

**REQUEST FOR PROPOSAL
EMPLOYEE BENEFITS CONSULTING SERVICES
FOR THE CITY OF STOCKTON, CALIFORNIA
(PUR 21-021)**

ADDENDUM No. 1

DATE: September 23, 2021

To All Potential Proponents:

A. This Addendum shall be considered part of the proposal documents for the above-mentioned project as though it had been issued at the same time and shall be incorporated integrally therewith. Where provisions of the following supplementary data differ from those of the original bid documents, this Addendum shall govern and take precedence. PROPONENTS MUST SIGN THE ADDENDUM AND SUBMIT IT WITH THEIR PROPOSALS.

B. Proponents are hereby notified that they shall make any necessary adjustments in their estimates as a result of this Addendum. It will be construed that each proponent's proposal is submitted with full knowledge of all modifications and supplemental data specified herein.

PLEASE NOTE THE FOLLOWING CHANGES TO THE RFP:

1. PROPOSAL SUBMITTAL DATE IS CHANGED AS FOLLOWS:

“Proposals will be received until the hour of 2:00 PM, Thursday, OCTOBER 7, 2021; in the office of the City Clerk’s Office, First Floor, City Hall, 425 North El Dorado Street, Stockton, CA 95202-1997.”

2. Section 4.2, item C is changed to read:

“A summary of the Consultant’s Employee Benefits experience and qualifications and the significant advantages to selecting the Consultant;”

THE CITY’S RESPONSES TO QUESTIONS SUBMITTED ARE IN BLUE

1. Section 9.1 for the Technical Specification appeared to be blank. Can you please provide a copy of this section?

[Section 9.1 Technical Specification is not applicable.](#)

2. Section 4.2, item C references an “electronic-arc hazard assessment”. Is this left over from another RFP. Please clarify what the City is looking for in this question.

[Section 4.2 item C “electronic-arc hazard assessment” is not applicable for this RFP. Please see above “Changes to RFP” section.](#)

3. Please confirm the current funding mechanism in place for the medical, dental and vision programs. Are these programs self-funded or fully insured?

[Please see PDF document titled Attachment 1.](#)

4. Please provide headcounts for each of the lines of coverage to be serviced.

Please see PDF document titled Attachment 1.

5. Please provide approximate annual premiums (or equivalents) for each of the lines of coverage.

Please see PDF document titled Attachment 1.

6. Does the City currently use a benefits administration system? If so, what is the system currently utilized? Is the City interested in reviewing alternatives?

Yes.

Employee Navigator.

Yes. May need an interim program from February to May 2022 until City goes live with Tyler Munis.

7. Does the City currently have a wellness program in place? If so, please describe. If not, is there a desire to implement a program?

No, the City does not have one. See question #30 for additional information.

Yes.

8. Who is the current consultant for the City?

Gallagher Benefit Services.

9. What is the current annual compensation for services?

Total annual fee paid to consultant is not to exceed \$194,400.

10. Are there areas where you would like to see improvement in the consulting services being delivered?

The City would like to see improvement in competitive and diverse benefit offerings to attract and retain employees.

11. Who is your current Broker/Consultant and how many years have they served as your Broker/Consultant?

Gallagher Benefit Services. They have served as our consultant for 4 years.

12. If you are satisfied with the services of your current Broker/Consultant, why is the City undergoing the RFP process at this time? If you are not satisfied with current services, please outline the reasons why.

The City periodically engages in the market place for competitive process in order to ensure the best pricing and best services are obtained for the City for said services.

The City would like to see improvement in competitive and diverse benefit offerings to attract and retain employees.

13. Outside of reducing costs, what are the top three City Employee Benefits and Benefits Administration objectives or goals for 2022 and 2023?

The City's top three goals and objectives are: rates, plan expansion/coverage area/additional benefits added to fringe benefits, and wellness program.

14. What are the total annual premiums by line of coverage for Medical, Dental, Vision, Life/AD&D, Long Term Disability, Flexible Spending Section 125 plan and EAP plans for 1/1/20 and 1/1/21 plan years?

Please see PDF document titled Attachment 1.

15. What were the rates by tier (EE, EE+1 and EE+2 or more dependents) for Medical, Dental, Vision, Life/AD&D and Long Term Disability for the 1/1/20 and 1/1/21 plan years? Are there any plan changes being considered to change benefits for the 1/1/22 renewal?

Please see PDF document titled Attachment 1.

Plan Year is 7/1-6/30 and there are no planned changes for the 2022/2023 Plan Year. However, for 2023/2024 Plan Year we would like to explore broader plan options including PPO, POS and EPO, calendar year vs fiscal year coverages, rates, plan details.

16. What is the total annual fee and commission percentage paid to the Broker/Consultant by line of coverage for Medical, Dental, Vision, Life/AD&D, Long Term Disability, Flexible Spending Section 125 and EAP plans?

Total annual fee paid to consultant is not to exceed \$194,400. No commissions.

17. Please provide any annual fees or consulting fees that are paid to the current Broker/Consultant that are not included in the answer to question 6.

All fees are included in question #16.

18. Please provide the Summary of Benefits and Coverage (SBC's) for all Medical, Dental, Vision, Life/AD&D, Long Term Disability and EAP plans.

All SBCs are posted on City website

<http://www.stocktonca.gov/government/departments/humanResources/benefits/employeeBenefits.html>

19. What is the current enrollment for actives, pre-65 retirees and post-65 retirees for Medical, Dental, Vision, Life/AD&D, Long Term Disability, Flexible Spending Section 125 and EAP plans by tier?

Please see enrollment numbers in spreadsheet. Note: City does not provide benefits for retirees.

20. If your current Broker/Consultant provided a Broker Compensation Disclosure Report for 2020, please include that report. Please provide the name of the current vendor and the monthly PEPM or annual cost for the City's current Flexible Spending Section 125 plan. How many employees are enrolled in the Flexible Spending Section 125 plan?

Not available at this time.

Please see PDF document titled Attachment 1.

Please see PDF document titled Attachment 1.

21. The RFP due date is 9/30/21 Will the City be willing to extend the submittal date so all requested information can be provided?

Yes. Please "Changes to RFP" section at the beginning of the addendum for the extended date.

22. Why is the City going out to bid at this time?

See question #12.

23. How long has the City been working with the current Broker/Consultant?

See question #11.

24. Is the City currently satisfied with the Services provided by the current Broker/Consultant?

The City periodically engages in the market place for competitive process in order to ensure the best pricing and best services are obtained for the City for said services. The City would like to see more diverse benefit plan options offered for City employees.

25. What qualities does the City value most in working with a Benefits Broker/Consultant?

The City values knowledgeable consultants that are able to communicate effectively and advocate on behalf of the City with vendors/partners to secure exceptional services for our employees.

26. What is the current method of compensation to current Broker/Consultant (i.e. fees, commissions, combo, etc.)?

Current consultant is compensated by flat monthly fees not to exceed \$194,400 annually.

27. What is the total annual compensation amount paid to the City's current

Broker/Consultant in 2018 and 2019?

2018 - \$194,500; 2019 - \$180,000

28. Demographic/Population Questions:

How many active employees does the City have? 1939

Do you offer retirees benefits? No

a. If so, what coverages are they eligible for? N/A

How many early retirees (pre-65/pre-Medicare) do you have? N/A

How many Medicare retirees (65+) do you have? N/A

How many collectively bargained groups at the City? There are 9 collectively bargained groups and 1 employee compensation plan. When are contracts up next for negotiation?

Stockton City Employees Association (SCEA) - 6/30/2023

Mid-Management/Supervisory Level (B&C) - 6/30/2023

Operations & Maintenance – 6/30/2023

Trades & Maintenance – 6/30/2023

Water Supervisory Unit – 6/30/2023

Stockton Fire Management Unit – 6/30/2022

Stockton Firefighters Local 456 – 6/30/2022

Stockton Police Management Association (SPMA) – 6/30/2022

Stockton Police Officers Association (SPOA) – 6/30/2022

29. Plan Questions:

Are any of the City's employee benefit coverages purchased through a Pool or Purchasing Program? Or direct from the market? Employee benefit coverages are purchased directly from the market.

Who are your current carrier(s) for each line of coverage? Please see PDF document titled Attachment 1.

What is your current contribution arrangement for Medical, Dental & Vision? Please see PDF document titled Attachment 1.

What is the current enrollment by plan? Please see PDF document titled Attachment 1.

What are the current 2021 rates for Medical, Dental & Vision? Please see PDF document titled Attachment 1.

How many employees waive the City's health plan? 275 employees have waived the City's health plan (Please see PDF document titled Attachment 1.)

Do you contribute into either a Health FSA or HSA on behalf of employees? Please see PDF document titled Attachment 1.

What is the current annual premium on each plan? Please see PDF document titled Attachment 1.

Are any of the City's plans self-funded? **Yes**. If so, please describe. **Delta Dental PPO and Vision are self-funded.**

Does the City offer any voluntary benefits? **Yes**. If so, what voluntary benefits are offered, and who are the carriers. **Please see PDF document titled Attachment 1.**

30. Wellness Program Questions:

What is the City's wellness budget? For FY 2021-22, HR has budgeted \$20,500 for the wellness program, \$14,000 of that has already been allocated for working and setting up contract with a wellness provider.

What wellness events and services were provided in 2019 & 2020?

In 2019, the following wellness workshops events were provided:

January – Healthy Basics

February – Heart Health

March – Turn Off Technology & Limit Screen Time

April – Science of Sleep (Wendy Hileman – Healthy Adventures Foundation)

May – Focus on Eye Health (VSP)

June – Family Health – Planning Family Activities

July – Financial Wellness (MassMutual)

August – Immunizations and Preventative Care

September – Achieving Harmony: How to Maintain a Healthy Work Life Balance (Holly Naus, IBH)

October – Cancer Prevention (Dr. Tony Chang, Kaiser)

November – Alzheimer's Disease (Dr. Anil Neelakantan, Sutter Health)

December – Holiday Stress

In 2020, two events were provided in February. Beginning March 2020, these were suspended due to the pandemic.

February – Heart/Stroke (Dr. Davinder Makker, Dameron) and Yoga (Shine Yoga)

What vendors were utilized for wellness related services & initiatives? **Please see above.**

What is the City's total annual cost for wellness related services? **Annual cost varies by FY. In FY 2021, annual cost was \$14,156 and prior FY 2020, annual cost was \$10,940.**

Does the City have a wellness committee? **No** If so, how frequently do they meet? **N/A**

i. How does your current broker/consultant interact with your committee? **N/A**

What is participation/engagement in the City's wellness related services/initiatives? **Limited**

What are the City's top 3 goals as it relates to your Wellness Program/Initiatives? **The City's top 3 goals are: mental health wellness, workplace balance, health & fitness.**

31. Employee Communication Questions:

Does the City have an established Benefits communication strategy? [Communication is sent to each department's Executive Assistant to distribute the information to all staff. Information is also posted on the City's intranet \(Citylink\).](#)

Will the Broker/Consultant be responsible for drafting Open Enrollment materials and other participant communications? [Yes](#)

Will the printing and mailing of these materials be required under this contract? [No](#)

Does the City of Stockton currently have a benefits web portal or intranet? [Yes](#)

32. Plan Administration & Enrollment Questions:

Does the City have a Benefits Administration system? [Currently, the City uses Employee Navigator. There may be an interim period when transitioning from Employee Navigator to Tyler Munis from 2/1/2022 to 5/1/2022.](#)

If so, are services provided by the City's HRIS system or through a separate vendor? [Employee Navigator from Gallagher, Tyler Munis from City](#)

If so, what is the current annual cost for the City's Benefits Administration system? [Included in flat fee paid to consultant \(see question #9\)](#)

How is enrollment handled, online or paper? [Enrollment is handled online.](#)

If online, what is the name of the vendor/company providing these services? [Employee Navigator. Gallagher provides this service.](#)

If online, is it employee self-service? [Yes](#)

If online, is the system used to make changes throughout the year or just during OE/new hires? [Yes, throughout the year, open enrollment, new hires, QLE.](#)

Does your current broker/consultant pay for any benefits administration costs? [It is included in contract.](#)

33. How many meetings would the selected Broker/Consultant need to attend during a twelve month period and are the meetings with staff, with City Council, or with employee groups?

[It is estimated that there could be anywhere from six to sixteen in person meetings depending upon issues that present. This could be meetings with bargaining units, City Council, vendor selection processes, etc. There are generally a minimum of three in person meetings regarding finalizing the actuarial report with staff discussion, presenting to labor groups and presentation to the City Council. There may be occasions where in person presentations to labor groups are required on an ad hoc basis. This number is an estimate only, but the narrative should provide an exemplar](#)

baseline for in person meetings.

34. Does the City currently have an established Benefits Committee? If not, is the City interested in starting one?

The City does not currently have one. The City would be interested in hearing the benefits of starting one.

35. Does the City's current Broker provide a call center for employees? If so, does the City pay for this service?

The current consultant does not have a call center for employees.

36. What are the planned major activities for 2022?

None expected for 2022, but look at plan expansion detail in 2023 (see question 15).

37. What are the top 3 Health and Benefit issues facing the City?

Cost, limited plans, and mental health resources.

38. Question 4.2 Item C. requests that the Cover Letter include a summary of the consultant's electric-arc hazard assessment experience and qualifications. Please confirm that this Item is requesting Employee Benefits experience and qualifications.

Yes. Please see Changes to RFP section, on the first page of this Addendum.

39. What is the expected Effective Date of the contract for Employee Benefit Consulting Services.

Effective date is 2/1/2022.

40. Please describe your current employee communication, education, and enrollment processes, and also please provide the current system used for enrollment and administration if you have a current benefits platform being used? If yes, does it integrate with Payroll?

Employees are provided benefit information at Orientation and during Open Enrollment. The enrollment process is online through a self-service portal. The current Employee Navigator does not communicate with Payroll. Tyler Munis will take effect on 5/1/2022 and will be able to communicate with Payroll.

41. How are all of the employee classes, groups, eligibility rules, qualified life events, dependent verification managed today?

All are managed through Employee Navigator.

42. Do you currently have adequate reporting capabilities and solutions for benefits and administration?

Yes.

43. How is ACA tracking, reporting, and filing being fulfilled currently - internally or using a third-party partner?

ACA is done internally, but the City is open to alternative solutions.

44. Please list and describe any current challenges related to benefits communication, education, enrollment, and administration?

Vendor billing reconciliation, reports not automated and having to verify/compare each line item, which is very tedious. The City's workforce is diverse and tailoring communications to effectively communicate across all employee groups is challenging.

45. Please provide and list any services or solutions that you feel would add value and create efficiency for the HR / Benefits administrative team and also provide value for the overall employee experience and offerings?

The City values knowledgeable consultants that are able to communicate effectively and advocate on behalf of the City with vendors/partners to secure exceptional services for our employees. The City would like to see improvement in competitive and diverse benefit offerings to attract and retain employees.

46. Will there be a questionnaire for associated with this RFP?

No.

47. Do you want Bios on each of the Proponents Team members?

Strongly recommended, but not required.

48. Please define what is needed for "electric-arc: hazard assessment"?

Section 4.2 item C "electronic-arc hazard assessment" is not applicable for this RFP. Please see above "Changes to RFP" section.

49. What is considered **evidence** of the Proponents ability?

Evidence is considered meeting posted deadlines, demonstrating a strong benefits knowledge base; and dedicated staff members being readily available.

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

The City values knowledgeable consultants that are able to communicate effectively and advocate on behalf of the City with vendors/partners to secure exceptional services for our employees. The City would like to see improvement in competitive and diverse benefit offerings to attract and retain employees.

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

No, the release of this RFP was voluntary.

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

See questions #9 & #27

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

An average of 100 hours (estimated) for consulting hours were provided over the past two plan years.

54. Does the current broker receive any commissions, OR are all of the City's Health and Welfare benefit plans currently net of commissions (0% Commission)? If commissions are received, please provide commission amounts and annual premiums for the past two (2) plan years.

Not commission based

55. When is the last time each of the City's benefit plans were competitively bid in a formal RFP process? If the dates listed in item RFP 2.8.4 are all RFP dates, then please just confirm. However it was unclear if some of those were renewals (single and/or multi-year), or if they all indicated formal RFPs to the marketplace. See page 5, annual renewal or RFP.

All items listed in 2.8.4 are renewals.

56. Is the City required (by its current procurement rules) to bid each coverage within a certain number of years?

It is the City policy, based on City Council Strategic Initiatives, to periodically engage the Marketplace for competitive processes in order to ensure best pricing and best services are obtained for the City for said services.

What is the Maximum number of years between RFPs?

Generally, the City will go out for RFP as the contract term is close to completion.

57. 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?

The consultant assists with Open Enrollment by presenting at virtual Open Enrollment Sessions for employees, drafting OE communications and assisting with auditing/reporting post Open Enrollment. The consultant prepares the open enrollment announcements/postcards. City prints and sends to department Executive

Assistants to distribute to employees. Open enrollment postcards are mailed to the employees' home address.

58. 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? We do not know how to list each item separately with a number attach to them.

No, all fees and charges for services should be included in the total cost.

59. Regarding RFP item 2.1.2: Please provide an example of the annual assessment report being requested so that we can adequately estimate the appropriate time required to fulfill.

City makes a 5-year plan, sets goals, every year, City will revisit those goals, and identify where we are, and analyze results.

60. Regarding RFP item 2.1.5: Please provide a description of the current Wellness and DM Strategy, including what is currently being measured to assess ROI.

City does not have a fully implemented wellness program and look forward to implementing one.

61. Regarding RFP item 2.2.4: Please provide an example of a recent survey and the analysis along with a clear description of the consultant's role. Would the consultant be requested to review and provide input to a City developed survey, or would the consultant be asked to develop the survey from scratch? Who would be in charge of distributing and compiling the responses? How many of these surveys are expected annually?

The consultant will develop surveys, City will provide any pertinent information and assist in acquiring feedback needed for the survey, consultant will help analyze the surveys and report their findings to the City. Survey/analysis will be done on an as needed basis.

62. Regarding RFP item 2.3.4: When are each of the City's labor agreements scheduled to expire?

See Question #28.

63. Regarding RFP item 2.4: With regards to Mental Health Parity NQTL requirements and Transparency and No Surprises Act compliance: Please explain what actions the City has completed, or plans to have completed or in-process to be in compliance prior to the planned effective date of this contract (So that we may assess the amount of work that will be necessary under the new contract). They would help to development and implement (do research first).

All medical plans are fully insured and current consultant is working with our carriers

to maintain compliance. The expectation is the selected consultant would continue this compliance work as referenced in Section 2.4.10 of the RFP.

64. Regarding RFP item 2.5: Please provide a sample report for appropriate context and estimating hours required to complete. All claims during time period from 1/1 to 6/30 is ran to show all monthly claims and is analyzed to identify trends.

Consultant would develop this report and would know the hours needed to complete.

65. Regarding RFP item 2.7.4: Please provide a sample report for appropriate context and estimating hours required to complete.

Consultant would develop this report and would know the hours needed to complete.

66. Regarding RFP item 2.8.5: Please provide a sample actuary report for appropriate context and estimating hours required to complete.

Consultant would develop this report and would know the hours needed to complete.

67. Regarding RFP item 3.0: What is the anticipated effective date for the contract, even if it is subject to change.

Effective date of the contract would be 2/1/2022.

68. Regarding RFP item 4.2.C: Please clarify the request as it references “electric-arc hazard assessment experience”.

Section 4.2 item C “electronic-arc hazard assessment” is not applicable for this RFP. Please see above “Changes to RFP” section.

69. Regarding RFP item 4.1.D and Attachment A: Due to COVID-19 and limited in-office personnel, will the City accept electronic RFP submissions ONLY, as an alternative to the hardcopy and electronic copies?

An electronic copy is acceptable, however, the hardcopy and the electronic submission will need to be received by the submittal deadline.

**** END OF ADDENDUM 1****

PROPOSER MUST ACKNOWLEDGE THIS ADDENDUM BY SIGNING BELOW AND ATTACHING THE SIGNED ADDENDUM TO THE PROPOSAL FORM:

Company Name _____

Contact Person _____

Signature _____

Date _____

PROPOSALS Due – Promptly by 2:00 p.m., Thursday, October 7, 2021, City Clerk’s Office.

_____ City of Stockton Use Only below this line _____

Addendum acknowledged and signed? ___(Procurement Specialist’s initials)