporting documents must be submitted in response to the RFP. **The fee proposal and Appendix B shall be submitted in a separate sealed envelope with each copy of the proposal** (original plus three (3) copies). All responses must relate to the specifications as outlined.

1.18 Contacts: Questions regarding this request for proposal should be directed in to:

Kimberly Green, Human Resource Manager
(907) 761-1302

Email: kgreen@palmerak.org

Answers to questions submitted regarding this RFP will be shared with all proposers via the city's website <https://www.palmerak.org/bids>

1.19 Submittal of Qualifications: Proposers shall submit experience and qualifications as described below. Additional information may be submitted as appropriate to further describe broker capabilities:

- a) List of clients and contact names
- b) Licensed as an insurance broker or agent in the State of Alaska, with at least 5 years of experience in providing services as outlined in this RFP
- c) Insurance coverage as outlined in the professional service agreement

d) Ability to act as broker in procuring insurance from the city's current insurance providers

1.20 Contract: The city reserves the right to negotiate final contract terms with any proposer selected. The contract between the parties will consist of the RFP, including the professional services agreement form, together with any modifications thereto, and the awarded proposer's proposal, together with any modifications and clarifications thereto that are submitted at the request of the city during the evaluation and negotiation process. In the event of a conflict in language between the documents referenced above, the provisions and requirements set forth and/or referenced in the RFP shall govern. However, the City of Palmer reserves the right to clarify any contractual relationship in writing with the concurrence of the contractor, and such written clarification shall govern in case of conflict with the applicable requirements stated in the RFP or the contractor's proposal. In all other matters not affected by the written clarifications, if any, the RFP shall govern.

1.21 Assurances: By responding to this RFP, each proposer assures the city that, if selected as the city's broker, he or she will:

- a) Make a diligent effort to place all insurance requested by the city at the lowest possible price consistent with adequate breadth of coverage and stability of insurers.
- b) Advise the city of ways in which coverages proposed or provided differ from that currently in place.
- c) Broker agrees to disclose to the city all commissions he or she is eligible to receive or has received from insurers providing coverage to the city under this contract. Whenever the broker must receive commission from an insurer such commissions must be returned to the city or reduce the fixed fee in an equal amount. If the cost of the policy is the same with or without a commission, the broker will take the commission and return it to the city or reduce the fixed fee in an equal amount.
- d) Not assign or transfer the city's account, or any portion of the city's business, without the city's prior written approval.
- e) Fully disclose to the city all quotes received from insurers, always acting in the city's best interest.
- f) Comply with all provisions of this RFP and their proposal throughout the term of appointment.

1.22 Execution of Agreement: The proposer whose proposal is accepted shall execute the Agreement and furnish the required insurance within ten (10) working days after council approval of the award. The Agreement shall be considered executed by the successful proposer when an authorized representative of the proposer signs the Agreement, and the insurance certificate(s) are received by the Human Resource Manager. Failure or neglect of the proposer to execute the Agreement within the time specified may result in the award of the Agreement to the next lowest proposer.

The city will execute the Agreement within ten (10) working days after execution by the proposer as set forth above. The date the Agreement is executed by the city is the Agreement Date. The rights of the obligations provided for in the Agreement shall become effective and binding upon the parties on the Agreement Date.

1.23 Proposer's response to this RFP shall constitute an agreement to all terms and conditions specified in the RFP, including, without limitation, the *Professional Services Agreement* form and all terms and conditions therein.

1.24 Proposer understands and acknowledges that the representations above are material and important and will be relied on by the city in evaluation of the proposal. Any proposer misrepresentation may be treated as fraudulent concealment from the city of the true facts relating to the proposal.

1.25 All interested and qualified proposers who meet the requirements of the RFP will be considered.

1.26 The city is an equal opportunity employer and complies with Title I of the American with Disabilities Act. Proposers who need accommodation to respond to this RFP may call the Human Resources at 907-761-1302.

1.27 Protests: Protests will be handled in accordance with Palmer Municipal Code 3.21.290

1.29 Schedule: The dates listed below are estimates and subject to change without notice.

Request for Proposal Issued	August 19, 2022
Proposals Due	2:00 pm September 16, 2022
Council Decision	October 11, 2022

Proposals will be opened at 2:15 PM on Thursday, September 16, 2022, in City Hall.

SECTION II SCOPE OF WORK

2.0 The scope of work provided by the broker shall include the following, but is not limited to:

- In advance of expiration date and/or anniversary date of each policy, Broker of Record shall research and evaluate all markets, including present insurer(s), and apprise the city, well in advance of expiration and/or anniversary, or coverage availability, choices, costs, recommendations, change in terms and conditions, status of insurer(s), etc.
- Submit written comparison of benefits and pricing between current program and prospective plans to the Human Resource Manager and make recommendations.
- Inform the Human Resource Manager of changes in insurance market conditions, status of insurers, legislative activity, and laws as these may affect the City of Palmer.
- Seek information from the insurance industry and other sources regarding the availability of products, coverage, rating information, licensing data, etc., which may assist and/or affect the city.
- When marketing coverage, research markets and submit specifications to licensed prospective insurers at least 90 days before expiration of current coverages ends.

- Oversee implementation of insurance carrier changes, if any, including but not limited to: re-enrollment (if necessary), employer application submission, summary of coverage preparation (if necessary), employee application submission, summary of educational meetings required, assist in proofing any master policies and employee certificates, assist in procuring ID cards (if applicable) and credit for deductible payments already made by the employee(s). Overall, seeing to it that the new insurance carrier meets established deadlines worked out in advance for all stages and steps of transition.
- Assist the city with any claim billings, administrative, regulatory compliance requirements or other problems that may occur during coverage periods.
- Provide estimated expenditures for employee benefit programs to the city in time for fiscal year budget submissions as required (annually before November 1st)
- Review year-end settlements from insurance carriers, if any.
- Provide, after fiscal year ends, a commission settlement and make final reparation to city if commissions exceed agreed upon fee within 30 days of calculation.
- Periodic review of city employee insurance and benefit coverage and loss data for purposes of making recommendations to the city with respect to the need for ancillary insurance services, additional insurance coverage and modifications, updating or upgrading of existing coverage(s).

OTHER CONDITIONS

- Apprise the Human Resource Manager of changes in the status of all licensing, including whether representation of an insurer of city coverage has terminated or whether any disciplinary action is pending before a regulatory agency.
- Advise on any substantive complaints received from persons covered under the city's insurance programs.
- Broker of Record shall perform all duties and responsibilities usual to those of an insurance agent, broker, certified insurance consultant, including duties and responsibilities usual to all other licenses required in the transaction of business on behalf of the City of Palmer.

2.1 Contract Period: Proposals should assume the initial contract term of one year with an effective date of February 1, 2023. The contract may be renewed up to three additional years at the sole discretion of the city.

2.2 Submittal of Qualifications: Proposal format should follow these basic guidelines for each category of service submitted as a response to this RFP. For each item in this section, please provide a statement regarding the firm's ability to meet the criteria.

2.2.1 Describe in detail the qualifications of the firm and the company personnel to whom the task would be assigned as well as any back up personnel. Details should include:

- a) Familiarity and years of service to municipal and local government clients
- b) Detail of past work performance including size of entity
- c) Names of assigned personnel and their function with relation to this proposal
- d) Experience, education, and training of assigned personnel with particular regard to public entity experience

2.2.2 References with names, addresses, and phone numbers of current clients who can be contacted by the city for discussion of services provided to that client.

2.2.3 Any additional remarks/comments the company wishes to make to elaborate their proposal and qualifications.

2.3 Scope: Services in advising and coordinating with the city should include, but are not limited to the following:

2.3.1 Annual claim review meetings with appropriate city Staff.

2.3.2 Facilitate insurance company interface and coordination in the following areas:

- a) Renewal information format and market presentation
- b) Marketing of existing coverages
- c) Bid insurance contracts to assure best possible conditions and pricing

2.3.3 Develop coverage options as agreed upon for coverages not currently in effect for the city's review. Such review should indicate a market review of coverages for both price and conditions as well as alternatives for managing the identified risk other than a traditional insurance product where such alternatives exist.

2.3.4 Provide options for the city's health insurance plans to include, but not limited to: Health Savings Arrangement (HSA) and/or Health Reimbursement Arrangement (HRA) and/or Section 125 plan.

- a) Proposal should include a third-party administrator to manage the Section 125 if included in the proposal as well as costs associated with such a plan.

2.3.5. The responder to this RFP must submit a proposal that includes COBRA administration to include COBRA eligibility notifications and tracking and acceptance of COBRA payments and monitoring of payments.

2.3.6 Assist the city in reviewing all insurance policies and plans as needed.

2.3.7 Provide service for day-to-day contact on insurance matters.

2.3.8 Other services as are normally and customarily required of a municipal insurance broker.

2.4 Compensation: Each proposal must include the Fee Proposal enclosed as Section III in addition to the completion of Appendix B. Compensation will be in the form of a fixed fee. The broker agrees to return all commissions received to the City of Palmer or make other arrangements with the carriers to reduce the premium by the amount of the commission. The city will pay the fee prior to April 30 of each contract year.

2.5 The broker will on an annual basis provide documentation of the companies solicited and their bids.

SECTION III FEE PROPOSAL

I have read and understood the requirements set forth in this RFP and agree to comply except as noted. The fee proposal includes all fees for work as described in Section II, Scope of Work. Additional pages may be used to show detail of unit costs and options.

INSURANCE BROKER SERVICES:

First Year Fixed fee for Broker Services: \$ _____

If we, the Insurance Broker terminate this agreement for convenience prior to the expiration of the Term, we will be deemed to have fully earned and be entitled to a pro rata portion of the Fee, calculated from the start of the Fee period through the date of termination. If the City of Palmer terminates this agreement for convenience prior to the expiration of the Term, the Insurance Broker will be deemed to have fully earned and be entitled to a portion of the fee as set forth in the following schedule:

During the first six months: 75%

After six months: 100%

Proposer's Signature

Date

**FEE PROPOSAL AND APPENDIX B ARE TO BE SUBMITTED IN A SEPARATE SEALED
ENVELOP**

**SECTION IV
SUBMITTAL PAGE**

By signing below, the Proposer hereby certifies to the following:

1. The individual signing below, or the firm associated or corporation of which they are a member, has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of a free competitive process in connection with this solicitation.
2. The individual signed below is authorized by the firm association or corporation to bind such association or corporation to a legal contract.
3. The individual signing below, or the firm association or corporation of which they are a member, is not debarred or suspended from doing business with the City of Palmer.
4. They are acknowledging receipt of the following Addenda Numbers (if no addenda have been issued, either leave blank or write "N/A" or "None")

(List Addenda numbers that you are acknowledging receipt of)

Company Name

Date

Mailing Address

City, State, Zip Code

Printed (or typed) Name

Signature

Contact Person (printed or typed)

Title

Phone Number

Fax Number

Email Address

It shall be the responsibility of the Proposer to ensure their proposal is received at or before the date and time fixed for closing. Proposers should include the following with their proposal:

- ✓ Signed Submittal Page (acknowledging Addenda if applicable)
- ✓ One (1) original and three (3) copies of your signed proposal
- ✓ Copy of Professional License
- ✓ Instructions to Proposers & Specifications/Scope of Services

SECTION V
NON-DISCRIMINATION STATEMENT

The proposer certifies that:

- (1) No person shall be excluded from participation in, denied the benefit of, or otherwise discriminated against on the basis of race, color, national origin, or gender in connection with any bid submitted to the City of Palmer or the performance of any contract resulting there from;
- (2) That it is and shall be the policy of this Company to provide equal opportunity to all businesspersons seeking to contract or otherwise interested in contracting with this Company, including those companies owned and controlled by racial minorities, cultural minorities, and women;
- (3) In connection herewith, we acknowledge and warrant that this Company has been made aware of, understands and agrees to take affirmative action to provide such companies with the maximum practicable opportunities to do business with this Company;
- (4) That this promise of non-discrimination as made and set forth herein shall be continuing in nature and shall remain in full force and effect without interruption;
- (5) That the promises of non-discrimination as made and set forth herein shall be and are hereby deemed to be made as part of and incorporated by reference into any contract or portion thereof which this Company may hereafter obtain and;
- (6) That the failure of this Company to satisfactorily discharge any of the promises of nondiscrimination as made and set forth herein shall constitute a material breach of contract entitling the City of Palmer to declare the contract in default and to exercise any and all applicable rights and remedies including but not limited to cancellation of the contract, termination of the contract, suspension and debarment from future contracting opportunities, and withholding and or forfeiture of compensation due and owing on a contract.

Signature

Date

APPENDIX A
CITY of PALMER
REQUEST FOR PROPOSAL
EMPLOYEE INSURANCE AND BENEFIT BROKER OF RECORD
A Completed Form must be submitted with the proposal

Question	Yes	No
Is your firm licensed in the State of Alaska?		
Has your firm ever been suspended, warned, or fined?		
Is your firm currently in arrears on payments of insurance premiums to any insurance company?		
Does your firm have two or more qualified persons to handle the City of Palmer's account with a minimum of ten (10) years of experience in employee benefits that have a CLU or CEBS designation?		
Do you carry Insurance Agents Errors & Omissions coverage with a limit of at least \$5 million?		
Do you now write, or have you written within the last four (4) years at least one account in the State of Alaska with premiums over \$4 million or more? Please describe type of account and coverage involved:		
Do you now or have you ever written insurance coverage for a political subdivision in the State of Alaska? (Municipality, school system, public authority, etc.) Please describe type of account and coverage written:		
If appointed Broker of Record, will you prepare an annual stewardship report detailing your activities on behalf of the City, the City's premium and loss results and include your observations and recommendations for changes in the market, coverage and other factors affecting the City's health insurance program?		
Do you have an affirmative action plan in place?		
List below those companies you would approach for the medical, life and long-term disability insurance and your annual premium volume with each company.		

APPENDIX B

COMPENSATION SCHEDULE

Failure to provide a completed form with your proposal may result in rejection of your proposal.

Each firm shall provide an explanation of compensation plans for your firm under this proposal including all the services that are to be included in that fee for the potential four (4) years of the engagement. The City shall consider appointments on a **fee basis** for all policies other than the City's health care provider. All group policies shall be issued ex-commission. Please enter below, the annual broker fee per each fiscal year listed.

TERM	Fee
Fiscal Year 2023-2024	
Fiscal Year 2024-2025	
Fiscal Year 2025-2026	
Fiscal Year 2026-2027	

Do you agree that your fee schedule shown above applies to all coverage provided by your firm, including any subsidiary, affiliated or allied firms?

_____ Yes _____ No

APPENDIX C
CITY of PALMER
NON-COLLUSIVE AFFIDAVIT OF PROPOSER

The undersigned proposer, having fully informed themselves regarding the accuracy of the statements made herein certifies that.

- (1) the proposer developed the bid independently and submitted it without collusion with, and without any agreement, understanding, or planned common course of action with any other entity designed to limit independent bidding or competition, and
- (2) the proposer, its employees and agents have not communicated the contents of the bid to any person not an employee or agent of the proposer and will not communicate the proposal to any such person prior to the official opening of the proposal.

The undersigned proposer further certifies that this statement is executed for the purpose of inducing the City of Palmer to consider the proposal and make an award in accordance therewith.

Legal Name of Proposer/Firm

Business Address

Signature and Title

Date

Printed Name of Title Person

Subscribed and sworn to me this ____ day of _____, 20 ____.

Notary Public
My Commission Expires
