

KDL

Kent District Library
www.kdl.org

REQUEST FOR PROPOSAL

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

RFP Number: 11-1060 RFP-A01

Proposer will deliver five copies (1 original and 4 copies) and one electronic copy of the RFP to the following address:

Kent District Library
Service Center
814 West River Center NE
Comstock Park, Michigan 49321

By 2:00 p.m. EST on Monday, August 8, 2011

Proposals must be submitted in a sealed envelope marked with the name, address and contact information of the proposing firm and the words “Agent of Record and Broker for Health Insurance and Related Ancillary Products.” The Signature Page(s) must be signed and should be submitted in a separate sealed envelope marked “Signature Page(s)” and placed inside of the sealed proposal envelope. **Do not include the Signature Page(s) in each copy of your proposal.(Pg. 15)** Proposals faxed or emailed will not be accepted. Any proposals received after the deadline will not be considered and will be returned unopened. Proposals will be opened publicly and names recorded immediately following the deadline for submission. As part of their proposals, proposers must confirm in writing that their proposals are consistent with the requirements outlined herein and clearly define any and all deviations. Proposals must be presented in the format of the proposal forms included in this RFP. All questions must be answered and all instructions must be followed. All proposals must be submitted in their entirety by the deadline.

Complete proposal packages with detailed instructions may be printed off of the KDL website, <http://www.kdl.org/about/go/rfp/> beginning July 21, 2011 or requested by calling 616-784-2229. Questions regarding this RFP may be sent to Sherry Bava, Finance Director, by fax (616-647-2950) or email (sbava@kdl.org) until Thursday, August 4, 2011 by 2:00 p.m. EST. Responses will be posted in the form of an addendum on KDL’s website, <http://www.kdl.org/about/go/rfp/> as soon as possible. Please acknowledge receipt of the addendum(s) on the Signature Page (Pg.15) of this RFP.

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PROPOSAL INFORMATION

Definitions

“Proposer”	an individual or business submitting a proposal to Kent District Library
“Agent”	an Agent of Record and Broker who will assist Kent District Library with handling the health insurance policies of its employees. In return, the Agent may earn a commission from the health insurance company.
“KDL”	is Kent District Library in Michigan
“Library”	is Kent District Library in Michigan
“HR Director”	is the Human Resource Director: Brian L. Mortimore, SPHR

PROPOSAL TERMS

- A. Kent District Library reserves the right to reject any and all proposals received as a result of this RFP. If a proposal is selected, it will be the most advantageous regarding price, quality of service, the proposer's qualifications and capabilities to provide the specified service, and other factors that the Library may consider. The Library does not intend to award a contract fully on the basis of any response made to the proposal; the Library reserves the right to consider proposals for modifications at any time before a contract would be awarded, and negotiations would be undertaken with that proposer whose proposal is deemed to best meet the Library's specifications and needs.
- B. The Library reserves the right to reject any or all proposals, to waive or not waive informalities or irregularities in proposals or proposing procedures, and to accept or further negotiate cost, terms, or conditions of any proposals determined by the Library to be in the best interests of the Library even though not the lowest proposal.
- C. In the event it becomes necessary to revise any part of the RFP, addenda will be provided. Deadlines for submission of RFP's may be adjusted to allow for revisions. The entire proposal document with any amendments should be returned. To be considered, one original and four copies (4) and one electronic copy must be at the Library on or before the date and time specified.

- D. Proposals should be prepared simply and economically providing a straight forward, concise description of the proposer's ability to meet the requirements of the RFP. Proposals shall be typewritten. No erasures are permitted. Mistakes may be crossed out and corrected and must be initialed in ink by the person signing the proposal.

- E. A standard Kent District Library Services Agreement will be executed between KDL and the Agent unless the proposer submits a contract that is acceptable to KDL. KDL reserves the right to award the total proposal, to reject any and all proposals in whole or in part, and to waive any informality or technical defects if, in KDL's sole judgment, the best interests of Kent District Library will be so served.

PROPOSAL SPECIFICS

Project Purpose

The purpose of this Request for Proposals (RFP) is to solicit offers from qualified employee benefits insurance Agents to provide brokerage and consulting services to Kent District Library (KDL) in support of the Library's health and welfare benefits programs. Such services will include, but not be limited to:

1. Reviewing and advising on appropriate insurance coverage
2. Reviewing vendor contracts and evidence of coverage
3. Coordinating with other KDL benefits service providers
4. Finding the desired products at the most competitive prices
5. Acting as a liaison and an advocate for the Library with insurance companies; and
6. Developing and producing communications materials.

The benefit programs include group medical, prescription drugs, dental, vision, life/accidental death and dismemberment (AD&D) insurance, long term disability, mental health, chemical dependency and an employee assistance program. Voluntary benefits include additional long term disability, sickness disability, critical illness disability, accident disability, long term care and additional life insurance plans. Currently, all benefits are placed with one Agent to KDL.

Project Objectives

Kent District Library to successfully contract with an effective Agent for health insurance and ancillary products.

Background Information

- A. The Kent District Library is a nonprofit governmental unit. It is a district library with 18 branches located through Kent County, Michigan and an Administrative office located in Comstock Park, Michigan. KDL is

governed by a Board of Trustees, is one of the busiest libraries in the State of Michigan and is among the largest with nearly 300 full and part-time employees.

- B. The Library was a department of the County of Kent until 1994 when it separated from the County to form the Kent District Library. KDL owns the Service Center located at 814 West River Center NE, Comstock Park, MI 49321. All of the branch locations are owned and maintained by the 26 cities, township and municipalities where they reside.
- C. The library offers a wide variety of materials, services, and program offerings: from the latest bestselling book titles to the most popular DVD releases; from answering general reference questions to providing computer training; from children's story time to adult book discussions.
- D. Kent District Library is exempt from state taxes by State Law.

CONTRACT ADMINISTRATOR

The following employees of KDL are identified to use all powers under the contract to enforce its faithful performance:

As the Contract Administrator, the following individual, or his designee, shall serve as the interpreter of the conditions of the contract and shall use all powers under the contract to enforce its faithful performance.

Brian L. Mortimore, SPHR (bmortimore@kdl.org)

PROJECT SCOPE /STATEMENT OF NEEDS

The selected Agent will be expected to work in partnership with KDL staff to perform the following services:

- A. Provide recommendation for the proposed benefit components, specifically in the area of design, funding, cost and administration. This will include a review of current and proposed plan features and rate structures.
- B. 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.
- C. Provide general problem-solving throughout the plan year.
- D. Any other duties critical to the proper formation of a health insurance plan and its optimal operation and participation.

PROPOSAL EVALUATION-GENERAL MINIMUM REQUIREMENTS

The selection committee shall consist of:

Human Resource Director and/or Finance Director and/or Human Resource Generalist

The role of the selection committee shall include a complete review of all proposals and related documents submitted. The evaluation may also involve meeting with the selected Agent to interview and review their proposals. Based upon these evaluations, a recommendation of the proposal which best meets the needs of the Library will be made to the Kent District Library Board of Trustees. The Board of Trustees will make the final decision on hiring an Agent for Health Insurance and Ancillary Products.

The criteria to be used to identify the proposal that best meets the public contracting needs of the Library may include but is not limited to:

1. Terms of service
2. Quality of service, ability to respond efficiently and economically to the Library's needs.
3. Claims management/review approach.
4. Service, which could include number of trained personnel or reputation of proposer.
5. Reliability of organization, which can be based on many factors, including references from current and former users.
6. Ability to provide relevant support services to the Library.
7. Flexibility in working with the Library regarding claims management, renewals, etc.
9. Familiarity of Library's health insurance needs.
10. Accessibility of staff to the Library.
11. Interview – if conducted
12. Other services that may be available to the KDL that are identified in the proposal submitted.
13. Or any other factors identified by the Committee that may be deemed appropriate.

QUALIFICATIONS, RELATED EXPERIENCE AND REFERENCES

Overview: This section should establish the ability of the Proposer to satisfactorily perform the required work by reasons of: demonstrated competence in the services to be provided; the nature and relevance of similar work currently being performed or recently completed; record of meeting schedules and deadlines of other clients; competitive advantages over other firms in the same industry; strength and stability as a business concern; and supportive client references. Information should be furnished for both the Proposer and Firm.

1. Furnish Background Information about your firm, including date of founding, legal form (i.e., sole proprietorship, partnership, LLC, corporation/state of incorporation), number and location of offices, principal lines of business, number of employees, days/hours of operation and other pertinent data.
2. Disclose any conditions (e.g., bankruptcy or other financial problems, pending litigation, planned office closures, impending merger) that may affect the Proposer's ability to perform contractually.

3. Certify that the firm is not debarred, suspended or otherwise declared ineligible to contract by any federal, state or local public agency.
4. Describe your firm's most noteworthy qualifications for providing the required services to the Library. Specifically highlight those qualifications that distinguish you from your competitors.
5. List all Michigan public agencies to which your firm has provided employee benefits insurance Agent services. Identify those at which health and welfare benefits are governed by joint labor/management benefits groups, such as committees or trusts.
6. Identify a combination of at least three (3) current or former clients KDL may contact as references and who can independently evaluate the Proposer's expertise in this area. Describe the work performed and include the name, job title, address and telephone number of a contact person for each reference. ([See Page 17](#))
7. Identify all lost or terminated accounts within the past three years. For each account, identify the account's line of business, describe the services your firm provided, and state the reasons for the end of your working relationship.
8. Describe other lines of business in which your firm is engaged.
9. If your organization is a subsidiary or division of a parent firm, provide similar background information on the parent company and identify any other affiliated companies.
10. Describe your firm's policy on accepting contingent commissions, or any other sources of income, revenue, consideration, compensation or overrides, in connection with services provided to your clients. Describe your firm's disclosure policy.
11. Disclose any existing or potential conflicts of interest between the scope of work required by the Library and your firm's other business activities.
12. Furnish certificates of insurance showing the types and amounts of insurance carried by your firm.
13. State how renewals are handled by your company.
14. State whether the Library would have a dedicated Agent.
15. State the total number of plans you service.
16. State if you have available health insurance plans with a cafeteria-style benefit election which would allow an employee to choose from an array of a carrier's plan.

17. State what organizational sizes you are accustomed to.
18. State what information, data analysis support you provide clients.
19. State what experience you have with consumer driven health plan models
20. State what general services and benefits you can offer the organization.
21. State what knowledge of the new proposed Michigan Law (SB 7, HB 6) you have involving mandatory employee contributions to health plans for the Public sector.
22. Confirm that your company meets all federal requirements and HIPAA regulations on data standards, code sets and Protected Health Information (PHI) for non-routine disclosures and authorized releases of PHI.
23. State if you have a contingency/disaster plan in place to prevent unauthorized access to Protected Health Information.
24. Confirm that your company is in compliance with Michigan's Social Security Number Privacy Act, P.A. 454 of 2004, (the "Act") and that your company will ensure, to the extent practicable, the confidentiality of social security numbers it possesses, uses, or disposes of. For the purpose of this policy, SSN refers to the use of more than 4 sequential numbers of an individual's social security number. Confirm that your company **will not:**
 - Publicly display more than 4 sequential numbers of an individual's complete social security number;
 - Use the SSN as the primary account number for any individual;
 - Visibly print the SSN on any identification badge or card, membership card, or permit or license;
 - Require an individual to use or transmit the SSN over the internet or computer system unless the connection is secure or the transmission is encrypted;
 - Require a KDL employee to transmit the SSN to gain access to an internet website or computer system network unless the connection is secure, the transmission is encrypted, or a password or other authentication devise is required to gain access;
 - Include the SSN in or on any document sent to an individual if the numbers are visible on or, without manipulation, from outside of the envelope or packaging;
 - Include the SSN in or on any document or information mailed to an individual, except in accordance with the Act or other applicable laws, rules, or regulations; or
 - Unlawfully disclose social security numbers in violation of the Act or other applicable laws, rules, and regulations.

25. Confirm that only personnel authorized by your company will have access to documents that contain social security numbers. Documents containing social security numbers will be disposed of in an appropriate manner that protects their confidentiality, such as shredding, when no longer needed and in accordance with the requirements of state and federal law. Penalties for violating this Policy may include discipline up to and including dismissal and violations of the Act are punishable to the extent of the law (P.A. 454 of 2004).
26. Agent Compensation--Please outline and detail how the broker will be compensated, now and in the future. PLEASE note that KDL 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.
27. Please describe how KDL's account would be managed by your company. If different people/departments would manage different aspects, please explain. Please list by name and title all current employees that would be contacts and support personnel for KDL.
28. Please describe your firm's preparedness in how it has responded to the Health Care Reform Act.

TERM OF CONTRACT

If a contract is awarded through this RFP, it will be effective upon full execution of the agreement for an initial term **tentatively** commencing **January 1, 2012 and ending December 31, 2014**, unless terminated earlier in accordance with the provisions of the Agreement.

Thereafter, the Library reserves the right, at its sole option, to renew the contract up to a **maximum of four (4) additional one-year terms extending through December 31, 2018**.

The Library recognizes that marketing for the January 1, 2012 insurance renewal commences prior to the effective date of the Agreement, and these services are paid for during the corresponding contract period contingent upon the Library authorizing binding coverage with the insurance company(ies). The marketing for each subsequent year occurs in the same manner wherein the marketing occurs prior to the effective date of the Agreement's contract term.

No agreement with the Library shall be in effect until a contract has been approved by the Kent District Library Board of Trustees.

I. Form of Proposal

Agent's proposal must be capable of being understood without reference to other documents, and must include, at a minimum, the following sections:

A. Contract and License Terms

Agent must include in this section a copy of the Agent's proposed agreement(s). By submitting a proposal, Agent certifies that, if selected, Agent will execute such an agreement without further addition of costs or terms. The Library reserves the right to negotiate the terms of any proposed agreement.

B. Response to Specifications

Proposers must respond to every informational requirement contained in the [QUALIFICATIONS, RELATED EXPERIENCES AND REFERENCES](#) section of the RFP in their proposal as well as any other questions asked in this RFP.

C. Additional Comments

All information and material returned with proposals shall become part of any contract, which results from this proposal.

II. Project Control

1. The Human Resources Director or appointed HR staff member will meet with the selected Agent on a regular basis or as determined necessary by the Library's HR Director to review plans and provide necessary guidance to the Agent in solving problems that may arise.
2. The Agent will notify KDL's Human Resource Director of any significant deviation from previously agreed upon proposal.

III. Required Written Documents

1. Cover Letter
The proposer's cover letter should not exceed two pages in length and must be signed by an individual with authority to bind the organization to the terms quoted in the Request for Proposal.
2. Proposed Cost, if any, to Kent District Library
Respond to all areas of the Request for Proposal.
You must include a detailed cost analysis, if any, and this must also be placed in the separately sealed envelope referenced above.
[SIGNATURE PAGE \(Pg. 15\)](#)

3. [MANDATORY RESPONSE CHECKLIST \(Pg.16\)](#) must be included in the Proposal.

IV. Standard Contract Provisions

1. The Library reserves the right to sign any document necessary to protect prices, delivery schedules, interest rates or any other critical factor contained in the response to this RFP.
2. No action will be binding on the Library until a contract has been executed by both parties and approved by Kent District Library Board of Trustees.
3. The contract will contain a description of the specific staff that will comprise the project team for this assignment and their qualifications.
4. The contract will contain one complete and signed Signature Page(s), as contained in this RFP. The Signature Page must be signed and should be submitted in a separate sealed **envelope marked “Signature Page” and placed inside of the sealed proposal envelope. Do not place a Signature Page in the copies of your proposal.**

V. Proposal and Implementation Timeline

A project implementation schedule should be provided in your proposal. This project schedule must consider all major elements and their relations, as described in the Scope of Services.

Please submit your proposal to meet the following proposed schedule:

RFP for an Agent of Record and Broker on http://www.kdl.org/about/go/rfp/	July 21, 2011
Ad Appearing in Grand Rapids Press on Sunday, July 24 and Monday, August 1, 2011	
Addendums posted to KDL website	As needed
Deadline for Addendums Thursday by 2:00 pm	August 4th, 2011
Deadline for Proposals Monday by 2:00 pm	August 8th, 2011
Tentative Interviews of Finalists	Week of August 8 th , 2011
Contract Award by Board of Trustees Thursday,	September 15th, 2011
New Coverage to tentatively begin	January 1, 2012

Agent finalists selected for final evaluation prior to final selection may be required to make an oral presentation of their proposal to KDL and/or its health insurance staff/board committee. Such presentations provide an opportunity for the potential Agent to clarify the proposal to ensure mutual understanding.

KDL reserves the right to vary from this timetable as needed.

VI. Evaluation Criteria

1. Proposals will be reviewed by an evaluation team made up of Library staff members from the staff referenced above. Proposals will be judged based on how closely the proposal meets KDL's requirements, the experience of the Agent and the overall cost of the project if any.
2. KDL staff will review the submitted proposals and may select an Agent to meet with in an interview format the week of August 8th, 2011, to discuss the project. Library staff will prepare a recommendation to the Library Board, which will make the final determination to award the contract. The selected Agent will meet with Library staff to prepare a contractual agreement between the Library and the Agent, as soon after the final selection as is reasonable.

VII. Indemnification Agreement

Both parties hereby expressly agree and covenant that they will hold and save harmless and indemnify the other party, its officers, agents, servants and employees from liability of any nature or kind connected with the work to be performed hereunder arising out of any negligent or willful act or omission of such party or of any employee or agent of that party to the degree such indemnification is allowed by law.

VIII. Liability Insurance

Agent shall obtain, and maintain in effect during the term of this Agreement, errors and omissions liability insurance (with a carrier and in an amount acceptable to the Companies) covering Agent while rendering services under this Agreement. Upon the Companies' request, Agent will furnish a certificate of insurance evidencing such coverage. The errors and omissions insurance will have minimum amounts of five hundred thousand (\$500,000) dollars per occurrence/one million, five hundred thousand (\$1,500,000) dollars in the aggregate.

IX. Confidential Information

1. The parties agree that this Agreement and the relationship it represents requires the exchange of confidential information over the course of normal business. Confidential information is information not generally known by non-party personnel, including but not limited to, the financial, marketing, and other proprietary business information.
2. Neither party shall use, duplicate or divulge to others any confidential information disclosed to that party by the other party in the course of performance of this Agreement without first obtaining written permission from that party, to the extent allowed by law when following the instructions in #3

3. Confidential/Proprietary Information: Proposals submitted in response to this RFP and any resulting contract are subject to the provisions of the Michigan Open Records Act (Public Act No. 442, (MORA) Any restrictions on the use or inspection of material contained within the proposal and any resulting contract shall be clearly stated in the proposal itself. Confidential/proprietary information must be readily identified, marked and separated/packaged from the rest of the proposal. Co-mingling of confidential/proprietary and other information is NOT acceptable. Neither a proposal in its entirety, nor proposal price information will be considered confidential/proprietary. Any information that will be included in any resulting contract cannot be considered confidential. Any proprietary information submitted for review should be submitted in a separate sealed envelope plainly marked as proprietary information. The Library will disclose this information only to those involved in the selection process.
4. Your company must meet all federal requirements and HIPAA regulations on data standards, code sets and Protected Health Information (PHI) for non-routine disclosures and authorized releases of PHI. You must also have a contingency/disaster plan in place to prevent unauthorized access to Protected Health Information.
5. Your company must be in compliance with Michigan's Social Security Number Privacy Act, P.A. 454 of 2004, (the "Act") and your company will ensure, to the extent practicable, the confidentiality of social security numbers it possesses, uses, or disposes of. For the purpose of this policy, SSN refers to the use of more than 4 sequential numbers of an individual's social security number. Your company will not:
 - Publicly display more than 4 sequential numbers of an individual's complete social security number;
 - Use the SSN as the primary account number for any individual;
 - Visibly print the SSN on any identification badge or card, membership card, or permit or license;
 - Require an individual to use or transmit the SSN over the internet or computer system unless the connection is secure or the transmission is encrypted;
 - Require a KDL employee to transmit the SSN to gain access to an internet website or computer system network unless the connection is secure, the transmission is encrypted, or a password or other authentication device is required to gain access;
 - Include the SSN in or on any document sent to an individual if the numbers are visible on or, without manipulation, from outside of the envelope or packaging;
 - Include the SSN in or on any document or information mailed to an individual, except in accordance with the Act or other applicable laws, rules, or regulations; or
 - Unlawfully disclose social security numbers in violation of the Act or other applicable laws, rules, and regulations.

X. Other Considerations

1. For purposes of addressing questions concerning this RFP or for seeking alternative contract terms, the sole contact will be sbava@kdl.org. Failure to observe this restriction may result in disqualification of any Agent response. This restriction does not preclude discussions between affected parties for the purpose of conducting business unrelated to this procurement.
2. The Library will not consider the submission of unsolicited, additional terms, after the response deadline. This RFP and all written material received from the successful Agent will be incorporated into the contract between the Library and the firm unless specifically superseded in the signed contract.
3. The anticipated selection date expresses the present intent of the Library to award a contract for and is not a representation, agreement or promise that in fact any contract will be awarded on that date or at any other time. It is the Library's intent to contract with a single Agent, but the Library retains the right to reject any and all proposals made to it.

MANDATORY RESPONSE CHECKLIST

***MUST BE SUBMITTED AS PART OF YOUR PACKAGE AND
RECEIVED BY THE DEADLINE OF MONDAY, AUGUST 8,
2011 AT 2:00PM, EST***

	THIS MANDATORY RESPONSE CHECKLIST
	ADDENDUM(S) ACKNOWLEDGED (IF APPLICABLE)
	ONE ORIGINAL AND FOUR COPIES OF PROPOSAL FORM
	COPIES OF ALL REQUESTED DOCUMENTS AND INFORMATION
	ELECTRONIC COPY BY CD, DVD OR EMAIL TO sbava@kdl.org
	QUALIFICATIONS, RELATED EXPERIENCE AND REFERENCES ANSWERS
	SIGNATURE PAGE IN A LABELED ENVELOPE SEPARATE FROM PROPOSALS

Section I – Current or Former Client References

Failure to complete this form may result in your bid being deemed non-responsive and rejected without further evaluation. Attach additional pages if necessary.

Provide references below. The Library may contact the listed agencies.

1. Company that performed work: _____

Client Name: _____ Title: _____

Client Contact: _____ Email: _____

Phone Number: _____ Contract Start/Expiration Dates: _____

TYPE OF WORK PERFORMED: (circle one) Current Client Former Client

2. Company that performed work: _____

Client Name: _____ Title: _____

Client Contact: _____ Email: _____

Phone Number: _____ Contract Start/Expiration Dates: _____

TYPE OF WORK PERFORMED: (circle one) Current Client Former Client

3. Company that performed work: _____

Client Name: _____ Title: _____

Client Contact: _____ Email: _____

Phone Number: _____ Contract Start/Expiration Dates: _____

TYPE OF WORK PERFORMED: (circle one) Current Client Former Client
