

REQUEST FOR PROPOSAL NOTICE

Notice is hereby given that the City of Loves Park, Winnebago and Boone counties, Illinois ("City") is issuing this Request for Proposal ("RFP") seeking proposals from interested parties ("Respondents") to provide Insurance Advisory Services ("Services") for the City's employer sponsored medical plans. RFP responses will be accepted until **4:00 p.m. Loves Park's local time, Monday, July 7, 2022** ("Deadline").

All responses shall be clearly identified as the "**Insurance Advisory Services Proposal**" for the City. Three written copies of your proposal, along with an electronic copy as directed in Section IV(B), should be forwarded to the City at the following address:

**City of Loves Park
Attn: City Clerk
100 Heart Boulevard
Loves Park, IL 61111**

The City has, in its sole discretion, the power to reject any or all proposals, waive formalities, negotiate terms and conditions, and to select the business entity or individual ("Advisor") that the City deems as the most qualified at providing Services that meet the needs of the City and its employees.

During the evaluation process, the City reserves its right to request additional information or clarifications from any Respondent(s) when it deems such information or clarification is necessary to arrive at a decision that serves the best interests of the City.

**Please note that any proposals received after the
Deadline will not be considered.**



REQUEST FOR PROPOSALS for

INSURANCE ADVISORY SERVICES

City of Loves Park, Illinois

Release Date: June 21, 2023

Proposal Due: July 7, 2022
No later than 4:00 p.m. local time
in Loves Park.

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PROPOSAL EVALUATION

The contract award will be made after successful negotiation of a final agreement with the Respondent whose proposal is selected from all responses to the RFP. This RFP does not indicate a commitment by the City to award a contract to any Respondent and the City reserves the right to reject any and all proposals without cause and to end negotiations without cause.

A selection is estimated to occur within thirty (30) calendar days after the Deadline. The City has the sole discretion to accept or reject any or all proposals, adjust selection and interviewing timing, and to waive formalities in selecting the proposal that the City, in its sole opinion, believes represents the most qualified responsible proposal. The City is not obligated to award a contract based solely on pricing and will select the most qualified respondent of which pricing will be but one component of the evaluation.

All proposals and related materials become the property of the City and constitute "public records" as that term is defined and understood under Illinois Law. The City reserves the right to contact any of the Respondents individually or collectively to obtain clarification of some or all portions of their proposal. The City is not obligated to accept any proposal or to negotiate with any respondent. All transactions are subject to the final approval of the City which reserves the right to reject any or all proposals without cause, reason, or liability. All directly or indirectly incurred costs related to responding to this RFP shall be borne solely by each Respondent.

As stated, the City will evaluate proposals based on the needs of the City and its employees. In addition to compliance with the specifications of the RFP, such evaluation shall include, but not be limited to, the following criteria:

1. Advisor's ability to develop a multi-tiered benefits program that meets the needs of the City.
2. Advisor's demonstrated expertise in negotiating benefit plans on behalf of clients similar to the City.
3. Advisor's knowledge and/or technical support related to administering, or advising clients in the administration of, a self-funded health plan.
4. Advisor's and Advisor's staff's availability and accessibility, including the location of the office that will be servicing the City.
5. The experience, professional credentials, and references of those persons employed by Advisor who will actually be servicing the City.
6. Advisor's conceptual approach and plans related to managing the City's account.
7. Advisor's ability to interactively support management of health insurance related human resource issues within the City by providing professional advice concerning time-sensitive health plan information, changes in regulatory requirements and coordinating with the City's legal team concerning legislative changes potentially affecting the City's policies, procedures and contracts in which health insurance is a component.

8. **Advisor's demonstrated ability to maintain the City's compliance with Federal and State laws and regulations related to employee benefits.**
9. **Advisor's demonstrated ability to timely and accurately provide actuarial, peer group and other types of financial analyses to assist the City in decision-making on how best to package components of health insurance that provide the optimal mix of coverage and value.**
10. **Advisor's demonstrated ability to, with clients of similar size to the City, market health plans, develop tiered-coverage health plans and fully and successfully represent the needs and requirements of the City.**

Any chosen Advisor will be required to enter into a written agreement with the City for its Services. This agreement will contain provisions that will allow either party to give sixty (60) days' notice to terminate the contract and will contain a review process and other termination provisions.

REQUEST FOR PROPOSAL

I. Intent of Request for Proposal (“RFP”).

A. The City is requesting proposals from qualified Respondents to provide the City with Insurance Advisory Services that assess the City’s current insurance plan, analyze common contemporary industry and legal standards and requirements of providing municipal insurance and recommend options to the City to procure and implement highly efficient cost-effective multi-tier insurance coverage for its employees.

B. Issuing Office:

City of Loves Park
Attn: City Clerk
100 Heart Boulevard
Loves Park, IL 61111

C. **Contact & Questions:** Questions about this RFP should be sent via email to the following recipients:

To: City Clerk Robert J. Burden bobburden@cityoflovespark.com
Cc: Municipal Atty. Gino Galluzzo GGalluzzo@AGHLlaw.com

Questions from all Respondents will be reviewed by the City. All questions and their answers will be compiled and forwarded to all Respondents on the date indicated in Section V(C).

Overview of City and Medical Insurance Coverage. The City is located primarily in Winnebago County, Illinois with a small portion lying in neighboring Boone County, Illinois, approximately 12 miles south of the Wisconsin state line and 75 miles northwest of downtown Chicago with a 2020 population of 23,397. It shares its southern border with the City of Rockford and a northern border with the Village of Machesney Park.

The City does not levy a municipal property tax, relying primarily on sales tax revenue to support municipal operations. The City’s police and public works departments account for 52 unionized employees with each department governed by separate collective bargaining agreements. There are an additional 29 non-union employees covered by the health insurance. The current total covered lives are 257. All City employees – union and non-union – participate in the City’s current single-tiered health insurance plan. Employee contributions to those plans are made pursuant to the language of the governing collective bargaining agreements and the City’s personnel manual for non-union employees. Most of the personnel staffing the City’s fire department are provided through a third-party staffing agreement and do not participate in the City’s health insurance plans.

II. **Scope of Services Provided by Advisor.** The City is seeking an Advisor to perform the following related to the advice, design, implementation, maintenance, and improvement

of the City's group health plan, including the establishment of a multi-tiered plan. The Services considered will include, but not be limited to:

- A.** Advise and assist the City in coordinating the administration of all sponsored plans; responding to questions from and providing on-going current and proactive information and advice to staff; and providing other consulting services and expertise during the course of the plan year.
- B.** Advise and assist the City in Benefit Plan Design to contain cost and maximize benefit effectiveness, and assist in evaluating and selecting among coverage alternatives such as plan coverages, deductibles, co-payments, out of pocket payments, etc.
- C.** Assist the City with reviewing claims data and determining their impact of selecting multi-tiered coverage plans.
- D.** Analyze and report utilization trends and cost. Help to provide management and staff overview education on how best to limit premium increases.
- E.** Assist the City with renewal quotations ensuring that all providers that meet City needs receive proposals, but also to seek out alternatives to current coverage if a mix of value and coverage can be improved.
- F.** Assist the City in negotiating with providers to secure competitive rates and maximize discount levels. Establish relationships with those providers that will most greatly benefit the needs of the City.
- G.** Assist with writing, reviewing, analyzing, and presenting Requests for Proposals during renewals. Provide side-by-side reporting of proposals for City review. Prepare and/or review and advise on contract renewals. Assist with setting up the renewals timing schedule.
- H.** As requested by the City, preparing bid specifications and soliciting proposals from insurance markets which specialize in group insurance plans, including evaluation of and recommendations concerning reinsurance providers. Evaluating bids and bidders, including administration, claim payment procedures, customer service, network, reserve establishment policies, financial soundness, and identifying the most cost-beneficial package from among the various bidders; following up to finalize agreements reached; and other marketing-related services.
- I.** Provide annual funding projections including a review of employee contributions.
- J.** Provide written update on new and proposed State or Federal legislation and any judicial decisions impacting the City and provide the City suggested action plans or changes in operations or procedures necessary to assure compliance.
- K.** Provide advice on data practice, records retention, and privacy issues.
- L.** Research benefits questions and perform peer-group benefit analyses in relation to total compensation, providing results and advice to the City.

- M. The successful candidate will be available to consult with the City's leadership and legal staff on insurance benefits as they relate to human resources management within the City.
- N. Prompt response to questions and requests is an absolute requirement. It is expected that there will be more than one individual within Advisor's firm capable of addressing possible concerns of the City.
- O. Preparing for, providing advice, and presenting information to the City as needed and promptly respond to all questions and requests in a timely manner.
- P. Auditing, confirming and coordinating with the City's legal team on all changes in legal documents relating to health insurance.
- Q. Identify new and innovative health and wellness programs and/or ideas that will enhance or advance the City's program offerings. Provide assistance in setting up any health and wellness program the City chooses to offer and provide estimated cost and benefits analyses of administering the program(s). Help to ensure any health and wellness offerings by the City and the policies associated therewith are compliant with local, state and federal law.
- R. If requested by the City, conduct annual open enrollment meetings for all employees and prepare open enrollment materials.
- S. Reviewing large claims management activity, and network utilization.

III. Required contents of Proposal.

- A. Firm History and Experience:
 - 1. Brief history of firm including the location of the firm's main office and branches. Briefly describe the firm's history, length of time in business, number of employees, organizational structure, and any specialty areas.
 - 2. Provide a brief overview of experience in providing the requested services and any attributes that would make the firm the best choice for the City and what differentiates your firm from your competitors. Indicate the total number of employees who hold a license with the required authorities.
 - 3. Describe your firm's particular expertise in the insurance and employee benefits industry and a list of insurance carriers that you currently utilize for major health and fringe benefits.
 - 4. Municipality experience, especially in creation and maintenance of multi-tiered plans for differing categories of employees. Indicate the firm's total number of clients for health insurance and wellness programs and the longevity of current clients. Provide a list of municipal clients to whom you provide services.
 - 5. Describe the structure of the account service team who will be assigned to work on this account in support of the account executive, including their job

title and primary area of responsibility or expertise and tenure with your firm.

B. Qualifications:

1. Provide details explaining the firm's approach and financial management capabilities in assisting local municipalities to maximize benefits for employees while minimizing the financial impact of rising benefit costs. (Health, etc.) Describe the firm's process for developing rates and contributions and other economical funding methods.
2. Explain your approach and procedure for negotiating existing and any new agreements with vendors. Explain how the City's renewal process would work. Describe the firm's knowledge and experience with negotiating health insurance renewals and administrating health insurance contracts.
3. How would you assist in reviewing claims experience, claim service and administration to ensure maximum benefit to the City? How would the firm assist in the creation of an overall Compensation and Benefits strategy?
4. Does the firm have any legal staff, actuaries or underwriters? If so, how will they assist the City in maintaining compliance? Will the City have direct access to these staff members? How are they utilized during the renewal process? Are you able to provide interactive underwriting tools that you can bring on site to the City?
5. Describe how the firm keeps clients informed about changes in benefits and wellness compliance and requirements and changes in laws such as ACA, FMLA, ADA, GINA, HIPAA, Medicare, COBRA, and other federal and state laws and tax issues, etc. What is your role in implementing these updates with your clients?
6. Indicate the firm's involvement with the benefit enrollment process, written communications, open enrollment, employee meetings, etc. Provide samples of communications. How would the firm assist the City with the implementation and communication of new programs or changes to the existing programs?
7. How would you assist with the City in administering all group insurance plans and responding to questions from staff on a day-to-day basis?
8. Describe what service would be provided to our employees when a claim dispute arises for denial of a claim by the insurance carrier.
9. How would the firm interface with insurance administrators to resolve eligibility and billing issues as well as with any other problems associated with our benefit program?

10. Describe the services the firm routinely performs for its clients and explain how you ensure client satisfaction. Describe the type and frequency of reports you can generate for the City. Provide examples.
11. How would you assist the City with the implementation and communication of new programs or changes to our existing program? Provide examples of communication materials you have used for other clients.
12. Describe your firm's experience with assisting other clients during negotiations with unions. What was your involvement and what type of data were you able to provide to support your client's position? How many other municipalities or other governmental entities are you currently consulting? What are the number of lives that are covered by these municipalities?
13. How would you assess the City's need for a wellness program and, if you believe it advisable, how would you assist the City in creating a robust wellness program that would focus on employee participation, incentives, and programs which tie wellness to employee contributions?
14. Describe the process, tools and resources that will be used to evaluate, analyze and benchmark benefits of wellness programs. Give a brief description of the firm's employee wellness experiences and success rates of any of these programs. What chronic disease management programs and other cost containment programs do you promote? What Prescription Coverage Management Programs does the firm promote or recommend?
15. What technology tools would be used to manage our employee benefits and wellness programs to include employee education and engagement? Also, describe the access and availability the City's administrators and staff would have to access the tools.
16. Provide an introduction and biographies of staff that would be assigned to the City with their name and specific roles, qualifications and experience. Identify the person who will serve as lead contact for the City including the individual's work experience and educational background.
17. Provide an estimated action-plan and timeline for recommending changes to the City's current health plan.

Describe other service capabilities, which may be of interest to the City. Describe any services provided by your firm that may not be offered by competitors.

C. Fees.

1. Describe the firm's proposed compensation plan (e.g., commission, bonuses, annual retainer, or fee-for-service). If you are proposing a fee, please include the firm's fee schedule/hourly rates. Please separate any ancillary services (e.g., COBRA administration, FSA administration, EAP services, life insurance, etc.) that would require any additional fee and state that fee.

2. What reports are offered within the firm's fee structure and what reports are available for additional cost?
3. Is the firm willing to put any of its compensation at risk pursuant to performance guarantees?
4. Does the firm offer any additional services that may be of interest to the City? What is the additional cost associated with these services?
5. Please describe any additional compensation you would receive from the products provided to the City or companies selected. All compensation should be identified. City will periodically seek confirmation from the product providers that the providers are not paying the consultant commission on any product placed with the City.

D. References:

1. Provide the contact names, title, addresses and telephone numbers of three (3) clients, preferably municipal and other governmental entity employers and, if applicable, those for whom you have assisted in developing multi-tiered health insurance plans. Include the number of participants and covered lives for each client differentiated by tier participants when applicable.

E. Conflict of Interest:

1. Respondents must disclose to the City the existence of any conflicts of interests, whether existing or potential, whether direct or indirect. If none exist, state so. Proposals shall disclose (i) any material financial relationships that the Respondent or any employee of the Respondent has that may create a conflict of interest in acting as a Contractor for the City, (ii) any family relationship that the Respondent or any employee of the Respondent has with any City employee that may create a conflict of interest or the appearance of a conflict of interest acting as a Contractor for the City, and (iii) any other matter that the Respondent believes may create a conflict of interest or the appearance of a conflict of interest acting as a Contractor for the City.
2. Identify what procedures your firm utilizes to identify and resolve conflicts of interest.

F. Previous engagements with the City:

1. List of previous engagements with the City.
2. Describe what lead to the end of the engagement.

G. Provide copies of the following items:

1. Errors and omissions coverage.

2. Statement of compliance with federal and state laws.
3. Description of the firm's view of their responsibilities to the City in the provision of benefits brokerage services.
4. Illinois Health/Life Insurance license

IV. Submission Deadline and Process

- A. Please forward three (3) written copies of your proposal in a sealed envelope labeled "City Insurance Advisory Services RFP" to:

**City of Loves Park
Attn: City Clerk
100 Heart Boulevard
Loves Park, IL 61111**

- B. Please also send an electronic copy of the proposal via email in Portable Document Format (PDF) and Word version with "Confidential City Insurance Advisory Services RFP Response" in the email's *Subject* line to municipal attorney Gino Galluzzo at: GGalluzzo@aghlaw.com.
- C. The proposals must be received by the Deadline, defined above as **4:00 p.m. Loves Park's local time on Monday, July 7, 2022.**
- D. All written and electronic copies become confidential property of the City and the Scope of Services in this RFP is subject to the Illinois Freedom of Information Act, 5 ILCS 140/0.01 et seq., and the exemptions from disclosure thereunder. The awarded Advisor shall not disclose any information pertaining to the components and contents of this RFP without review and authorization by the City unless directed to do so by a Court of the State of Illinois.

V. RFP Schedule.

- A. **RFP Release Date:** 06/21/2022
- B. **Questions from Advisors Due to City:** 06/27/2022
- C. **Answers Due from City to Advisors:** 07/01/2022
- D. **Proposal Due Date:** 07/7/2022
- E. **Scheduled Selection Date:** Prior to 08/01/2022.
- F. **Contract Start Date:** Depends on negotiation process with chosen Advisor.

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- VI. Acceptance of Proposal Content.** The contents of this RFP form the basis of obligations due to the City if a contract for performance of Services ensues. Failure of the selected Advisor to accept these obligations may result in cancellation of the award.
- VII. Agreement Supersedes.** Advisor and City will enter into a negotiated agreement ("Agreement") resulting from this RFP. The language of the Agreement shall control when conflicting with this RFP.
- VIII. Addendum and Supplement to the RFP.** If it becomes necessary or advisable to revise any part of this RFP, or if additional data is necessary to enable the exact interpretation of provisions of this RFP, revisions will be provided to respondents in the form of an Addendum. Any extension of time to respond to this RFP that may be contemplated by such revision(s) to the RFP is at the sole discretion of the City.
- IX. Withdrawal of Proposal.** Any Advisor may withdraw their bid or proposal at any time prior to the time specified in the advertisement as the closing time for the receipt of bids or proposals by signing a request therefore. However, no Advisor shall withdraw or cancel his bid or proposal for a period of sixty (60) days after said advertised closing time for the receipt of bids or proposals; the successful Advisor shall not withdraw or cancel their bid or proposal after having been notified by the City that said bid or proposal has been accepted by the City.
- X. Employment Relationship Not Created.** The Advisor is not an employee of the City and the City and Advisor have no other business relationships other than those defined within an agreement stating such.
- XI. Insurance Requirements & Indemnification.** Any Advisor selected to provide Services to the City shall produce and maintain for the duration of the contract such insurance as required by the City or laws of the State of Illinois.
- XII. General Terms.**
- A. **Non-Discrimination:** In connection with the performance of work under this contract, the Advisor agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability, sexual orientation or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment of compensation, and selection for training, including apprenticeship. Except with respect to sexual orientation, the Advisor further agrees to take affirmative action to ensure Equal Employment Opportunities. The Advisor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the Non-Discrimination Clause.
 - B. **Non-Collusion:** The Advisor, by its officers, agents or representatives present at the time of filing this bid, say that neither they nor any of them, have in any way directly or indirectly, entered into any arrangement or agreement with any other Advisors, or with any public officer or employee of the City whereby, the Advisor has not paid or is to pay to such Advisor or public officer of City employee any sum of money, anything of value or has not directly or indirectly entered into any

arrangement or agreement with any other Advisor or Advisors. Whereby, no inducement of any form or character other than that which appears upon the face of the bid will be suggested, offered, paid or delivered to any person whomsoever to influence the acceptance of the said bid or understanding of any kind whatsoever, with any person whomsoever to pay, deliver to, or share with any other person in any way or manner, any of the proceeds on the Contract sought by this bid.

- C. **Eligibility to Respond:** The Advisor certifies, by submission of this proposal, that it is not barred from doing so as a result of a conviction for the violation of state laws, including but not limited to bid rigging or bid rotating.
- D. **Additional Services Provision:** No respondent to this RFP, including the Advisor chosen to provide the Services as herein defined, shall be precluded from responding to additional RFPs, requests for Statements of Qualifications or any other requests in whatever form from the City to provide additional services nor shall any respondent to this RFP be precluded from being awarded contracts to provide additional services as the City may seek to procure from time to time.
- E. **Compliance with Laws:** All services, work and materials that in any manner affect the services contained herein must comply with all federal, state, county and municipal laws, statutes, regulations, codes, ordinances and executive orders in effect now or later and whether or not they appear in this document, including those specifically referenced herein.
- F. **Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion.** The Advisor certifies, by submission of this proposal or acceptance of this contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.