THE CITY OF

EDINBURG

REQUEST FOR PROPOSALS

The City of Edinburg is soliciting sealed proposals to be received by the City Secretary's Office located at 415 W. University Drive, Edinburg, Texas 78541. City of Edinburg normal business days are Monday through Friday between the hours of 8:00 a.m. to 5:00 p.m. and shall be closed on recognized holidays.

Proposals will be received until **3:00 p.m. Central Time**, on **Monday, October 03, 2011**, shortly thereafter all submitted proposal will be gathered and taken to the Edinburg City Hall Community Room, 1st Floor, to be publicly opened and read aloud. Any proposal received after the closing time will not be accepted and will be returned to the proposer unopened. It is the responsibility of the proposer to see that any proposal submitted shall have sufficient time to be received by the City Secretary's Office prior to the proposal opening date and time. The receiving time in the City Secretary's Office will be the governing time for acceptability of the proposals. Proposals will not be accepted by telephone or facsimile machine. All proposals must bear original signatures and figures. The Proposal shall be for:

RFP NO. 2012-01
THIRD PARTY ADMINISTRATOR SERVICES FOR EMPLOYEE VOLUNTARY INSURANCE PLANS

Bidders receiving a "NOTICE TO BIDDERS" and/or "REQUEST FOR PROPOSALS" notice in the mail or reading same in the newspaper are advised that the bidding documents can be downloaded from the City of Edinburg web page address: www.cityofedinburg.com, or may obtain copies of same by contacting the office of:

LORENA FUENTES, PURCHASING AGENT, LOCATED AT 415 W. UNIVERSITY DRIVE, Edinburg, TX 78541 by calling (956) 388-8972 or by e-mailing your request to the following e-mail address: lfuentes@cityofedinburg.com

If you have any questions or require additional information regarding this proposal, please contact Ms. Kathy Jo Almendarez, Director of Human Resources, at (956) 388-1873.

Hand-delivering Proposals: 415 West University Drive,
c/o City Secretary Department (1st Floor)

If using Land Courier (i.e., FedEx, UPS): City of Edinburg
c/o City Secretary
415 West University Drive
Edinburg, Texas 78541

If Mailing Proposals: City of Edinburg
c/o City Secretary
P.O. Box 1079
Edinburg, TX 78540-1079

The City of Edinburg reserves the right to refuse and reject any or all proposals and to waive any or all formalities or technicalities and to accept the proposal deemed most advantageous to the City, and hold the proposals for a period of **60** days without taking action.

Proposals must be submitted in an envelope sealed with tape and prominently marked on the lower left hand corner of the proposal envelope with corresponding proposal number and title.

CITY OF EDINBURG
REQUEST FOR PROPOSALS

Specifications and Underwriting Information

Third Party Administrator Services for
Employee Voluntary Benefit Insurance Plans

1. *Cancer,*
2. *Accident,*
3. *Disability,*
4. *Supplemental Health Options such as*
   - *Intensive Care*
   - *Hospital Indemnity*
   - *Personal Recovery*
   - *Personal Sickness Indemnity*
   - *Critical Illness*
5. *Short Term Disability,*
6. *Flexible Spending Account Program (Medical/Child Care),*
7. *125 Cafeteria Plan*

1. The sealed proposals shall contain one (1) original, seven (7) copies and addressed to:

City of Edinburg
c/o City Secretary
415 West University Drive
P.O. Box 1079
Edinburg, Texas 78540-1079

2. The City of Edinburg participates in Social Security, Workers' Compensation, and the Texas Municipal Retirement System.

3. Due care and diligence have been used in the preparation of this information, and it is believed to be substantially correct. However, the responsibility for determining the full extent of the exposure and verification of all information presented herein shall rest solely upon the proposer. The City of Edinburg and its representatives will not be responsible for any errors or omissions in these specifications nor for the failure on the part of the proposer to determine the full extent of the exposures.

4. The City of Edinburg reserves the right to renegotiate the term of this coverage. The City of Edinburg shall reserve the right to renew (annually) the contract with the selected proposer, provided that proof is shown that said insurance carrier is providing the lowest possible rate at time of renewal. Tentative award date is October 18, 2011.

5. The City of Edinburg reserves the right to accept or reject proposals submitted, waive formalities in proposing, accept the proposal deemed most advantageous to the City of Edinburg, and to hold the proposals for a period of sixty (60) days after publicly opening the proposal without taking action thereon. The City intends to review all aspects of the proposals to determine the best overall program for the City at this time. Since there are

important considerations involved in selecting a carrier in addition to the proposed rates, the City will not be required to accept the lowest proposal. Failure to manually sign proposal will disqualify it. Person signing proposal should show title or authority to bind their firm to a contract.

6. All rates shall be guaranteed for twenty-four (24) months, or longer, to be billed beginning date of agreement. However, the City of Edinburg reserves the right to accept a guarantee of more than twenty-four (24) months if it is in the City's interest.

7. The company shall reference its proposal in the same order as provided in the specifications. Any company seeking to provide or underwrite insured programs for the City of Edinburg must respond to appropriate sections of these specifications and must meet all conditions or standards listed in these specifications.

8. The City of Edinburg, herewith referred to as the "Planholder", is requesting proposals for Third Party Administrator Services for its Employee Voluntary Benefits Insurance Plans for eligible individuals.

9. **RFP – EVALUATION**: The evaluation system consists of a 100 percentage point system. The RFP will be ranked after review and evaluation. The submittal evaluation will be based on the following criteria:

- 50% Proposer's qualifications/experience
  - Financial stability
  - Demonstrated prior experience in providing similar services (references)
  - Proposal's compatibility with the City of Edinburg's stated purpose

- 10% Proposer's itemized and total proposed price
  - Estimated cost for Services rendered

- 40% Proposed services meeting the City of Edinburg's needs and requirements in the area of TPA for Voluntary Benefits
  - Capability to provide responsive professional service
  - Capability to provide off-site support and adequate on-site support as needed/requested

Part I

QUALIFICATIONS OF PROPOSER

Please read carefully. The Planholder is not required to consider any proposal that does not comply with the criteria set forth herein. All proposers shall utilize the Request for Proposal Form (Part IV, pages 6 - 13).

1. All companies and agents submitting proposals must be licensed by the State of Texas and have a demonstrated level of good performance with public entities, including municipalities.

2. The agent must have an errors and omissions policy with a minimum limit of $500,000. **A copy of policy shall be furnished with the proposal.**

3. The company must be recommended in the latest edition of A. M. Best's Insurance Reports with a general policyholder's rating of "B+" or better with no contingency rating. **The agent shall furnish the A. M. Best's policyholder rating for each company with which coverage is being proposed.**

4. Any agent or agency submitting a proposal must be licensed by the carrier stipulated therein at the time it is submitted.

5. The agent and company must have a willingness to commit to specified levels of performance for services and quality in Agent Scope of Services.

6. The company and agent must provide sufficient telephone service, preferably toll-free service, to handle inquiries directly from plan participants.

7. The successful company will conduct/or assist in the conducting of one (1) initial enrollment and an annual enrollment thereafter.

8. The enrollment process will include, but is not limited to, scheduling enrollment appointments by department, completing enrollment applications, and mailing policies **directly** to insured employees.

Part II

DESCRIPTION OF THE RISK

1. **NAME OF INSURED:**
   City of Edinburg, Texas

2. **EFFECTIVE DATE:**
   October 18, 2011

3. **TERMS:**
October 18, 2011 through September 30, 2012 with the option to extend contract beyond the (1) one year.

4. It is the intent of these specifications to establish a Third Party Administrator for Research/Recommendation/and possible Administration of Voluntary Benefits Insurance Plans for all full-time employees of the City of Edinburg.

5. Elected Officials are not covered under the current plan.

Part III

ADMINISTRATION OF CLAIMS

Proposer will act as a third party claims/contractual claims administrator for the express purpose of administering the Employee Voluntary Benefits Insurance Plans.

The proposer will be responsible for, but not limited to the following:

a. Consulting and Installation of the Plan. Reviewing carrier policies to assure they meet specifications.

b. Drafting of the Plan Document or Master Contract and announcement material.

c. Coordination with other plans for benefits. The proposer will be responsible for coordination of benefits with all insurance plans or other collectible insurance.

d. The proposer will analyze all statistical data for future cost projections. Periodic meetings will be held to advise Planholder's staff on these projections.

e. Original contracts for all carriers will be filed with the Planholder.

f. Necessary government filings.

g. All other administrative details.

Part IV

REQUEST FOR PROPOSAL FORM

ONLY THOSE REQUESTS FOR PROPOSALS SUBMITTED ON THIS FORM WILL BE CONSIDERED. ALL OTHERS WILL BE REJECTED AND DISQUALIFIED.

This form must include all costs of the program, which should include but not be limited to fixed costs, cost containment options, all printing, and miscellaneous expenses.

All costs must be shown at the time the proposal is submitted. We reserve the right to get written clarification of any benefits proposed.

1. What is your company's most current "Best Rating"?

   _____

   _____

   _____

2. What is your customer quality service statistics for the most recent twelve (12) month period?

   _____

   _____

   _____

3. On the provided form, for reference purposes, a list of at least three (3) governmental entities or clients served in Texas by your company shall be completed along with proposal. List shall include, but not be limited to, name of contact person, telephone number, number of employees, and how long the entity/client was/is contracted by the company.

4. Do you have a toll free telephone number for handling inquiries from staff and employees? If so, is there an additional charge?

   _____

   _____

   _____

5. What procedures have you implemented to become compliant with April 2003 HIPAA, Title H Privacy/ Confidentiality and Security requirements?

   _____

   _____

   _____

   _____

6. Do you offer electronic enrollment services? ____ YES ____ NO
   If so, please describe.

   _____

   _____

   _____

7. Describe special features of your services and plan(s) evaluation process.

_____

_____

_____

8. IF PREMIUM QUOTE INCLUDES AGENT COMMISSION, PLEASE PROVIDE THE FOLLOWING INFORMATION:

(a.) Agent commission formula & estimated annual commission:

_____

_____

_____

(b.) Are agent commissions negotiable?

____ YES ____ NO

Comments:

_____

_____

_____

(c.) Copy of agent's E&O Insurance Certificate.

(d.) Copy of agent's insurance license.

(e.) Name/Mailing Address for Agent & Local Service Office:

_____

_____

_____

(f.) Agent services to be provided:

_____

_____

_____

(g.) Agent experience with insurance company:

_____

_____

_____

(h.) Please attach biographical information for each agent in local service office.

REQUEST FOR PROPOSAL RESPONSE FORM

EMPLOYEE VOLUNTARY BENEFIT INSURANCE PLANS

Name of Company/Organization: _____

Address: _____

City: _____ State: _____ Zip: _____

Contact Person: _____

Telephone#: _____ Facsimile#: _____

Current "A.M. Best" Rating: _____

(Shall furnish copy of policyholder rating for each company with which coverage is being quoted)

****

Name of Agent: _____

Address: _____

City: _____ State: _____ Zip: _____

Agency Name: _____

Telephone #: _____ Facsimile#: _____

Number of Years in Business: _____

(Must enclose E & O Certificate of Insurance)

Proposal Format

IMPORTANT:

In order for your proposal to receive consideration, you must complete the certification statement below acknowledging that you have full knowledge of the requirements for providing insurance programs to the City of Edinburg.

CERTIFICATION STATEMENT

The undersigned does hereby declare that they have read the specifications for the Voluntary Employee Benefit Insurance Coverage and with full knowledge for the requirements, does hereby agree to furnish the coverage in full accordance with the specifications and requirements.

I certify that _____ and its response
(Name of Company/Organization)
complies with these specifications.

_____
Authorized Signature

_____
Type/Print Name

_____
Title

_____
Date

NON-COLLUSIVE REQUEST FOR PROPOSAL CERTIFICATE

By submission of this proposal, the PROPOSER certifies that:

(a) This proposal has been independently arrived at without collusion with any other proposer, or with any competitor;

(b) This proposal has not been knowingly disclosed and will not be knowingly disclosed, prior to the opening of the proposals for this project, to any other proposer, competitor, or potential competitor;

(c) No attempt has been or will be made to induce any other person, partnership or corporation to submit or not to submit a proposal; and

(d) The person signing this proposal certifies that he/she has fully informed himself/herself regarding the accuracy of the statements contained in this certification, and under the penalties being applicable to the proposer as well as to the person signing in its behalf.

_____
Authorized Signature

_____
Type/Print Name

_____
Title

_____
Name of Company/Organization

_____
Date

REFERENCES

Please provide the Planholder with three (3) references that have been insured with your company for at least three (3) years.

Company Name: _____

Name of Proposer: _____

Contact Person: _____ Title: _____

Address: _____

City, State, Zip: _____

Telephone Number: _____# of Employees: _____

Company Name: _____

Name of Proposer: _____

Contact Person: _____ Title: _____

Address: _____

City, State, Zip: _____

Telephone Number: _____# of Employees:_____

Company Name: _____

Name of Proposer: _____

Contact Person: _____ Title: _____

Address: _____

City, State, Zip: _____

Telephone Number: _____# of Employees:_____

TERMINATIONS

Please provide the Planholder with three (3) references that have terminated with your company in the past year.

Company Name: _____

Name of Proposer: _____

Contact Person: _____ Title: _____

Address: _____

City, State, Zip: _____

Telephone Number: _____# of Employees: _____

Company Name: _____

Name of Proposer: _____

Contact Person: _____ Title: _____

Address: _____

City, State, Zip: _____

Telephone Number: _____# of Employees:_____

Company Name: _____

Name of Proposer: _____

Contact Person: _____ Title: _____

Address: _____

City, State, Zip: _____

Telephone Number: _____# of Employees:_____

DECLARATION OF COMPLIANCE

The undersigned does hereby declare that they have read the Request for Proposal on which they are submitting a proposal with full knowledge of the requirements, and does hereby agree to furnish all services in full accordance with the requirements outlined in the Request for Proposal.

The proposer affirms that, to the best of their knowledge, the proposal has been arrived at independently and is submitted without collusion to obtain information or gain any favoritism that would in any way limit competition or give unfair advantage over other proposers.

The undersigned hereby declares that they have the authority to represent the proposer in submitting this proposal at the unit prices and level of services herein after notice of proposal award.

Company Name: _____

Address: _____

City, State, Zip Code: _____

Contact Person/Agent: _____

Area Code & Phone Number: _____

Authorized Signature: _____

Typed Name of Signatory: _____

Title of Signatory: _____

Date: _____