

ITEM #10

2011-016 3 1 Addendum No. 1

BOMA

3/22/11

City of Franklin Addendum No. 1 to
Purchasing Office Solicitation No.: 2011-016

1. Solicitation identified: This Addendum No. 1 applies to the following procurement:

group employee insurance benefits consulting services
Purchasing Office Solicitation No.: 2011-016
2. Notice to Proposers publication date: **February 3, 2011**
3. Request for Proposals (RFP) release date: **February 3, 2011**
4. Deadline for optional submittal in writing of questions seeking to revise or clarify any aspect of this procurement solicitation: **February 10, 2011, 2:00 p.m. Central Time**
5. Addendum No. 1 release date: **February 11, 2011**
6. Proposals submittal deadline and opening: **February 17, 2011, 2:00 p.m. Central Time**
7. BOMA meeting: Meeting of Board of Mayor and Aldermen at which is tentatively scheduled to be awarded the selection of the proposal that best meets the needs of the City: **March 8, 2011**

8. Addendum:

In reference to the City of Franklin's **February 3, 2011** Purchasing Office Solicitation No. **2011-016** for **group employee insurance benefits consulting services**, the City has been asked certain questions about the procurement solicitation by one or more vendors who are potential proposers.

The purpose of this Addendum No. 1 is to share with all vendors who are known or thought to be interested in responding to the referenced solicitation the City's responses to the questions that have been asked to date.

Please note that the submittal deadline and scheduled opening of all proposals received remains unchanged and is:

February 17, 2011, 2:00 p.m. Central Time

Below are the questions asked to date and the City's responses thereto:

- Q1: Will the consultant be reviewing bids from brokers or vendors for the Employee Benefit RFP? We will need to take this into consideration when we submit our bid on the consulting RFP. There will be a significant difference in the time involved if we are evaluating the vendor bids or numerous bids submitted by the broker community.

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A1: As to the consultant's role with respect to the group employee insurance benefits RFP, please refer to the following excerpts from the RFP:

- Assisting in the evaluation of proposals resulting from the group employee insurance benefits RFP scheduled to be issued in March, 2011. [p. 3, third bullet]
- Analyze insurance proposals and present results to appropriate parties. Advise City in contract negotiations and renewals. [p. 5, item 6]

As to the question's reference to brokers, the City has not determined as of this time whether it will entertain group employee insurance benefits proposals from brokers and/or agents, or whether it will allow commissions to be paid to brokers and/or agents. The City will ask the selected consultant to advise the City on this point, and the City will make its position clear on this point in the group employee insurance benefits RFP.

Q2: It is our understanding that the RFP is for consulting services and that the selected consultant will release a separate RFP in March 2011 for the various insurance plans desired. Will this RFP be released to brokers **and** insurance carriers or **only** insurance carriers?

A2: The understanding that the RFP issued on February 3, 2011 is for consulting services is correct. However, the understanding that the group employee insurance benefits RFP scheduled to be issued in March, 2011 will be released by the selected consultant is incorrect – that RFP will also be issued by the City. As to the question's reference to brokers, the City has not determined as of this time whether it will entertain group employee insurance benefits proposals from brokers and/or agents, or whether it will allow commissions to be paid to brokers and/or agents. The City will ask the selected consultant to advise the City on this point, and the City will make its position clear on this point in the group employee insurance benefits RFP.

Q3: Is it the intent of the City of Franklin to work with a full-time fee paid consultant only and remove brokers entirely?

A3: The City is seeking consulting services which can provide expert advice on a continuing basis for the employee insurance benefit plans. As to the question's reference to brokers, the City has not determined as of this time whether it will entertain group employee insurance benefits proposals from brokers and/or agents, or whether it will allow commissions to be paid to brokers and/or agents. The City will ask the selected consultant to advise the City on this point, and the City will make its position clear on this point in the group employee insurance benefits RFP.

Q4: If the March 2011 RFP is released to brokers – does the City of Franklin intend to allow commission to be paid by the carrier to the broker or is the intention to remove all commissions wherever applicable? If it is the intent of the City of Franklin to remove commissions – please list the products this applies to?

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- A4: The City has not determined as of this time whether it will entertain group employee insurance benefits proposals from brokers and/or agents, or whether it will allow commissions to be paid to brokers and/or agents. The City will ask the selected consultant to advise the City on this point, and the City will make its position clear on this point in the group employee insurance benefits RFP.
- Q5: Since some of the voluntary plans are filed with the state and have commissions built into them that cannot be removed, how will these commissions be controlled by the consultant?
- A5: The City has not determined as of this time whether it will allow commissions to be paid to brokers and/or agents and what to do about commissions built into any particular premiums. The City will ask the selected consultant to advise the City on this point, and the City will make its position clear on this point in the group employee insurance benefits RFP.
- Q6: Does the City of Franklin have an underlying objective for the Employee (not retiree) Health Insurance Plan or is that to be developed by the consultant?
- A6: The City of Franklin's intent is to seek assistance from the consultant in the development of long-term plan objectives.
- Q7: Please clarify what is meant by the statement, "Confirm that you ... are not affiliated with any insurance company...."
- A7: The City of Franklin's intent is to acquire the services of an individual or firm capable of serving the needs of the City independent of any obligation to one or more specific insurance carriers. Individuals or firms who function for other clients as an agent or broker are not necessarily disqualified from submitting a proposal. The City hereby revises the relevant excerpt from the RFP to read as follows:
- Confirm that you are able to serve the City of Franklin as an independent consultant, separate from any obligation to, and not as an employee or subsidiary of, any one or more insurance companies, third party administrative agencies or provider networks.
- Q8: Will the City of Franklin bear the cost of developing and distributing any communication pieces or is that cost to be paid by the consultant?
- A8: The City of Franklin's intent is to seek assistance from a consultant in the development of communication materials. The City will choose what materials to develop and distribute as well as bear the associated cost.
- Q9: If an organization is in the process of becoming a "Drug Free Workplace" – will that be recognized and permitted?

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- A9: The City's Affidavit of Drug-Free Workplace form asks the affiant to "depose and make oath that ... the Bidder or Proposer has in effect, at the time of submission of its bid or proposal to perform the services described in the attached bid or proposal, a drug-free workplace program that complies with T.C.A. §50-9-101 through §50-9-113." If this is not the case, the form should not be submitted. The City does not recognize an organization's intent to become a drug-free workplace.
- Q10: Will the selected consultant be active in the pre-enrollment, enrollment and post-enrollment process?
- A10: The consultant will not be active in the pre-enrollment, enrollment, or post-enrollment process. The City of Franklin will manage this process.
9. Acknowledge receipt of Addendum: Proposers shall acknowledge receipt of this Addendum No. 1 on the Proposal Submittal Form by writing "Addendum No. 1" in the space to the right of the text on that form that reads:

Receipt acknowledged of any and all issued addenda to this solicitation (list all Addenda Nos. received, if any / indicate "no addenda received").

10. Questions: The deadline for optional submittal in writing of questions seeking to revise or clarify any aspect of the Request for Proposals has now passed. To ask questions of a procedural nature, please contact either:

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or:

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