



**CITY OF DULUTH
REQUEST FOR PROPOSALS FOR**

Human Resources/Employee Benefits Consultant

RFP NUMBER 17-08AA

ISSUED May 17, 2017

PROPOSALS DUE June 23, 2017

SUBMIT TO

**CITY OF DULUTH
ATTN: PURCHASING DIVISION
CITY HALL, ROOM 100
411 WEST 1ST STREET
DULUTH, MN 55802**

PART I - GENERAL INFORMATION

I-1. Project Overview. The City of Duluth is seeking a Human Resources/Employee Benefits Consultant to act as a strategic partner in the procurement and administration of employee benefits programs.

I-2. Additional detail is provided in **Part IV** of this RFP.

I-3. Calendar of Events. The City will make every effort to adhere to the following schedule:

| Activity | Date |
|--|---------------|
| Deadline to submit Questions via email to purchasing@duluthmn.gov | June 2, 2017 |
| Answers to questions will be posted to the City website no later than this date. | June 9, 2017 |
| Proposals must be received in the Purchasing Office by 4:00 PM on this date. | June 23, 2017 |

I-4. Rejection of Proposals. The City reserves the right, in its sole and complete discretion, to reject any and all proposals or cancel the request for proposals, at any time prior to the time a contract is fully executed, when it is in its best interests. The City is not liable for any costs the Proposer incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the contract.

I-5. Questions & Answers. Any questions regarding this RFP must be submitted by e-mail to the Purchasing Office at purchasing@duluthmn.gov **no later than** the date indicated on the Calendar of Events. Answers to the questions will be posted as an Addendum to the RFP.

I-6. Addenda to the RFP. If the City deems it necessary to revise any part of this RFP before the proposal response date, the City will post an addendum to its website <http://www.duluthmn.gov/purchasing/bids-request-for-proposals/>. Although an e-mail notification will be sent, it is the Proposer's responsibility to periodically check the website for any new information

I-7. Proposals. To be considered, hard copies of proposals must arrive at the City on or before the time and date specified in the RFP Calendar of Events. The City will not accept proposals via email or facsimile transmission. The City reserves the right to reject or to deduct evaluation points for late proposals.

Proposals must be signed by an official authorized to bind the Proposer to its provisions. If the official signs the Proposal Cover Sheet attached as Appendix B, this requirement will be met. Proposals must remain valid for 60 days or until a contract is fully executed.

Please submit one (1) paper copy of the Technical Submittal and one (1) paper copy of the Cost Submittal. In addition, Proposers shall submit one copy of the entire proposal (Technical and Cost submittals, along with all requested documents) on CD-ROM or Flash drive in Microsoft Office-compatible or pdf format.

All materials submitted in response to this RFP will become property of the City and will become public record after the evaluation process is completed and an award decision made.

I-8. Small Diverse Business Information. The City encourages participation by minority, women, and veteran-owned businesses as prime contractors, and encourages all prime contractors to make a significant commitment to use minority, women, veteran-owned and other disadvantaged business entities as subcontractors and suppliers. A list of certified Disadvantaged Business Enterprises is maintained by the Minnesota Unified Certification Program at <http://mnuccp.metc.state.mn.us/>.

I-9. Term of Contract. The term of the contract will begin once the contract is fully executed and is anticipated to end by September 30, 2020. The selected Proposer shall not start the performance of any work nor shall the City be liable to pay the selected Proposer for any service or work performed or expenses incurred before the contract is executed.

I-10. Mandatory Disclosures. By submitting a proposal, each Proposer understands, represents, and acknowledges that:

- A. Their proposal has been developed by the Proposer independently and has been submitted without collusion with and without agreement, understanding, or planned common course of action with any other vendor or suppliers of materials, supplies, equipment, or services described in the Request for Proposals, designed to limit independent bidding or competition, and that the contents of the proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or agent of the Proposer.
- B. There is no conflict of interest. A conflict of interest exists if a Proposer has any interest that would actually conflict, or has the appearance of conflicting, in any manner or degree with the performance of work on the project. If there are potential conflicts, identify the municipalities, developers, and other public or private entities with whom your company is currently, or have been, employed and which may be affected.
- C. It is not currently under suspension or debarment by the State of Minnesota, any other state or the federal government.

I-11. Notification of Selection. Proposers whose proposals are not selected will be notified in writing when contract negotiations have been successfully completed and the City has received the final negotiated contract signed by the selected Proposer.

PART II - PROPOSAL REQUIREMENTS

- A. Cover Letter
- B. Company Background
- C. Account Management Team Resumes
- D. Answers to Questionnaire
- E. Cost/Pricing

PART III - CRITERIA FOR SELECTION

The proposals will be reviewed by City Staff. The intent of the selection process is to review proposals submitted by at least three qualified consultants and make an award based upon qualifications as described therein. A 100-point scale will be used to create the final evaluation recommendations. The factors and weighting on which proposals will be judged are:

- Qualifications/ Experience 30%
- Technology Capabilities 30%
- Cost 40%

PART IV – PROJECT DETAIL

A. Benefit Program Information:

The City of Duluth currently offers the following benefit programs to its employees and eligible retirees:

- HealthPartners Health Plan- Self-funded and Fully Insured (actives and eligible retirees)
- Delta Dental Plan (actives and eligible retirees)
- SandCreek EAP – Employee Assistance Program
- TASC – Flexible Spending Account Plan (medical and dependent daycare)
- Minnesota Life – Group Life Insurance (actives and eligible retirees)
- PERA Life – Group Decreasing Life Insurance (actives)
- Deferred Compensation (457) – Minnesota State Retirement System, Hartford, ICMA and Nationwide
- Health Care Savings Plan (Minnesota State Retirement System)
- Defined benefits for public employees (PERA)
- Worker’s Comp (SFM)

B. Scope of Work:

Services include the following but are not limited to:

- a. Account Management and Client Services
 - i. Inform Human Resources of changes in the insurance marketplace

- ii. Provide written update on new State or Federal legislation or judicial decisions impacting the City of Duluth's benefits and suggested action or changes in operations or procedures to assure compliance
 - iii. Attend monthly Health Insurance Committee meetings
 - iv. Review programs to determine if competitive – benchmark data
 - v. Quarterly review of actual claims
 - vi. Monthly financial tracking
 - vii. Completion of stewardship/strategy report
 - viii. Meet with Human Resources staff on an as needed basis to discuss issues and open items
- b. Health and Benefits Strategy Support
- i. Analyze factors driving plan costs and recommend opportunities to better manage cost, access, and quality
 - ii. Provide actuarial support for premium rate setting process for self-funded medical and dental plans
 - iii. Benchmark medical plan costs and employee contributions on an annual or as needed basis (using published benchmark data)
 - iv. Provide select claims reports on a monthly or quarterly basis
 - v. As needed review of HMO, PPO network analysis to estimate cost savings potential with alternative plans and delivery mechanisms
 - vi. Develop alternative employee contribution strategies and formulas, as needed
 - vii. Provide cost projections for current medical, prescription drug, and dental plans – as needed
 - viii. Conduct review of business provisions in supplier/carrier contract
 - ix. Preparing requests for proposals for benefit plans, marketing proposals, analyzing proposals, providing a recommendation and negotiating with the providers for the following administrative services:
 - Health Plan
 - Medicare Supplement Plan
 - Pharmacy Benefit Manager
 - Dental Plan
 - Employee Assistance
 - Life Insurance
 - Flexible Spending Account (including Travel Reimbursement)
 - FMLA and Short- and Long-Term Disability Management (including Workman's Compensation)
 - Deferred Compensation (457)
 - Health Care Savings Plan
 - Workers Compensation
- c. Wellness Strategy Support
- i. Analyze factors driving plan costs and recommend opportunities to better manage cost, access, and quality using wellness strategy

- ii. Benchmark wellness plans and employee engagement on an annual or as needed basis (using published benchmark data)
- iii. Work with Wellness Coordinator and Wellness Committee to develop long term strategic plan/goals
- iv. Assist in vendor selection for wellness platforms/initiatives
- d. Plan Management
 - i. Negotiate/re-negotiate performance standards for carriers/suppliers, if applicable
 - ii. Conduct regular meetings with carriers/suppliers to identify issues/problems and monitor performance against performance standards
 - iii. Renewal processing and management
 - iv. Renewal/proposal negotiations – premium, claims experience, pooling levels and charges, expense charges for plan administration, provider reimbursement arrangements within managed care delivery systems
- e. Implementation Services
 - i. Help negotiate final contracts to ensure they conform to bid specifications
 - ii. Participate in design and system review meetings
 - iii. Review contracts and booklets
 - iv. Establish procedures and protocols with vendors (e.g., corporate reporting and communication)
 - v. Review applications
 - vi. Identification of qualified vendors
 - vii. Scope of services
 - viii. Provider access
 - ix. Discount and disruption financial analysis
 - x. Alternate funding mechanisms
 - xi. Plan design alternatives
 - xii. Service performance standards
 - xiii. Development of Request for Proposal (RFP) and distribution to market place
 - 1. Analysis of proposals
 - 2. Presentation of comparative analysis to City of Duluth, Human Resources
 - 3. Finalist interviews - Recommendation, selection and implementation support

C. Questionnaire

- a. Company Overview
 - i. Briefly describe an overview of your firm's history, including servicing location, number of clients, average size of clients, retention rate, industries that you serve, and number of employees.
 - ii. Provide details of your company's financial status and stability.

- iii. Describe how your benefit practice is structured within your organization.
 - iv. Describe what makes your firm uniquely qualified to work on our account.
 - v. What distinguishes you from your competitors?
 - vi. Describe your customer support process/philosophy/service model and provide the names, contact information and responsibilities for the proposed service team for the City of Duluth/JPE.
 - vii. If your firm is selected, how would you propose we transition the account.
- b. Expertise
- i. Describe how you will address City of Duluth/JPE's needs in the following areas:
 1. Strategic Planning – Assist us in outlining a benefits strategy consistent with our current and future business plans and in identifying optimal benefits for our workforce.
 2. Cost Projections – Assist us in developing cost projections tied to our rates.
 3. Competitive Marketing and Placement of Plans – Assist us with the competitive marketing and the placement of health and welfare plans, including the development of marketing specifications, identification of market conditions, evaluations of proposals, negotiations and placement of insurance contracts. This includes market research of new and existing markets with competitive assessments.
 4. Annual Renewals – Describe your involvement with the annual renewal process. Include a description of the tasks you undertake and the analysis you perform. Provide a sample annual renewal analysis.
 5. Industry Trends and Emerging Issues – Provide timely benefit consulting services on trends in the benefit industry and emerging benefit issues, including pending and/or new state or federally mandated changes and new solutions to systematic industry problems.
 6. Employee Communications – Assist in developing employee communication and related tools. Provide sample copies of benefit communication pieces directed to employees. Does your firm have the ability to create and distribute customized benefit enrollment kits? Please provide an example.

7. Benchmarking –What type of tools do you offer to assist us with benchmarking? How do you go about this process?
 8. Describe your local and national market leverage within the employee benefits marketplace.
 9. Describe any special analysis that you provide to help manage our programs.
- c. Data Analysis
 - i. Do you provide any additional claims analysis tools or reporting beyond the standard data provided by our carriers? If so, how do you normally present these reports?
 - ii. Describe your standard reporting/actuarial services that would be available to the City of Duluth/JPE.
 - iii. What resources do you use to analyze medical and pharmacy claims data?
 - iv. Do your clients have access to the data for ad hoc queries?
 - d. Wellness Programs
 - i. What tools can you provide to help in the development and expansion of the City of Duluth/JPE Wellness Program?
 - ii. What is your process for measuring the success of a wellness program?
 - iii. What is your organization’s wellness philosophy?
 - e. Additional Services
 - i. Describe any services you offer around employee focus groups and/or employee surveys.
 - ii. What type of HR consulting services does your firm offer (i.e. processes, compliance, compensation, etc.)?
 - iii. Describe any additional services offered by your company that may be of interest to us.
 - f. Legislative / Compliance
 - i. Do you have in-house Compliance lawyers who provide counsel to your clients? Is their service included in your proposal pricing?
 - ii. Describe methods you employ to disseminate information about current trends and legislation. Provide examples.
 - g. Compensation
 - i. Based on the information provided and the services requested, what is your proposed compensation? Please make certain to identify any services mentioned in your response that are not included in your proposed fee (services that would be an additional expense).

h. References

- i. Provide at least three references of current clients that are similar to City of Duluth/JPE with respect to size and complexity. For each reference include: (1) number of employees, (2) number/type of plan covered, (3) length of servicing relationship with your firm and (4) contact name, title and phone number and e-mail.

**APPENDIX A - PROPOSAL COVER SHEET
CITY OF DULUTH
RFP# 17-08AA**

| Proposer Information: | |
|---------------------------------|--|
| Proposer Name | |
| Mailing Address | |
| Website | |
| Contact Person | |
| Contact Person's Phone Number | |
| Contact Person's Fax Number | |
| Contact Person's E-Mail Address | |
| Federal ID Number | |
| Authorized Signature | |
| Title | |