City of Franklin, Tennessee Request for Proposals

Purchasing Office Solicitation No.: 2018-015

1. Solicitation identified: This Request for Proposals applies to the following procurement:

   voluntary group term life insurance with accidental death & dismemberment benefits, and voluntary short-term disability insurance

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2. Notice to Proposers publication date: **March 29, 2018**

3. Solicitation release date: **March 29, 2018**

4. Deadline for optional submittal in writing of questions seeking to revise or clarify any aspect of this procurement solicitation: **April 10, 2018, 2:00 p.m. Central Time**

5. Proposals submittal deadline and scheduled opening: **April 19, 2018, 2:00 p.m. Central Time**

6. Tentative date of release of City's tabulation of proposals received and notice of intent to award: **April 30, 2018**

7. Tentative date of award: Meeting of Board of Mayor and Aldermen at which is tentatively scheduled to be awarded the selection of the proposal that best meets the needs of the City: **May 8, 2018**

8. Target effective date of award: **July 1, 2018**

9. Objective: To secure, by means of a competitive procurement process, the selection of a responsive and responsible proposal, that best meets the needs of the City of Franklin, to furnish all labor, materials and means necessary to supply and deliver for the City of Franklin the voluntary employee insurance products and services described below. See the accompanying Instructions for Proposers for additional information and instructions.

10. Exceptions:

    a. To avoid the need to take an exception to this procurement solicitation, potential proposers may request revisions to the same before the deadline for optional submittal in writing of questions seeking to revise or clarify any aspect of this procurement solicitation. See the accompanying Instructions for Proposers for contact information.

    b. Any deviation or variance from this procurement solicitation shall be considered by the City to be an exception.

    c. Any exceptions to this procurement solicitation shall be listed in detail in a separate document to be prepared by the proposer. Such listing shall include a description of

exactly how such exceptions deviate from the City's expectations as expressed and implied by the procurement solicitation, and shall indicate why such exceptions should be judged by the City to meet or exceed those expectations. Any and all exceptions to this procurement solicitation which the City, in its sole discretion, deems not to meet or exceed the City's intention as expressed and implied by the procurement solicitation may be considered by the City as a factor in evaluating the proposal.

11. General terms and conditions:

    a. Proposal price: The proposal price shall include all equipment, labor, materials, permit(s), freight and required insurance to render the specified service(s).

    b. Delivery terms: As a matter of practice, the City expects vendor to ship any and all deliverables FOB destination, freight prepaid and allowed. The City's preferred delivery terms, as described in the preceding sentence, are offered to the proposer as a condition of award. If the City's preferred delivery terms are unacceptable to the proposer, then the proposer shall indicate on the Submittal Form its preferred delivery terms. Delivery terms may be a factor in the City's selection criteria. Delivery terms are non-negotiable after award is made.

    c. Payment terms: As a matter of practice, the City pays for goods and/or services only after receipt and acceptance by the City of all such goods and/or services as ordered, and only after receipt of an accurate, proper, complete and itemized invoice for all such goods and/or services as ordered, net thirty (30) calendar days from date of delivery and/or completion/installation/rendering or date of invoice, whichever is later. The City's preferred payment terms, as described in the preceding sentence, are offered to the proposer as a condition of award. If the City's preferred payment terms are unacceptable to the proposer, then the proposer shall indicate on the Submittal Form its preferred payment terms. Payment terms may be a factor in the City's selection criteria. Payment terms are non-negotiable after award is made.

    d. Applicable laws and regulations: All applicable federal and state laws, city ordinances, orders, rules and regulations of all authorities having jurisdiction over the specified service(s) shall apply to the quoted purchase price, and they will be deemed to be included in this procurement solicitation the same as though they are written out in full herein.

    e. Use of subcontractors: The successful proposer may subcontract any portion of the award but only with the prior consent of the City. Requirements for references and insurance shall apply to any subcontractor.

    f. Safe work area: The successful proposer will be expected to utilize best practices to minimize the risk of personal injury to the public, City personnel and employees of the proposer and/or the proposer's subcontractors, if any.

    g. Other documents to be required of successful proposer: See the accompanying "Instructions for Proposers" for a listing of other documents to be required of the successful proposer.

h. Damages: The successful proposer shall be responsible for any damages it causes in the course of performing the specified service(s), and shall repair or replace any damaged property to the satisfaction of the City at the successful proposer's own expense and at no additional charge to the City.

i. Terms and Conditions: By submitting its proposal, the vendor certifies that it has read and accepts all terms, conditions and requirements of this solicitation, including the terms and conditions identified and listed in the City's Standard Procurement Terms and Conditions attached hereto and hereby incorporated by reference.

j. Refusal to honor submittal: If and after an award is made by the City, if the vendor refuses to execute an agreement or contract or in any other way honor the terms and conditions of its submittal, the City shall be entitled to seek compensation for its damages, which may include the cost of conducting a new solicitation.

k. Confidential and/or proprietary information; trade secrets. All contents of all submittals are subject to public disclosure and shall not contain any confidential and/or proprietary information and/or trade secrets. Further, by submitting its proposal, the vendor indemnifies and holds the City of Franklin harmless against any loss or damage, including reasonable attorney fees, it may incur as a result of the City's reliance upon the vendor's representation that materials supplied by the vendor do not contain trade secrets or proprietary information which is not subject to public disclosure.

12. Detailed requirements: Please note:

- Proposers are required to submit with their proposal a detailed description of all proposed products, items and/or services.
- Any exceptions to this procurement solicitation shall be listed in detail in a separate document to be prepared by the proposer. Such listing shall include a description of exactly how such exceptions deviate from the City's expectations as expressed and implied by the procurement solicitation, and shall indicate why such exceptions should be judged by the City to meet or exceed those expectations.

11.1. Overview and purpose; context; information provided

The City of Franklin is seeking proposals for voluntary group term life insurance with accidental death & dismemberment benefits, and voluntary short-term disability insurance, for the policy year beginning July 1, 2018. The purpose of this request for proposals is to allow the City to offer its employees competitive products and quality customer service. These products and services are currently offered to City employees from Unum.

For the policy year beginning July 1, 2018, the City anticipates the open enrollment period beginning on May 28, 2018 and concluding June 22, 2018. Enrollment will be offered online using Kronos. The City estimates approximately fifteen open enrollment meetings will take place. One-on-one meetings will not be offered. Benefit deductions are withheld twice per month.

The City intends to contract directly with insurance carriers. Proposers must be represented directly. Participation by brokers or commissioned agents will NOT be allowed during the proposal process or during the term of the proposed contract.

Proposals must be for both voluntary group term life / AD&D as well as short-term disability insurance. Partial proposals will not be evaluated.

Fees and/or rates are an important consideration, but the City reserves the right to consider other factors, all of which will be evaluated on a point system. The points allotted to each service are listed throughout this document. Partial points may be awarded based upon the strengths and abilities of the respondent to provide some portion of the desired services. No evaluation criteria will be used other than those listed below.

The City of Franklin's workforce consists of approximately 728 active full-time employees, not including their dependents. Approximately 250 employees are currently enrolled in the City's voluntary group term life / AD&D program, and approximately 130 employees are enrolled in the City's short-term disability program.

The following appendices to this Request for Proposals are available upon request made to the City Purchasing Office (purchasing@franklintn.gov):

- Appendix 1: City of Franklin voluntary group term life / AD&D census as of 3/28/2018.
- Appendix 2: City of Franklin voluntary group term life / AD&D certificate and summary effective 1/1/2015.
- Appendix 3: City of Franklin voluntary group term life / AD&D rate schedule effective 1/1/2015.
- Appendix 4: City of Franklin voluntary group term life / AD&D claims experience 1/1/2015 through 3/27/2018.
- Appendix 5: City of Franklin short-term disability census as of 3/28/2018.
- Appendix 6: City of Franklin short-term disability certificate and summary effective 1/1/2015.
- Appendix 7: City of Franklin short-term disability rate schedule effective 1/1/2015.

- Appendix 8: City of Franklin short-term disability claims experience 1/1/2015 through 3/27/2018.
- Appendix 9: City of Franklin Health Benefit Plan Evidence of Coverage 7/1/2017 through 6/30/2018.
- Appendix 10: City of Franklin long-term disability booklet-certificate issued 9/17/2012.
- Appendix 11: City of Franklin vacation and sick leave policies as of 7/28/2011.

11.2. Term of award

The products to be offered and services to be rendered pursuant to this procurement solicitation shall be proposed for a term of award of three (3) years, effective July 1, 2018. At any time after commencement but before or as soon as practicable after the expiration of this term of award, the City and the vendor may choose to exercise an option to extend the term of award twice, each time for up to one (1) additional year, for a maximum possible term of award of five (5) years total, provided: (a) that both parties consent to such an extension at that time; (b) that the decision to exercise such an extension is memorialized in writing and is executed by one or more authorized representatives of each party; (c) that the same terms and conditions that apply to the original term of award shall also apply to such an extension, excluding pricing; (d) any changes either to the schedule of benefits to be offered to employees or to the rate tables for each insurance product to be offered to employees shall be disclosed by the service provider in advance of the City's decision to exercise such an extension; and (e) that if the vendor chooses not to consent to an extension to the term of award, then it shall notify the City of that decision a minimum of six (6) months in advance of the scheduled expiration of the term of award. Note that the City and the vendor each specifically retain the right, with or without cause, not to extend the term of award.

11.3. Evaluation criteria; information required to be included in proposal

The following criteria shall be used to evaluate response submittals:

A. Plan Design (point value: 15 points)

- The City is interested in keeping or enriching the current plan designs. The City may make plan design changes during the upcoming contract year.
- Please provide sample contracts for review with your proposal.
- The respondent chosen will also need to show the ability to administer ERISA-exempt plans and the regulations of the State because of these exemptions.
- With respect to the voluntary term life / AD&D benefit, respondents must agree to grandfather current employees at current benefit levels, unless the proposed benefits are an improvement over the current.
- With respect to the short-term disability program:
  - All proposals must guarantee that no employees will lose benefits due to the change of insurance companies. Please indicate your acceptance of "grandfathering" the current insureds.

- All pre-existing condition restrictions should be waived for the current insured's to the extent of the current plan.
- The actively-at-work (AAW) needs to be waived on all plans to cover any claims not covered under the insured extension of benefit.
- Those who are currently receiving partial disability benefits must also be covered.

B. Financial Stability (point value: 15 points)

This pertains to the insurance company whose name appears as the insurer on the policy:

- State the full name and address of your organization and include all branch offices that will be responsible for performing the services included in this proposal.
- Submit a copy of your Tennessee license.
- Submit information about your financial performance rating from any or all of the following: Standard & Poor's, Moody's, Fitch, A.M. Best.

C. Online Capabilities (point value: 15 points)

The City would like as much online access as possible to the plan information for management purposes as well as, but not limited to, the ability to monitor claims, run reports and check eligibility. Consideration will be given to whether respondents allow employees to check personal information online. Any additional cost for this service should be quoted separately.

D. Customer Service (point value: 15 points)

The City is searching for a respondent with exceptional customer service that includes:

- Providing a toll-free number that is available at least eight hours per day to employees of the City who wish to speak with a knowledgeable customer service representative regarding specific details of the insurance programs.
- Providing support services to assist employees in understanding and using their benefits.
- Providing prompt, courteous and knowledgeable responses to customer service requests posed by employees.

E. Administrative Requirements (point value: 15 points)

- Attend annual employee meetings and present insurance plan information.
- Provide each enrolled employee a hard copy benefit booklet outlining and defining all covered services, limitations and exclusions, and schedule of benefits. The City shall review and approve booklets prior to distribution.
- Provide an administrative procedures manual to the City to be used to administer the program, including necessary forms and instructions.

- Designate a point of contact responsible for resolving problems, answering claim questions and administrative or billing issues, and expediting services related to overall performance of the contract.

F. Rates (point value: 15 points)

Please state your rates per $1,000 of benefit for voluntary term life/AD&D and per $100 of payroll for short-term disability. Please state the rates assuming award of both lines. All rates should be quoted net of commissions.

G. Competency, experience, qualifications and references (point value: 10 points)

- Overview of the firm including organizational structure (e.g., publicly held corporation, private non-profit, partnership, etc.) and a brief history. Identify how long the organization has been providing the services being requested.
- Describe the firm's experience, expertise, and capabilities, especially with respect to similar clients, that makes it well qualified.
- Identify key personnel that would be assigned to The City and identify each individual's education, certifications, experience, and qualifications that makes him/her well qualified.
- Indicate the presence or absence of any conflict of interest between the firm and/or its key personnel and the City.
- Describe, and provide documentation to support the description of, the firm's financial wherewithal to perform the services requested.
- Indicate the ability of the firm to meet the City's insurance requirements (see below).
- At least five references in total should be provided, and one of the five must be a former client. Include complete contact information including e-mail address and number of covered employees. Government or other public-sector references are preferred.

11.4. Insurance Requirements

Before award of the procurement by the City, the successful proposer (that is, the vendor who is recommended be awarded the purchase) shall provide one or more unexpired certificates of insurance providing evidence of the following minimum types and limits of insurance coverage:

Type of Coverage	Limits of Coverage	Certificate of Insurance
Commercial General Liability	• $1,000,000 Each Occurrence • $1,000,000 General Aggregate • $1,000,000 Personal and Advertising Injury • $1,000,000 Products-Completed Operations Aggregate	Certificate of Insurance shall indicate Certificate Holder[1] as Additional Insured with Additional Insured endorsement attached for both Premises/Operations and Products/Completed Operations
Workers Compensation[2]	• Statutory Limits	Certificate Holder[1] only
Employers Liability[2]	• $1,000,000 Bodily Injury Each Accident • $1,000,000 Policy Limit Bodily Injury by Disease • $1,000,000 Each Employee Bodily Injury by Disease	Certificate Holder[1] only
Employee Dishonesty	$500,000 Per Occurrence	Certificate Holder[1] only
Professional Liability	$1,000,000 Combined Single Limit	Certificate Holder[1] only
Cyber	$2,000,000 Cyber Liability $1,000,000 Network and Information Security Expenses	Certificate Holder[1] only

If and when insurance coverage documented by the certificate(s) of insurance referenced above expires before the expiration of any specified term of award, including any extensions thereto, or the supply, delivery and acceptance of the ordered products and/or services, pursuant to this procurement solicitation, then the successful proposer shall immediately suspend work or supply unless and until it provides one or more unexpired replacement certificates of insurance that indicates the new date(s) of insurance coverage expiration and that meets or exceeds the insurance requirements as specified above.

In the event that insurance coverage documented by the certificate(s) of insurance referenced above is materially modified or canceled before the expiration of any specified term of award, including any extensions thereto, or the supply, delivery and acceptance of the ordered products and/or services, pursuant to this procurement solicitation, then the successful proposer shall, immediately upon learning of any such material modification or cancelation, suspend work or supply and shall, within three (3) calendar days of such learning, notify the City of any such material modification or cancelation.

The successful proposer agrees to impose the City's insurance requirements upon any subcontractors it utilizes for this procurement. Use of any particular subcontractor for this procurement shall have been approved by the City in advance of that subcontractor commencing work for this procurement.

[1] Certificate Holder shall be listed as follows:
City of Franklin
109 3rd Ave. South
Franklin, TN 37064

[2] Workers Compensation and Employers Liability coverages are not required for Tennessee employers with fewer than five (5) employees except that employers in the construction business or trades (construction service providers) are required to carry Workers Compensation coverage unless they are sole proprietors or partners with no employees.