

## REQUEST FOR PROPOSALS

For  
HEALTH INSURANCE AGENT/BROKER SERVICES

BID#VPS-FY14-001

TO SELECT AN AGENT OF RECORD AND BROKER FOR HEALTH  
INSURANCE AND RELATED ANCILLARY PRODUCTS

INVITATION TO BID

Vernon Public Schools (VPS) is requesting proposals (RFP) for a broker and agent of record to coordinate its health insurance and ancillary products from reputable insurance carriers at the most competitive prices. The VPS currently offers health insurance to its employees. VPS also provides prescription drug coverage and dental insurance, for which it is self-funded.

Copies of the RFP are available from the office of the Director of Business and Finance from 8:00 a.m. until 4:00 p.m., Monday through Friday, or any time online at <http://www.vernonpublicschools.org/bid-requests> with reference to Bid #VPS-FY14-001.

All questions about the proposals should be directed to Mr. Michael Purcaro, Director of Business and Finance, by e-mail at [mpurcaro@vernon-ct.gov](mailto:mpurcaro@vernon-ct.gov) no later than 4:00 p.m., Friday, August 30, 2013. Answers to all received questions will be posted on the VPS website at <http://www.vernonpublicschools.org/bid-requests> with the Bid #VPS-FY14-001.

Three (3) copies of all proposals, as well as one electronic copy (Adobe Acrobat format saved onto a PC readable medium), should be submitted in a sealed envelope with "**Bid # VPS-FY14-001**" clearly marked **BID – DO NOT OPEN** on the outside of the envelope, to: Mr. Michael Purcaro, Director of Business and Finance, 30 Park Street, Vernon, Connecticut 06066 by 1:00 p.m. on Friday, September 13, 2013, at which time proposals shall be opened and read aloud publicly.

The selected firm must meet all municipal, state, and federal Affirmative Action (AA) and Equal Employment Opportunity (EEO) practices and requirements. The VPS reserves the right to reject any or all proposals in whole or part, to award any one service or group of services or all services, to negotiate with any or all companies submitting proposals, and to enter into an agreement with any company for any services mentioned in this RFP; if it is deemed to be in the best interest of the VPS.

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**REQUEST FOR PROPOSALS  
For  
HEALTH INSURANCE AGENT/BROKER SERVICES**

**for Vernon Public Schools, Connecticut**

**Bid # VPS-FY14-001**

**TO SELECT AN AGENT OF RECORD AND BROKER FOR HEALTH  
INSURANCE AND RELATED ANCILLARY PRODUCTS**

**(1) INTENT**

Vernon Public Schools (VPS) is requesting proposals (RFP) for a broker and agent of record to coordinate its health insurance and ancillary products from reputable insurance carriers at the most competitive prices. VPS currently offers health insurance to its employees. VPS also provides prescription drug coverage and dental insurance, for which it is self-funded.

**(2) GENERAL INFORMATION**

The VPS is seeking an appropriate and qualified expert professional Agent/Broker firm ("Firm") to provide for the following professional services, beginning July 1, 2014; (a) annual marketing of VPS's health insurance, dental insurance and prescription programs; (b) responding to the daily services needs of the VPS in the areas of health insurance servicing.

**(3) SCOPE OF SERVICES**

The purpose of this RFP is to select a Firm qualified to represent the insurance interests of the VPS. As this is an Agent/Broker RFP, insurance/risk management consultants and carriers will not be considered. The selected Firm is expected to provide qualified and expert professional services, including but not limited to:

- a. Periodic review (no less than annual) of the VPS's health insurance programs, specific coverage(s), loss data, and risk management measures; and making recommendations to the VPS with respect to the need for ancillary insurance services, additional coverage

and modifications, updating or upgrading of existing coverage(s); annual recommendations concerning changes in terms, conditions, and limits of coverage based on best industry practices.

- b. Upon approval by the VPS, annual marketing of VPS's health insurance program, including a negotiation of carrier contract extension or change(s). This service will include comprehensive assistance and guidance in completing the insurance application process in a timely fashion.
- c. Solicitation of proposals from qualified insurance carriers on an annual or as-needed basis who are experienced and familiar with writing Connecticut boards of education.
- d. Development of bid specifications to be submitted to the municipal marketplace for which proposals are sought.
- e. Evaluation of proposals submitted by insurance carriers relative to compliance with insurance specifications, cost, and ability of each carrier to perform as required including relative solvency.
- f. Detailed report of solicited policy renewal options available to the VPS.
- g. Examination and approval of issued policies and bonds for conformance with the VPS's specifications and the carrier's proposal.
- h. Provision of an annual stewardship report, including insurance schedule, policy summaries, review of past year's activities, and outlook for coming year's market conditions.
- i. Assistance to the VPS in drafting insurance specifications for contracts and agreements as requested.
- j. Provision of insurance certificates, as needed, to others pertaining to the VPS's coverage.
- k. Advice to the VPS on new developments in the field of insurance.
- l. The selected broker/consultant will be expected to work in partnership with VPS staff to perform the following services:
  - i. Provide recommendation for the proposed benefit components, specifically in the area of design, funding, cost, and administration.

- ii. Conduct renewal negotiations with the carrier(s) and vendors and prepare a complete and detailed accounting of all claim costs, provider access fees, administrative expenses, risk charges, etc.
- iii. Provide general problem-solving throughout the plan year.
- iv. Any other duties critical to the proper formation of a health insurance plan and its optimal operation and participation.

#### **(4) SUBMISSION AND INFORMATION REQUIREMENTS**

- a. Three (3) copies of all proposals, as well as one electronic copy (Adobe Acrobat format saved onto a PC readable medium), should be submitted in a sealed envelope with **“VPS-FY14-001”** clearly marked **BID - DO NOT OPEN** on the outside of the envelope to: Mr. Michael Purcaro, Director of Business and Finance, Vernon Public Schools, 30 Park Street, Vernon, CT 06066 by 1:00 PM, Friday, September 13, 2013, at which time proposals shall be opened and read aloud publicly.
- b. Proposals will be evaluated based on what is deemed to be in the best interests of the VPS, including such factors as the bidder’s experience and expertise in providing Insurance Advisory and Brokerage services for boards of education, a clarity and creativity of the proposal, recommendations of entities for which the bidder has previously provided services, the persons to be assigned to the project by the bidder, and total cost. Cost will not be the sole factor in evaluating bids.
- c. Responding Firms must be capable of performing Agent of Record duties in full compliance with all federal and state statutes and regulations. Responding Firms will provide the following information:
  - i. Confirm that you are an actuary, licensed consultant, or broker in Connecticut and provide documentation.
  - ii. Confirm that you serve as a consultant or broker, independently, and are not affiliated with any insurance company, third party administrative agency or provider network. Are there any existing or potential relationships between your firm and insurance carriers and/or vendors who may be considered by the cooperative that could lessen your independence and objectivity because of a perceived or actual conflict of interest?

- d. The VPS may accept those proposal(s), which will, in its opinion, most completely meet the requirement of the RFP. The VPS solely determines which proposer best meets the specifications and is in the best interest of the VPS.
- e. Please describe your vision of the relationship with the VPS in being an agent of record and broker for the VPS.
- f. Detail the scope of services your company would offer and how your firm would accomplish the work described.
- g. Outline your ability to provide expertise and experience in the areas of health benefit plan analysis and design. Detail your ability to advise municipal government on health care cost containment strategies. Give examples of your work with other companies, similar in size to the VPS, and the end result of that effort.
- h. List three current clients for whom you provide coordinated services related to health plan and ancillary benefits, analysis, and design. For each client, the list must specify the type of work performed by your company, the size of the client's group, and the period of time retained as a client. For each client include the name, title, address, fax number, and phone number of a contact person who the VPS may contact as a reference.
- i. Please describe your working relationship with health insurance carriers. Please indicate any other services, capabilities, designations, or experience that differentiates your organization from competition.
- j. Please explain your company's training strategy to ensure that the latest and most accurate information is conveyed to your customers.
- k. Please describe to what extent you are willing to be involved in resolving problems with claims, etc., between an insured and the insurance carrier.
- l. Name of firm and parent company, if any.
- m. Number of employees of the firm, servicing office(s), and their respective addresses.
- n. Number of Connecticut public entity clients and their total annual health insurance premium.
- o. Principal public entity markets utilized and premium volume written with them.

- p. Description of the insurance marketing expertise of the servicing office with regard to Connecticut school districts and a sample marketing plan.
- q. A list of all personnel who would be involved with this account including: Name, Job Title, Responsibilities, Type of Work Performed, Municipal Experience, and Credentials.
- r. Description of the willingness of the account team to attend VPS meetings, which members are available to attend, and examples of the types of meetings they have previously attended and the value they provided.
- s. Detailed description of any special in-house services or systems available to the VPS.
- t. Description of Firm's performance monitoring and measurement of insurance carriers, negotiation of policy provision interpretations and possible intervention in claims processing.
- u. Description of the Firm's involvement with VPSs of education in Connecticut.
- v. Description of issues faced by Connecticut VPSs of education relative to health insurance.
- w. Name, address, and telephone numbers of persons to receive notifications and reply to VPS's inquiries.
- x. The Firm shall maintain in good standing all the necessary licenses and certifications as required by Connecticut General Statutes and regulations for insurance agents and/or brokers and shall provide copies of the same to the VPS.
- y. A.M. Best Rating of A- or better highly preferred.
- z. Three (3) copies of the proposal shall be submitted with the name and telephone number of the principal person provided.
- aa. Interpretations, changes, modifications, or additions to the Request for Proposal resulting from any inquiries shall be published by addenda to all those receiving the original proposal package. All material submitted becomes the property of VPS and will not be returned.
- bb. Broker finalists selected for final evaluation prior to final selection may be required to make an oral presentation of their proposal to the VPS and/or its health insurance staff/VPS committee. Such presentations provide an opportunity for the potential broker/consultant to clarify the proposal to ensure mutual understanding.

- cc. Brokers requiring any interpretations or clarifications regarding this RFP shall direct such questions to Mr. Michael Purcaro, Director of Business and Finance, within the previously stated time frames.
- dd. The VPS shall be the sole judge as to whether any proposal complies with these instructions and specifications, and such a decision shall be final and conclusive. Proposers shall state any exceptions taken to the RFP specifications.
- ee. Each proposer must submit qualifications and price proposals. The price proposal must include only a fee for service amount. The proposer must agree to forgo any sales commissions or other type of funding that may be provided by vendors in the form of after-award compensation. Please outline and detail how the broker will be compensated now and in the future. Please note that the VPS will require **complete** disclosure of any and all fees / commissions / contingent commissions / overrides / bonuses your organization receives each year as a result of your organization's work on its behalf.
- ff. Please describe how the VPS's account would be managed by your company. If different people/departments would manage different aspects, please explain.

The selected Firm must meet all municipal, state, and federal AA and EEO practices and requirements. The VPS reserves the right to reject any or all proposals in whole or part, to award any one service or group of services or all services, to negotiate with any or all companies submitting proposals, and to enter into an agreement with any company for any services mentioned in this RFP if it is deemed to be in the best interest of the VPS.

The contents of the successful proposal may, at the VPS's option, become part of the contract entered into by selected Firm and the VPS. Selection as the preferred proposal does not provide any contract rights to that Firm. Any such rights shall accrue only if and when the VPS and the Firm execute a binding contract. The VPS reserves the right to negotiate with the successful Firm in any manner necessary to best serve the interests of the VPS. If the VPS fails to reach an agreement with the successful bidder, the VPS may commence negotiations with an alternative bidder or reject all bids and reinstitute the RFP process.

## 5) EVALUATION

The most promising responses will be evaluated in detail. Additional information may be sought from Firm(s).

Firm(s) may be asked to present and explain their proposals. If interviews are held, they will be 30-45 minutes long. Initial presentations will be limited to 15 minutes. The final 15-30 minutes will be reserved for questions from the Selection Committee and subsequent discussion. The



key person to be assigned to this project must be present at this interview. The VPS reserves the right to waive non-material deficiencies in any proposal.

Proposals will be evaluated by the VPS, who reserves the right to reject any or all proposals received. The following will serve as the basic criteria for the selection of the consultant eventually selected.

- a. Understanding of the work required by the project manager as evidenced by the proposal and the ability of the contractor to commence work in a timely manner. Completeness of proposal will be critical.
- b. The qualifications of the company.
- c. The scope of the services offered.
- d. Ability to work with and relationship with and access to major health insurance carriers.
- e. Completeness and responsiveness to the requirements of the RFP.
- f. Experience, qualifications, and competency in providing insurance agency /Brokerage and consulting services to municipal VPSs of education in the State of Connecticut.
- g. Experience of the individual and/or team that will be assigned to the VPS.
- h. Experience in evaluating operations and making recommendations that are feasible.
- i. Understanding of the project's objectives and scope as evidenced by the quality of the proposal submitted.
- j. Good service and good value shall weigh heavily in the selection process.

Addenda to RFP: In the event it becomes necessary to revise any part of the RFP, an addendum will be provided to all prospective firms submitting proposals.

Incurring Costs: The VPS is not liable for any cost incurred by the Firms prior to the issuance of a contract and purchase order.

Ownership of Proposals: All proposals in response to the RFP are to be the sole property of the VPS.

Proposals may not be withdrawn for sixty (60) days from the proposal due date.

The VPS reserves the right to reject any or all proposals.

The VPS also reserves the right to exercise its discretion and be the sole judge of the proposal.

The VPS is not liable for any costs incurred by Broker/Consultants prior to the issuance of a contract and receipt of all necessary approvals. All information and material returned with proposals shall become part of any contract, which results from this proposal. Any proprietary information submitted for review should be submitted in a separate sealed envelope plainly marked as proprietary information. The VPS will disclose this information only to those involved in the selection process.

If the VPS fails to appropriate sufficient funds in any fiscal year for services to the Firm, and if no other funds are available for such payments, then a "non-Appropriation" shall be deemed to have occurred. In the event of "non-appropriation", the/any agreement with the Firm shall terminate and the VPS shall not be obligated to pay any amounts due under such an agreement.

While the stated appointment term is three (3) years, effective July 1, 2014 to June 30, 2017, the VPS may terminate the Firm, if, in the opinion of the VPS, the Firm fails to perform the functions and duties as outlined in this RFP.

The VPS reserves the sole right to extend the contract annually for up to two (2) additional years.