



NOTICE OF REQUEST FOR PROPOSALS
TOWN OF CHAPEL HILL, NORTH CAROLINA
FOR
BENEFITS CONSULTING & BROKER SERVICES

DATE: MARCH 15, 2011

PROPOSAL: Q11-63

The Town of Chapel Hill is seeking proposals from qualified brokers / consultants to assist with strategically planning, designing and negotiating the best coverage and cost for selective health and welfare employee benefit programs.

All submittals must be received at the location listed below by 3:00 P.M., Wednesday, April 13, 2011.

Town of Chapel Hill
Purchasing Division – Attention Coco Hall
405 Martin Luther King Jr. Boulevard
Chapel Hill, North Carolina 27514

If you have any questions concerning the bidding procedures, please contact the Purchasing Division at (919) 969-5025.

Questions concerning this Request for Proposals must be submitted in writing no later than 3:00 P.M. on March 24, 2011 to Ken Pennoyer, Business Management Director via e-mail at kpennoyer@townofchapelhill.org .

PUBLICATION: Town of Chapel Hill Website: www.townofchapelhill.org

DATE: March 15, 2011

Town of Chapel Hill

Request for Proposal for: Benefits Consulting & Broker Services

Project: Q11-63

Town of Chapel Hill is seeking proposals from qualified brokers / consultants to assist with strategically planning, designing and negotiating the best coverage and cost for selective health and welfare employee benefit programs.

DETAILS OF PROPOSAL SUBMISSION

Proposals subject to the conditions made a part hereof will be accepted until **3:00 P.M., April 13, 2011** for furnishing services described herein. A tentative timeline is provided below:

Date	Event
March 15, 2011	Distribution of RFP
March 24, 2011	Questions due in writing by 3:00 P.M. to kpennoyer@townofchapelhill.org
March 30, 2011	Answers to questions received will be published on Town website under Bid Notices "Benefits Consulting & Broker Services" at www.townofchapelhill.org
April 13, 2011	Proposals due by 3:00 P.M.
April 26 -28, 2011	Finalist Interviews
May 6, 2011	Selection and Notification

Physical Delivery

The proposal may be submitted in paper form in a sealed envelope marked "Proposal— Benefits Consulting & Broker Services " and delivered to:

Town of Chapel Hill
Purchasing Division – Attention Coco Hall
405 Martin Luther King Jr Blvd
Chapel Hill, NC 27514

Proposals may be mailed, sent by private carrier or delivered in person during normal business hours, which are 8:30 A.M. to 5:00 P.M., Monday through Friday.

Electronic Delivery

This proposal may be submitted as a file attached to an e-mail message and sent to chall@townofchapelhill.org with the following inserted in the "subject" line of the e-mail: "**Proposal— Benefits Consulting & Broker Services**". E-mailed proposals must be received by the specified deadline according to the internal clock of Town of Chapel Hill's server receiving the proposal

While Town of Chapel Hill will take reasonable precautions to prevent the premature opening of proposals submitted electronically, this cannot be guaranteed. Town of Chapel Hill expressly reserves the right to open and inspect any incoming e-mail suspected of containing a virus. In addition, Town of Chapel Hill cannot guarantee, and shall not be responsible for ensuring, that emailed proposals are not intercepted in transmission. If Town of Chapel Hill cannot open

a proposal file, or a file once opened is found to be unreadable, the Bidder will be contacted and permitted to re-send the file within a specified time.

Finalist Presentations

During the evaluation process, Town of Chapel Hill may, at its discretion, request any one or all consulting/brokerage firms to make oral presentations for the purpose of clarification or to amplify the materials presented in any part of the proposal. However, brokers are cautioned that Town of Chapel Hill is not required to request clarification; therefore, all proposals should be complete and reflect the most favorable terms available from the broker/consultant. Not all bidders may be asked to make such oral presentations.

GENERAL BIDDING REQUIREMENTS

Throughout this request for proposal ("RFP"), the "Bidder" refers to qualified firms that submit Proposals and the "Contractor" refers to the Bidder who is selected to provide the services described within this RFP. Costs incurred by firms responding to this RFP are solely their responsibility.

Bidders are required to prepare their proposals in accordance with the instructions outlined in this part and elsewhere in this RFP. In order to be eligible for consideration, the submitted proposal must include all of the following:

1. Cover letter stating intentions of the proposal
2. Table of Contents
3. Complete answers of all questions listed under Vendor Proposal Requirements
4. A listing of all services available as a result of the proposal
5. Cost and Fee Proposal including full disclosure of all fees and verification that all services provided therein are included in the final proposal cost. A chart has been provided for use in proposing fees and commissions. It is the Town's preference to pay for services by fee rather than through a commission whenever possible.

Bidder Requirements

For the purposes of consideration, Town of Chapel Hill requires that all bidders:

1. Are licensed to provide brokerage services within the state of North Carolina;
2. Are not affiliated with any insurance company, third party administrative agency, or provider network; and
3. Have experience (no less than three years) in providing consulting/brokerage services for employers with at least 500 employees.

IMPORTANT NOTE: Town of Chapel Hill reserves the right to reject any and all proposals.

INSURANCE:

The successful bidder shall procure and maintain during the life of the contract the following insurance coverage's:

Worker's Compensation: Coverage to apply for all employees for statutory limits in compliance with the applicable state and federal laws. The policy must include employer's liability with a limit of \$100,000 for each accident, \$100,000 bodily injury by disease each employee and \$500,000 bodily injury by disease policy limit.

Comprehensive General Liability: Shall have minimum limits of \$1,000,000 per occurrence combined single limit for bodily injury liability and property damage liability. This shall include premises and/or operations, independent contractors, products and/or completed operations, broad form property damage and explosion, collapse and underground damage coverage, sudden and accidental pollution losses, and a contractual liability endorsement.

Business Auto Policy: Shall have minimum limits of \$1,000,000 per occurrence combined single limit for bodily injury liability and property damage liability. This shall include: owned vehicles, hired and non-owned vehicles and employee non-ownership.

Special Requirements:

The Town of Chapel Hill is to be named as an additional insured on the Comprehensive General Liability policy.

Current, valid insurance policies meeting the above requirements shall be maintained for the duration of the project. Renewal certificates shall be sent to the Town of Chapel Hill thirty (30) days prior to any expiration date. There shall also be a 30 day notification to the Town in the event of cancellation or modification of any stipulated insurance coverage. Certificates of Insurance on an Accord 25 (8/84) or similar form meeting the required insurance provisions shall be forwarded to the Town of Chapel Hill. Wording on the Certificate of Insurance which states that no liability shall be imposed upon the company for failure to provide such notice is not acceptable. Original policies or certified copies of policies may be required by the Town at any time.

Hold Harmless: The Contractor agrees to indemnify and hold harmless the Town of Chapel Hill from all loss, liability, claims or expense (including reasonable attorneys' fees) arising from bodily injury, including death or property damage to any person or persons caused in whole or in part by the negligence or willful misconduct of the Contractor except to the extent same are caused by the negligence or misconduct of the Town.

QUESTIONS:

Any questions regarding this RFP should be sent in writing via email to kpennoyer@townofchapelhill.org with "**Benefits Consulting & Broker Services RFP**" in the subject line. Questions should be sent no later than March 24, 2011 by 3:00 P.M. Answers will be published on the Town's website site under Notice of Bids at www.townofchapelhill.org by March 30, 2011.

No personal contact with Town of Chapel Hill employees, with the exception of the designated contact, and Town Council will be allowed during the proposal process. Any vendors contacting the using department(s) directly may subject their proposal to rejection.

PROPOSAL BACKGROUND

The purpose of this Request for Proposal (RFP) is to solicit offers from qualified brokers to assist Town of Chapel Hill with strategically planning, designing and negotiating the best coverage and cost for selective employee benefit programs. Our leadership is looking to ensure we have financially competitive and affordable benefit programs to offer our employees.

Demographics

The Town of Chapel Hill is a local government with approximately 870 benefit eligible employees and retirees. The Town's benefits package is a primary tool for recruiting and maintaining high performing employees.

Current State of Benefit Plan

Currently, Town of Chapel Hill offers its employees medical, voluntary dental, life, STD, voluntary supplemental STD, and LTD coverage. Additionally, employees may purchase voluntary products through Aflac.

Contract Period

The contract resulting from this proposal shall be effective for the fiscal year beginning July 1, 2011, with the option of Town of Chapel Hill to continue services under the same terms and conditions set forth herein in subsequent years.

EVALUATION OF PROPOSALS

Responses to the RFP will be evaluated based on:

1. Firms experience with similar engagements
2. Understanding the scope of the work
3. Strategy for providing required services
4. Demonstrated ability of key personnel
5. Cost competitiveness

VENDOR PROPOSAL REQUIREMENTS

The proposal response must clearly demonstrate the required qualifications, expertise, competence and capability of the vendor. Please include the answers to the questions on the pages that follow (address by number).

ORGANIZATIONAL OVERVIEW

1. Please describe your organizational structure (e.g., publicly held corporation, partnership, etc.) and provide a brief company history.
2. Confirm that you are a licensed broker in North Carolina and provide documentation. Confirm that you serve as a broker, independently, and are not affiliated with any insurance company, third party administrative agency or provider network.
3. Please briefly describe your company's organization, philosophy, and management structure.
4. Describe your contractual relationships, including subcontractors and joint ventures with organizations necessary to your proposal's implementation.
5. How long has your organization been providing brokerage services?
6. Please describe your organizational structure (e.g., publicly held corporation, partnership, etc.) and provide a brief company history.
7. Confirm that you are a licensed broker in North Carolina and provide documentation. Confirm that you serve as a broker, independently, and are not affiliated with any insurance company, third party administrative agency or provider network

B. WORKING TOGETHER

- 8. Identify the key personnel from your firm who would be assigned to this project. Include a brief description of their qualifications, current job functions, and proposed roles on Town of Chapel Hill's team. Designate the senior strategic partner who would be ultimately responsible for the relationship and the tactical operations lead who would provide day-to-day direction of the required work. Furnish brief resumes (not more than two pages long) for all key personnel in an appendix, not in the body of the proposal.**
- 9. Please provide a comprehensive scope of services.**
- 10. Please provide a project plan including deliverables for the first year.**
- 11. What steps does your organization take to ensure that its employees are educated on current market trends and legislative developments?**
- 12. What training resources does your organization provide to assist your clients in educating and training their benefit staff?**
- 13. Please provide a description of any relationships (subcontractors, joint-ventures, strategic alliances, etc.) your company has with other firms that would be involved in providing the scope of services described in this RFP.**

C. STRATEGY

- 14. Describe how you propose to build an understanding of the direction and priorities of Town of Chapel Hill's business and how you would use this information in order to anticipate our benefit needs. Include examples of key deliverables you provide as part of the process.**
- 15. What source for benefit plan design and cost benchmarks would you use to provide market perspective on Town of Chapel Hill's benefit programs?**

D. DESIGN AND RENEWAL

- 16. Describe your organization's involvement in the annual design and program renewal process. Include information regarding process time frames, underwriting capabilities, and negotiation.**
- 17. What distinct strategies have you used to create negotiating leverage for your clients?**
- 18. What is your process for providing plan recommendations to your clients?**
- 19. How do you determine the appropriate funding type for the medical plan?**
- 20. Describe the process of how your organization would assist Town of Chapel Hill in selecting a new insurance vendor. Include how your company's experience and expertise would benefit Town of Chapel Hill.**

21. Please outline your process for assisting Town of Chapel Hill in determining payroll deductions and estimating the Town's cost for budget purposes.
22. Town of Chapel Hill currently makes voluntary products available through Aflac. Please state whether or not replacing Aflac with another carrier is a condition of your bid. If so, would Town of Chapel Hill be required to discontinue payroll deductions for employees who wish to keep their current Aflac policies?

E. IMPLEMENTATION AND ADMINISTRATION

23. Briefly describe the level of service and support provided by your company on a day-to-day basis.
24. Describe how your organization strives to streamline benefit administration for your clients.
25. Please describe your involvement in claims and billing advocacy. What is your average response time to questions regarding claim and eligibility issues? How do you handle follow up to outstanding items?
26. Detail how you develop a benefit communication strategy with your clients. Include what tools or resources you have available to assist your clients in effectively communicating not only the specific plan details but also the value of the benefits offered.

F. ONGOING PROGRAM MANAGEMENT

27. Describe how you support clients in developing effective wellness strategies. Who in your organization works with clients regarding wellness programs?
28. Please describe your utilization data analysis capabilities and any tools used in this analysis. Identify who will complete this analysis and how the results will be shared with Town of Chapel Hill.
29. Please outline your benefit compliance capabilities. Who in your organization provides compliance services for your clients? Specifically, identify how you educate your clients regarding healthcare reform and lead them through related decisions.

G. SUMMARY

30. Please provide a list of three verifiable client references that are able to comment on your organization's relevant experience. This list should include at least two active client references and one reference from a former client. Please include company name, contact name and telephone number, size of company's workforce, what services you provided and for which benefit plans, and the time period you have serviced the account. It is your responsibility to provide valid reference information, and Town of Chapel Hill reserves the right to use reference checks in its evaluation of proposals.

31. What makes your organization unique from other organizations that may submit proposals for Town of Chapel Hill's consideration?

Summary of Proposed Fees and Commissions

Coverage	Fees	Commissions
Employer Paid Benefits		
Medical		
Employer Paid Life/AD&D		
Employer Paid STD		
Employer Paid LTD		
EAP		
Voluntary Benefits		
Voluntary Dental		
Supplemental Life/AD&D		
Supplemental Dependent Life/AD&D		
Voluntary Supplemental STD		
Worksite Marketing		
Whole Life		
Accident		
Critical Illness		
Other Fees and Commissions and anticipated expenses		

CONTRACT: The following is a sample contract format for the Town of Chapel Hill:

STATE OF NORTH CAROLINA

CONTRACT FOR

COUNTY OF ORANGE

Insert Description of Contract

This Agreement is made and entered into by and between the Town of Chapel Hill, herein "Town", and "Insert Contractor's Name", herein "Contractor" for services hereinafter described for the Town of Chapel Hill. This contract is for "Insert Description of Contract"

WITNESSETH

That for and in consideration of the mutual promises and conditions set forth below, the Town and Contractor agree:

1. Duties of the Contractor: The Contractor agrees to perform those duties described in Exhibit A attached hereto and incorporated herein by reference.
2. Duties of the Town: The Town shall pay for the Contractor's services as set forth in Exhibit A.
3. Fee Schedule and Maximum Sum: Contract amount not to exceed (insert a not to exceed amount). Payment shall be made according to Exhibit A.
4. Billing and Payment: The Contractor shall submit a bill to the Town for work performed under the terms of this Agreement. The Contractor shall bill and the Town shall pay the rates set forth Therein. Payment will be made by the Town within thirty (30) days of receipt of an accurate invoice, approved by the contact person or his/her designee.
5. Business License: The Contractor shall have a valid Business License with the Town of Chapel Hill before beginning work as required by Ordinance (if applicable).
6. Indemnification and Hold Harmless: The Contractor agrees to indemnify and hold harmless the Town of Chapel Hill and its officers, agents and employees from all loss, liability, claims or expense (including reasonable attorneys' fees) arising from bodily injury, including death or property damage to any person or persons caused in whole or in part by the negligence or willful misconduct of the Contractor except to the extent same are caused by the negligence or misconduct of the Town.
7. Insurance Provisions: The Town requires evidence of Contractor's current valid insurance (if applicable) during the duration of the named project and further requires that the Town be named as an additional insured. The required coverage limits are \$1,000,000 per occurrence for Comprehensive General Liability and Business Automobile. Workers' Compensation coverage requirements are \$100,000 for both employer's liability and bodily injury by disease for each employee and \$500,000 for the disease policy limit.
8. Non-Discrimination: The Contractor shall administer all functions without discrimination because of race, creed, sex, national origin, age, economic status, sexual orientation, gender identity or gender expression.
9. Federal and State Legal Compliance: The Contractor must be in full compliance with all federal and state laws, including those on immigration.
10. Amendment: This Agreement may be amended in writing by mutual agreement of the Town and Contractor.

11. Interpretation: This Agreement shall be construed and enforced under the laws of North Carolina. In the event of any dispute between the parties, venue is properly laid in Orange County, North Carolina for any state court action and in the Middle District of North Carolina for any federal court action.
12. Preference: In the event that the terms of Exhibit A are not consistent with terms of this Contract, this Contract shall have preference; provided that where either Exhibit A or this Contract establish higher standards for performance by either parties, the higher standard, wherever located, shall apply.
13. Severability: The parties intend and agree that if any provision of this contract or any portion thereof shall be held to be void or otherwise unenforceable, all other portions of this Contract shall remain in full force and effect.
14. Assignment: This Agreement shall not be assigned without the prior written consent of the parties.
15. Entire Agreement: This Agreement shall constitute the entire agreement of the parties and no other warranties, inducements, considerations, promises, or interpretations shall be implied or impressed upon this Agreement that are not expressly addressed herein. All prior agreements, understandings and discussions are hereby superseded by this Agreement.
16. Term: This Agreement, unless amended as provided herein, shall be in effect until _____ 2_____.

This Contract is between the Town of Chapel Hill and (Insert Contractor's Name) for (Insert Name or Description of Contract).

IN WITNESS WHEREOF, the parties hereunto cause this agreement to be executed in their respective names.

INSERT CONTRACTOR'S NAME

_____ SIGNATURE	_____ PRINTED NAME & TITLE
_____ ATTEST	_____ PRINTED NAME & TITLE

TOWN OF CHAPEL HILL

ASSISTANT/DEPUTY/TOWN MANAGER

ATTEST BY TOWN CLERK:

_____ TOWN CLERK	TOWN SEAL
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Town Clerk attests date this the _____ day of _____, 20____.

Approved as to Form and Authorization

TOWN ATTORNEY

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

FINANCE OFFICER