

**REQUEST FOR PROPOSALS (RFP)**

**EMPLOYEE HEALTH, DENTAL &  
PHARMACY PLANS**

**RFP # 2022-11-15**

**CITY OF AVOCA, IOWA**

**RFP: EMPLOYEE HEALTH, DENTAL & PHARMACY PLANS**

**No. 2022-11-15**

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## **Request for Proposals**

The City of Avoca is seeking **sealed proposals** addressed to Teres Hoepner, City Clerk, at City Hall, 201 N Elm St. Avoca, Iowa 51521, for the following:

### **Employee Health, Dental & Pharmacy Plans**

**Sealed proposals** will be accepted until December 19, 2022\_date\_\_\_\_\_ at 4:00\_\_time P.M. at which time proposals will be held until the Council meeting on December 20, 2022, they will be opened and read aloud if needed. The Council reserves the right to review them prior to public review.

Copies of the qualification package documents consisting of detailed specifications, general requirements, or other information may be obtained by at:

City Hall, 201 N. Elm St., Avoca, Iowa 51521

Questions regarding this project should be directed to City Clerk Teresa Hoepner, 712-343-2424 or [cityclerk@cityofavoca.com](mailto:cityclerk@cityofavoca.com).

The City of Avoca reserves the right to refuse and reject any or all formalities or technicalities or to accept the proposal it considers to be the best and most advantageous to the City of Avoca, and hold the proposals for a period of 30 days without taking action. Proposals submitted past the aforementioned date and time will not be accepted.

Proposals must be clearly marked on the envelope:

**RFP: Employee Health, Dental &  
Pharmacy Plans No. 2022-11-15**

The City of Avoca, also referred to as the “Plan holder”, is calling for RFP’s on Employee Health, Dental & Pharmacy Plans for eligible individuals, retirees, city officials, and city affiliated agencies and their dependents.

The City of Avoca employs on average 7 full time and 75 part time employees directly. Full time employees are eligible for all benefits while part time employees are in- eligible.

The City of Avoca attempts to provide healthcare and related benefits that meet employee needs and manage insurance cost effectively and efficiently. The primary goal of this RFP process is to enter into multiple year agreement(s) with provider(s) to provide employees’ benefits at an economical value. Along with the product we are also reviewing and evaluating the “Broker” on job knowledge, plan knowledge and customer service. The City of Avoca would like to implement a cost-share (example 8% of premium to be paid by employee.) The City would like to compare partially funded plans to what they have now.

The purpose of these specifications and request for proposal documents is to describe and ultimately make it possible for the City of Avoca to procure the services of selected respondent(s) in response to our Employee Benefit Plans RFP. The INSURANCE PLANS to be selected and purchased by the City of Avoca, are the “Best and Most advantageous”, in accordance with Iowa Code for the purchase of insurance to include:

#### **EMPLOYEE HEALTH, DENTAL & PHARMACY PLANS**

- **Health Plan – (Fully-Insured)**
- **Health Plan - partially self funded**
- **Dental plans**
- **Prescription Benefit Management Plan /plan**

## **I. Requirements**

The information contained in these requirements is to be used only in connection with preparing a proposal for all or part of the above mentioned employee benefit plans. Failure to comply with the requirements and/or the procedures set forth herein, or to satisfy the insurance and servicing criteria may result in disqualification.

### **1. OVERALL REQUIREMENTS**

All parties submitting proposals are expected to comply with federal, state and local laws and regulations relative to the preparation of proposals and the services to be provided. Specifically, the services to be provided are expected to be in compliance with the American with Disabilities Act (ADA), insurance laws and insurance regulations

Respondents must be authorized to do business in the State of Iowa. All proposals must be in compliance with the Iowa Insurance Code and submitted in compliance with Chapter 509-512 of the Iowa Code.

Respondents will be responsible to process the post run off claims that are incurred not paid.

### **2. ANTI-LOBBYING PROVISION**

During the period between RFP solicitation, submission date, and the contract award, respondents, including their agents and/or representatives/owners, shall not directly or promote their Proposal to any member of the Avoca City Council or City staff except in the course of City-sponsored inquires, briefings, interviews, and/or presentations requests. Violation of this provision may result in the rejection of the respondent's Proposal submittal.

### **3. ENROLLMENT**

The basis for "take-over" of employee benefits for each of the Providers is to be the City's enrollment records. Each selected Provider is to be expected to provide a knowledgeable person to explain benefit provisions during enrollment meetings. The selected Providers will also be responsible for providing enrollment materials prior to the employee benefit enrollment meetings.

### **4. RIGHT TO WAIVE/TAKE EXCEPTION**

The City of Avoca reserves the right to waive or take exception to any part of these specification requirements when in the best interest of the City of Avoca.

### **5. SHORT-LISTED FIRMS**

Several firms may be short-listed for further consideration, and may be required to submit supplemental information and/or asked to participate in informal meetings/presentations. The City of Avoca reserves the right to obtain clarification of any information in the proposal response. Failure of respondent to timely and sufficiently answer such request(s) for additional information and/or clarification may result in rejection of the proposal from further consideration.

### **6. PUBLIC PRESENTATIONS**

Additionally, after the review, the City of Avoca may require that formal public presentation be made before the Mayor and City Council. If a firm is asked to make a presentation to the Mayor and the City Council, all expenses associated with travel, lodging, meals, etc., shall be borne by the firm. By the same token any expense(s) incurred by the respondents in putting together their proposal shall be the responsibility of the respondent. The City of Avoca shall not be responsible for any reimbursements to any firm.

7. GEOGRAPHICAL LOCATION

The geographical location(s) of respondent's facilities referenced service will be a factor in the evaluation and award of contract.

8. STATUTORY REQUIREMENTS

It shall be the responsibility of the successful Respondent to comply with all applicable State & Federal laws, Executive Orders and Municipal Ordinances, and the Rules and Regulations of all authorities having jurisdiction over the work to be performed hereunder and such shall apply to the contract throughout, and that they will be deemed to be included in the contract as though written out in full in the contract documents. (To include issues related to health, environmental, and safety to name a few.)

9. CONFIDENTIAL INFORMATION

Any information deemed to be confidential by the respondent should be clearly noted on the pages where confidential information is contained; however, the City of Avoca cannot guarantee that it will not be compelled to disclose all or part of any public record under the Iowa Public Information Act, since information deemed to be confidential by the Respondent may not be considered confidential under Avoca, Iowa Law, or pursuant to a Court order.

10. VERBAL THREATS

Any threats made to any employee of the City of Avoca, be it verbal or written, to discontinue the providing of item/material/services for whatever reason and/or reasons shall be considered a breach of contract and the City of Avoca will immediately sever the contract with the Vendor on contract.

11. AUDIT

The City of Avoca reserves the right to audit the vendor's books and records relating to the performance of this contract. The City of Avoca, at its own expense, shall have the right at all reasonable times during normal business hours and upon at least twenty-four (24) hours' advance notice, to audit, to examine, and to make copies of or extracts from the books of account and records maintained by the vendor(s) with respect to the Supply/Service and/or Purchase Contract. If such audit shall disclose overpayment by City of Avoca to vendor, written notice of such overpayment shall be provided to the vendor and the amount of overpayment shall be promptly reimbursed by vendor to the City of Avoca. In the event any such overpayment is not paid within ten (10) business days after receipt of such notice, the unpaid amount of such overpayment shall bear interest at the rate of one percent (1%) per month from the date of such notice until paid.

12. MATHEMATICAL ERRORS

In the event that mathematical errors exist in any proposal, unit prices/rates -v- totals, unit prices/rates will govern.

13. PAST PERFORMANCE

Vendors' past performance shall be taken into consideration in the evaluation and award of a Service Contract.

14. JURISDICTION

Contract(s) executed as part of this solicitation shall be subject to and governed under the laws of the State of Iowa. Any and all obligations and payments are due and performable and payable in Pottawattamie County, Avoca, Iowa.

The parties agree that venue for purposes of any and all lawsuits, cause of action, arbitration, and/or any other dispute(s) shall be in Pottawattamie County, Avoca, Iowa.

15. LITIGATION

Be advised that any Respondent that is involved in any litigation with the City of Avoca will not be considered for award of this service contract.

16. NON-APPROPRIATION CLAUSE

For purposes of this project, award will be contingent on approval of budget. In the event that no funds are appropriated for this specific purpose, the City of Avoca reserves the right to cancel/terminate this contract. The City of Avoca shall be relieved of any and all responsibilities and/or obligations, without penalty(ies) of any sort. The Respondent shall be notified in written form of the City of Avoca's intent to cancel/terminate said contract due to lack of funds.

17. PAYMENT IF CONTRACT IS TERMINATED

The City of Avoca, by written notice, may terminate this contract, in whole or in part, when it is in the City's interest. If this contract is terminated, the Recipient shall be entitled only for payment under the payment provisions of this contract for services rendered before the effective date of termination.

18. HUB VENDOR(S) CERTIFICATION

State Certified "**HUB Vendor(s)**" are asked to provide a copy of their certification, if they have not previously done so (information to be faxed to the Finance Department at (712) 334-2424).

**II. Contract Period and Termination**

The contractor will represent the City of Avoca effective, upon approval of the contract. The City reserves the right to terminate the contract after giving 30 days' notice to the contractor at any time after the expiration of the first full year of the contract.

**III. Response Submission Requirements**

1. REQUIRED RESPONSE PROPOSAL FORMAT

Respondents are advised that it shall be a mandatory requirement of this project that all respondents submit their proposals utilizing the forms that make up this solicitation package. The only other forms that shall be considered are the forms addressed in paragraph labeled "Cooperative Pricing" and/or other documents as requested in the solicitation document. Proposals submitted utilizing other forms and/or formats will not be considered.

- A. A title page for the proposal must show the City's name, Project #, and name of Respondent's firm, address, contact person, contacts' phone number, contacts' e-mail, contacts' fax number, and date. Title page should also indicate which line of coverage for which the proposal has been submitted.

B. A table of contents with section numbers must be provided to clearly identify the specified material by section as specified below. Additional tabs within the sections may be added at Respondents discretion but no further sections should be created.

C. The proposal should be organized in the following section numbers:

- i. **Title Page**
- ii. **Required Forms**
  - 1. *Local and State references, local preferred*
- iii. **Vendor Qualifications**
- iv. **Vendor Expenses**
- v. **Vendor Plan**
- vi. **Samples**
- vii. **Miscellaneous**

To determine what might go into Sections III, IV, and V, please reference to Evaluation Factors outlined in the Evaluation Process/Evaluation Factors on the previous page.

D. Forms and information

a. All requested forms and information should be placed in their appropriate section number. To assist, you will see (Response Section XX) by many items listed throughout the duration of the RFP.

2. Proposal Clearly Marked: RFP – EMPLOYEE HEALTH, DENTAL & PHARMACY PLANS, Project No. 2022-11-15

**Base Proposal Term:** RFP's are anticipated to provide a 12-month rate guarantee, with a contract period of February 1, 2023 through January 31, 2024. The City of Avoca reserves the right to extend this contract for two (2) additional years, in one year increments if performance of the successful providers is satisfactory, their plan(s), and premiums remain firm.

**Alternate Proposal Term:** Initial contract term shall be for three or five years. The City of Avoca reserves the right to extend this contract for two (2) additional years, in one (1) year increments if performance of the successful provider(s) is satisfactory, their plan(s) remain firm and premiums are acceptable to the City.

However, the Plan holder reserves the right to accept a guarantee of less than or more than 12- months if it is in the Plan holder's interests, providers are asked to provide their most competitive offer, in addition to the Base and/or Alternate proposal as requested above.



3. The Administrator must submit evidence of ability to service the group without imposing undue time requirements of the Plan holder's employees. Each Administrator should list three (3) references it services that are approximately our size. References may be checked if deemed advisable. *(Response Section II)*

4. All Proposals must include the following:

BASE POLICIES: (1) HIGH Plan with greater benefits and (1) LOW Plan to be an exact duplication of the existing plan benefits. Both plans to include 4 Tier pricing. Any deviation of benefits must be explained in writing and attached to the Proposal for consideration. All Plan Summaries are included as attachments. *(Response Section V)*

ALTERNATE POLICIES: Partially self-funded plans where the premiums have no age or other marker to move them into a different tier. Please also explain what the process is for a long-term diagnosis, RX or care.

5. Waiting period: Coverage begins the 1<sup>st</sup> of the month following date of hire.
6. **The City of Avoca will not be appointing an AGENT OF RECORD and ONLY ONE PROPOSAL PER CARRIER WILL BE ACCEPTED. The current carrier or administrator shall complete the RFP forms provided and All RFP forms submitted must be signed by an authorized official of the carrier.**

7. RESPONDENTS QUALIFICATIONS *(Response Section III)*

- A. All companies submitting Proposals must be licensed by the State of Iowa and be permitted to contract with the State or any of its subdivisions. Further, it is preferred that companies be recommended in the latest edition of Best's Life Insurance Reports with a general policyholder's rating of A, or in the case of casualty companies have a rating of at least an A in the latest annual edition of Best's Key Rating Guide.

- B. All Respondents must provide their firms most recently audited financial statement.

- C. Upon termination, claims, prescription claims, accumulators, and eligible individuals will be released at no charge.

8. **Plan Administration Qualifications**

- A. Plan holder Responsibility: The Plan holder will provide for payroll deductions of premium and advise the carrier of additions/deletions from the coverage. The Plan holder will assist in the logistics of the enrollment process.

- B. Selected Administrator Responsibility: The Administrator will provide all necessary materials (e.g. ID cards, Books, etc.) to properly administer the Plan of Benefits. The Administrator will be responsible for the proper adjudication of all claims submitted, stop loss reporting and filing.

9. Provide an organizational chart of all direct functions required to support the City. Names and resumes of key personnel, with an overall proposal contact person should be provided. Telephone numbers, facsimile numbers, e-mail addresses and physical location should also be provided for key contact personnel. Identify who the Account Management team will be. *(Response Section III)*

10. With the advent of a long term contract, the City's administration is interested in being proactive in managing the cost and benefit makeup of the plans. Although most of the plans are fully insured at this time, it is very important that the City have access to the data required to assist with the management of the plan. Therefore, it is important that the City know exactly what information will be available to them during the year. In light of privacy regulations, please make a statement and provide illustrations as to your company's reporting process. Include in your response any reports available that summarize monthly, quarterly, and semi-annual activity. *(Response Section III)*
11. City personnel involved with the evaluation of proposals wish to review anticipated enrollment and initial employee communication materials. Obviously, these instruments have a dramatic effect on an employee's first impression of a new plan. Include a proposed communication package in your response along with any statements regarding recommended distribution techniques for improved understanding of coverage. *(Response Section III)*
12. Proposal must include the most recent provider listing and/or pharmacy listing for the greater Southwest Iowa Area, including all retail chains and independent providers. The directory should be inserted in your response. *(Response Section V)*
13. Proposal should include a draft of the Summary of Benefits that would be available for distribution to employees for enrollment purposes and plan inquiry. *(Response Section V)*
14. *For Health and Pharmacy responses only:* Proposal should include your ability to meet the following Performance Guarantees as outlined below and should include your agreement to related penalties for failure to meet agreed upon service standards. *(Response Section III)*
  - A. Ability to process 98% of all submitted claims within (15) business days.
  - B. Ability to process claims at 98% overall accuracy.
  - C. Ability to maintain call abandonment rate of less than 2%.
  - D. Ability to answer 98% of customer service calls within (30) seconds.
  - E. Ability to mail ID cards within (14) calendar days after completion of open enrollment.
  - F. Ability to process eligibility audits within (90) days of initial enrollment and then on an annual basis.
  - G. Ability to provide standard service reports within (20) calendar days of the previous month.

#### **IV. Proposal Format, Submission Deadline, and Questions**

Proposal(s) must be submitted either in printed "Sealed Proposal" form as well as in "Electronic" form in order to be considered responsive. Respondents must submit an electronic version of their proposal, as well as, an additional Electronic Copy of their Proposal (PDF version) to include the Excel Spreadsheets (in Excel form) which have been indicated as "Required RFP Response Questionnaire(s)" via CD or USB drive along with their formal hard copy Sealed Proposal submittal.

The proposal must be completely filled out and submitted with all supporting documentation). Requires at least 10 (ten) copies. Proposals submitted by facsimile (fax) will NOT be accepted. Submittal of a proposal in response to this Request for Proposals constitutes an offer by the Respondent and a contract if accepted by the City of Avoca.

City of Avoca  
Teresa Hoepner, City Clerk,  
201 N. Elm St., Box 246  
Avoca, Iowa 51521

ALL PROPOSALS MUST BE SEALED AND PLAINLY MARKED ON THE OUTSIDE OF EACH SEALED ENVELOPE AS FOLLOWS:

**RFP: EMPLOYEE HEALTH, DENTAL &  
PHARMACY PLANS No. 2022-11-15**

All proposals must be received by the City no later than December 19, 2022. At 4:00 p.m., at the address noted above (submission deadline). The submission deadline for proposals is firm for date, hour and location. In the interest of fairness to all competing proposers, the City will treat as ineligible for consideration any application that is received after the application deadline or that is not delivered to the specified address. Information contained within the original proposal will be considered the complete offering to the City and may not be amended past the submission deadline.

Potential contractors (proposers) are responsible for making sure proposals are delivered within the submission deadline. Mailing of proposal does not ensure that the proposal will be delivered on time or delivered at all. Proposals will be accepted in person by United States Mail, by United Parcel Service, or by private courier service. Oral communication, telephone, electronic mail, telegraphic transmission, or facsimile transmissions are not acceptable submission of proposals.

An RFP may be withdrawn or cancelled by the Proposer for a period of ninety (90) days following the date designated for the receipt of RFP, and Proposer so agrees upon submittal of the RFP.

All questions regarding this RFP can be directed to Teresa Hoepner, City Clerk at (712) 343-2424, Ext. 1.

## **V. Evaluation Criteria and Weighting**

Upon receipt by the due date of responses to this RFP by qualified proposers, the City will evaluate same for completeness and adherence to the provisions of the RFP. The City of Avoca reserves the right to reject any or all of the proposals, in whole or in part; to waive any informality in any proposal, and to accept the proposal which, in its discretion, is the best and most advantageous to the City of Avoca. Proposals will be carefully evaluated for cost effectiveness, for coverage provisions, and for compliance with the coverage and servicing criteria contained in the specifications/requirements. The City of Avoca reserves the right to issue subsequent specifications/requirements. The contract will be awarded to the vendor who submits the best and most advantageous proposal based on:

1. The purchase price;
2. The reputation of the bidder and of the bidder's goods or services;
3. The quality of the bidder's goods or services;
4. The extent to which the goods or services meet the municipality's needs;
5. The bidder's past relationship with the municipality;
6. The impact on the ability of the municipality to comply with laws and rules relating to contracting with historically underutilized businesses and nonprofit organizations employing persons with disabilities;
7. The long-term cost to the municipality to acquire the bidder's goods or services; and
8. Any relevant criteria specifically listed in this request for bids or proposals.

## **VI. Insurance and Indemnity**

If selected, contractor will be required to comply with the following Insurance and Indemnification Requirements below:

Insurance: The Agreement which the successful proposer will be asked to enter into will contain a requirement that it shall provide and maintain certain insurance as required by the City, including, but not limited to general liability, automobile liability, and workers compensation insurance. Such insurance shall be written for not less than the limits set out in the Agreement, or greater if required by law, and will comply with the requirements stated therein.

Indemnification. The successful Respondent will be required to agree to the Indemnity provision set out in the Agreement. These provisions relating to indemnification of the City constitute non-negotiable portions of the Agreement.

Any costs involved in the preparation of the proposals are the sole responsibility of the proposer. The City will not be responsible for any costs associated with the preparation, submission or meetings involved with the presentation of the proposal.

#### **VII. Proposal Postponement and Amendment**

The City reserves the right, upon timely notice (of not less than three (3) days from the proposal deadline) to amend the instructions, general conditions, special conditions, plans, scope of work and/or specifications of this Request for Qualifications. The proposal deadline may be extended, solely at the discretion of the City.

#### **VIII. Proposal Acceptance, Cancellation, and/or Rejection**

The City reserves the right to (i) waive any irregularities in any proposal, (ii) reject any and all proposals, (iii) negotiate for the modification of any proposal with the consent of the proposed, (iv) re-advertise for proposals and (v) accept the proposal that, in the judgment of the City, is deemed to be the most advantageous for the public and the City.

Each proposal shall be submitted with the understanding that the acceptance in writing by the City of the proposers offer to furnish required services shall constitute an agreement/contract between the City and the proposer. A formal agreement/contract between the City and the successful bidder is expected to be executed before work commences. In the event of default by the selected proposer, or the selected proposers refusal or inability to enter into an agreement/contract with the City, the City reserves the right to accept the proposal of any other applicant without the necessity of re-advertisement of the Request for Proposal.

#### **IX. Terms and Conditions**

Any contract(s) or agreement awarded as a result of this RFP will include the contents of this document and the selected proposer(s)' proposal. The provisions and requirements of the RFP and contract shall take precedence in the event of any conflict in language between the RFP and a proposer(s)' proposal.

The RFP, any amendments thereto, and the response of the selected contractor(s) will become a substantive part of any contract(s) or agreement.

Any contract(s) or agreement awarded as a result of this RFP shall be governed by and construed within the laws of the United States of America, State of Iowa and the City. Proposers shall comply with Federal law, Texas State law and all applicable City ordinances.

**Proposers shall not offer any gratuities, favors or anything of monetary value to any official or employee of the City or their respective advisors for the purpose of influencing the consideration or evaluation of a proposal submitted in response to this Request for Proposal.**

