

COUNTY OF FRESNO
ADDENDUM NUMBER: ONE (1)
RFP NUMBER: 964-5439
EMPLOYEE BENEFITS CONSULTANT SERVICES

Issue Date: March 8, 2016

IMPORTANT: SUBMIT PROPOSAL IN SEALED PACKAGE WITH PROPOSAL NUMBER, CLOSING DATE AND BUYER'S NAME MARKED CLEARLY ON THE OUTSIDE TO:

COUNTY OF FRESNO, PURCHASING
4525 EAST HAMILTON AVENUE, 2nd Floor
FRESNO, CA 93702-4599

CLOSING DATE OF PROPOSAL WILL BE AT 2:00 P.M., ON MARCH 22, 2016.

PROPOSALS WILL BE CONSIDERED LATE WHEN THE OFFICIAL PURCHASING TIME CLOCK READS 2:00 P.M.

All proposal information will be available for review after contract award.

Clarification of specifications is to be directed to: **Nick Chin**,
phone (559) 600-7113 or e-mail CountyPurchasing@co.fresno.ca.us.

NOTE THE FOLLOWING AND ATTACHED ADDITIONS, DELETIONS AND/OR CHANGES TO THE REQUIREMENTS OF REQUEST FOR PROPOSAL NUMBER: 964-5439 AND INCLUDE THEM IN YOUR RESPONSE. PLEASE SIGN IN BLUE INK AND RETURN THIS ADDENDUM WITH YOUR PROPOSAL.

➤ **The Bid Closing has been moved to March 22, 2016 at 2:00 P.M. PST**

ACKNOWLEDGMENT OF ADDENDUM NUMBER One (1) TO RFP 964-5439

COMPANY NAME: _____ (PRINT)

SIGNATURE (In Blue Ink): _____

NAME & TITLE: _____ (PRINT)

Purchasing Use: NC:ssj

ORG/Requisition: 89250200 / 8921600150

QUESTIONS AND ANSWERS

Q1. Is the County currently satisfied with the services provided by the current broker/consultant?

A1. This is not relevant to the RFP.

Q2. What qualities does the County value most in working with a broker/consultant partner?

A2. The County values responsiveness to ad hoc issues that arise, open and honest communication between the consultant and staff, and knowledge of the complex issues facing entities similar to the County.

Q3. Does the current broker receive compensation in addition to the flat fee disclosed in the RFP? (commissions or other forms of compensation)

A3. Yes – the broker/consultant may receive commissions from voluntary benefit options; however, total compensation is not to exceed \$80,000 per year.

Q4. What is the total annual compensation amount paid to the current Broker/Consultant?

A4. \$45,000 plus commissions from voluntary benefit options. Total compensation, including commissions, is not to exceed \$80,000 per year. Commissions that exceed this amount are used to offset the \$45,000 consulting fee.

Q5. Does the County currently participate in any wellness programs or initiatives? If so, please describe.

A5. The County's wellness plan is administered in-house. A monthly calendar with a specific wellness focus is emailed to employees. The County also provides on-site mammograms and participates in an annual walking challenge with other SJVIA entities.

Q6. How does the County handle enrollment? It appears that it is currently handled through both PeopleSoft online and paper enrollments

A6. This is correct.

Q7. As it relates to "RFP and Contract Development", is the County seeking only direct contract arrangements with vendors in the event that it exits the SJVIA?

A7. The County will consider all feasible options for current and future benefits, including the SJVIA.

Q8. As it relates to "RFP and Contract Development", is the County considering other pooled purchasing options in the event that it exits the SJVIA?

A8. The County will consider all feasible options for current and future benefits, including the SJVIA.

Q9. Does the County have an established Benefits communication strategy? If so, what does the strategy entail?

A9. The County uses email and standard mail, as well as our website to disseminate information regarding employee benefits. However, the County is open to, and would expect the consultant/broker to assist in crafting a robust communication strategy.

Q10. Will the Broker/Consultant be responsible for drafting open enrollment materials and other participant communications? Will the printing and mailing of these materials be required under this contract?

A10. The broker/consultant would be expected to provide input and assistance in drafting open enrollment and other communication materials. The County does not expect the broker/consultant to print or mail these materials.

Q11. What are the planned major activities for 2016-2017?

A11. On-site mammograms will be offered to employees in April. "Walking Works" is a week-long walking challenge that is planned for May where County employees compete against other SJVIA entities. Open Enrollment is held in October.

Q12. What are the top three Health and Benefit issues facing the County?

A12. The County is facing increased premiums due to lifestyle claims (obesity and diabetes) and specialty drugs.

Q13. What are the amounts of annual commission for 2013, 2014, and 2015 for the voluntary plans?

A13. The County began offering commission-eligible voluntary benefit plans in 2015. To date, our broker/consultant has stated that they are not able to provide commission information to the County.

Q14. Are all of the County's Health and Welfare benefit plans currently net of commissions?

A14. The commission schedule for the County's Health and Welfare benefit plans are as follows:

- *Future commissions from the universal life, disability and critical illness policies through Trustmark may be reassigned. The commissions are as follows:*
 - *Universal Life: 5% per year*
 - *Disability: 6% per year*
 - *Critical Illness: 11% per year*
- *The commissions on the current life insurance policies through CSAC-EIA and the personal property insurance policies through Liberty Mutual are not able to be reassigned.*
- *The long-term disability insurance policy through Met Life is not subject to commissions.*
- *The medical, dental, vision, and prescription drug plans are not subject to commissions.*

Q15. Does the current broker receive any commissions for medical, dental, vision, and prescription drug plans? If yes, what are the annual amounts for 2013, 2014, and 2015?

A15. The medical, dental, vision, and prescription drug plans are not subject to commissions.

Q16. Are there any consulting service issues the County is looking to improve upon with the issuance of this RFP?

A16. See the answer to Question # 2.

Q17. Is this RFP being released due to procurement policy (required after a set number of years)?

A17. This is not relevant to the RFP

Q18. Over the past two plan years, what were the total dollars paid to the current brokers/consultants for Health and Welfare Benefit Consulting?

A18. The County paid the current vendor a total of \$90,000 for 2014 and 2015 (\$45,000 each year). The current vendor received an additional \$35,000 in commission-based income for 2015.

Q19. Over the past two plan years, what was the average number of service/consulting hours recorded to service the County?

A19. An hour or two per week. During contract and rate reviews, it will increase to approximately five to six hours per week.

Q20. When is the last time each of the County's benefit plans were competitively bid in a formal RFP process? How often does the County typically conduct RFPs for each of its benefits?

A20. The health insurance benefits are competitively bid every year. Dental and vision benefits are purchased through the SJVIA and are multi-year contracts. Flexible spending account administration goes out to bid every three to five years, and is in the second year of a maximum five year agreement.

Q21. Is the County required (by procurement rules) to bid each coverage within a certain number of years? (How many?)

A21. The County's guidelines regarding service agreements are that they are no longer than five years in length (usually set up as a three-year agreement with two, one-year renewals).

Q22. What is the average number of total onsite meetings specified by type and quantity (Meetings with County Staff, Board of Supervisors, committees, employee organizations, and other meetings) the consultant/broker should plan to attend annually? How many hours are each of the types of meetings? Please specify the number of "known" meetings and separately estimate the "unknown" meetings. (Detailed meeting information will allow us to provide the most accurate and competitive pricing.)

A22. Annual meetings:

- a. Attend four quarterly meetings of the Health Benefits Advisory Committee. These meetings are approximately two hours each.*
- b. Attend meetings of the San Joaquin Valley Insurance Authority (SJVIA) as needed (one or two meetings per year). These meetings are approximately two hours each.*
- c. Attend bi-monthly meetings with the County and its vendors (approximately six per year).*
- d. The County does not anticipate that there will be additional on-site meetings required of the consultant, unless there is an extraordinary event.*

Q23. When was the last time a claims audit was performed for each of the self-insured plans?

A23. The County has not performed a claims audit.

Q24. What Open Enrollment support is necessary? Who currently creates the Open Enrollment booklets? Would the consultant be required to create (including graphics, etc.) the employee booklets, or only perform technical reviews of booklets? Does it mean creating and delivering the presentations?

A24. The County currently creates the Open Enrollment materials in-house. The consultant would be expected to provide input and assistance in drafting open enrollment and other communication materials. The consultant would not be expected to deliver presentations.

Q25. What department within the County is responsible for benefit communications?

A25. The Employee Benefits division of the Personnel Services Department.

Q26. What support with the development of plan documents is necessary? Will the broker/consultant be asked to create revised documents from scratch, or only perform consultative and technical reviews?

A26. The consultant is expected to review the existing plan documents and provide feedback on areas that need to be updated. In addition, the consultant is expected to help the County interpret provisions of the plan document based on their knowledge of applicable laws and regulations and industry best practices.

Q27. Does the current broker receive any commissions for medical, dental, vision, and prescription drug plans? If yes, what is the annual amount?

A27. The medical, dental, vision, and prescription drug plans are not subject to commissions.

Q28. Does the County have a Benefits Committee? Would the consultant be asked to attend those meetings? If yes, how often do they meet and how long are the meetings?

A28. The County has a Health Benefits Advisory Committee, which consists of one representative from each County bargaining unit, as well as retiree and management members. The consultant is expected to attend four quarterly meetings per year.

Q29. If the consultant is required to issue an RFP, is there a public procurement procedure that must be adhered to, and what is that procedures?

A29. For the health, dental, vision, and prescription benefits, as well as other voluntary benefits, the County has waived the procurement rules in the past, although that practice is subject to change. In selecting a flexible spending account administrator, the County has utilized the standard procurement process. For more information on the County's procurement process, please visit the County Purchasing website at <http://www.co.fresno.ca.us/DepartmentPage.aspx?id=15075>.

Q30. May the bid include an isolated charge per RFP in its bid under retainer services such that fees would be lower if an RFP is not issued and each RFP would be billed at a separate amount?

A30. Yes, although if this is the case, please thoroughly detail what your fees are for each RFP process and for ongoing consulting services.

Q31. What are the current employer contributions for the Employee Benefits plans? Rates on the open enrollment paperwork for Active employees (page 73 of attachment) indicate that the rates listed on that page are not the 2016 rates, and states that 2016 rates including County Contribution will be available. The Bi-weekly rates are included (page 66), but don't indicate employee contribution. Can you update the rates with the employee contribution?

A31. The contribution rates were confirmed by the Board of Supervisors after the creation of the Attachment F. Therefore, the employee contribution rates on Page 73 are correct.

Q32. What is the County's current budget for Employees Benefits communications?

A32. The County does not have a budget specifically for communications.

Q33. Specifically what advice, tools or assistance has been provided by the current Broker Consultant to comply with the Affordable Care Act including IRS 1064 and 1065 reporting in 2015 and 2016?

A33. The current consultant has provided reporting tools, FAQ's and general advice.

Q34. What is the County's current GASB 45 OPEB Liability?

A34. The County does not have liability under GASB 45 OPEB, as we separated retiree benefits from our active employee benefits.

Q35. Is the current vendor compensated by commissions?

A35. The current vendor is partially compensated by commissions. See answers to Questions #3 and #4.

Q36. Does the current vendor receive a service fee?

A36. Yes - \$45,000 per year.

Q37. Does the current vendor intend to submit a bid on the RFP?

A37. The current vendor is free to submit a bid on this RFP.

Q38. Is there a budget for consultant compensation?

A38. The County does not have a budget specifically for consulting services.

Q39. Can two firms collaborate on a single bid?

A39. The County will consider bids from a firm subcontracting certain responsibilities to a different firm. However, the bidding/winning firm would be considered the main point of contact and would be expected to facilitate the transfer of information or services from the subcontracted firm to the County.

Q40. Does the County of Fresno have a local vendor preference?

A40. Yes, the County of Fresno does have a local vendor preference. However, it does not apply to this RFP.