

CITY OF STOCKTON



**REQUEST FOR PROPOSALS (RFP)
TO PROVIDE THIRD PARTY ADMINISTRATIVE SERVICES
OF THE SELF-ADMINISTERED HEALTH BENEFITS COMPONENTS
FOR THE CITY OF STOCKTON, CALIFORNIA
(PUR 14-006)**



**PROPOSALS WILL BE RECEIVED UNTIL THE HOUR OF
2:00 O'CLOCK P.M., MAY 1, 2014
IN THE OFFICE OF THE CITY CLERK,
FIRST FLOOR, CITY HALL, 425 NORTH EL DORADO STREET,
STOCKTON, CALIFORNIA 95202-1997**

**CITY OF STOCKTON
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NOTICE INVITING PROPOSALS

NOTICE IS HEREBY GIVEN that Request for Proposals (RFP) are invited by the City of Stockton, California to provide Third Party Administrative Services (PUR 14-006) in strict accordance with the specifications.

The City is seeking proposals from firms that can provide high quality Third Party Administrative services to the City and to its employees and retirees at the most competitive rates. This projected effective contract start date is January 1, 2015. It is contemplated that the resulting agreement will have a base period of three (3) years with the option of two (2) additional one (1) year extensions.

Proposal forms and specifications are available on the City's web site at <http://www.stocktongov.com/services/business/bidflash/default.html> and must be delivered to the Office of the City Clerk, City Hall, 425 North El Dorado Street, Stockton, up to but not later than, **MAY 1, 2014, at 2:00 p.m.**

The City reserves the right to reject any and/or all proposals received.

For Information on Technical Data or RFP Process/Clarification, contact:

Tami Matuska, HUMAN RESOURCES
Concepcion Gayotin, PURCHASING
Tom Morrison, SEGAL

via email - Purchasing@stocktongov.com

DISCLAIMER: The City does not assume any liability or responsibility for errors/omissions in any document transmitted electronically.

Dated: April 3, 2014

BONNIE PAIGE
CITY CLERK OF THE CITY OF STOCKTON

PROPONENT'S CHECKLIST
CITY OF STOCKTON / PURCHASING DIVISION

Did You:

- * ___ Complete the following proposal documents (FROM THIS PACKET ONLY SUBMIT PAGES 22 to 57 AND PLACE IN THE FRONT OF YOUR PROPOSAL.).
 - * ___ Sign and notarize by jurat certificate the "Non-Collusion Affidavit" form. An "All-Purpose Acknowledgment" form will not be sufficient.
 - * ___ Complete and sign a "Proponent's Fee Schedule" form, (and submit under separate cover).
 - * ___ Sign the "Proponent's Agreement" form. **Include (with proposal) name and e-mail address for City contact, if different from signatree.**
- * ___ To the City, submit one (1) ORIGINAL (unbound and no staples) and SIX (6) COPIES of all proposal documents. Additionally, submit one (1) CD with an electronic version of the proposal and all proposal documents. To Segal, submit a courtesy copy of the proposal and a CD.
- * ___ Review all clarifications/questions/answers on the City's website at <http://www.stocktongov.com/services/business/bidflash/default.html>.
- * ___ Deliver sealed proposal to City Hall, City Clerk's Office (1st floor), 425 North El Dorado Street, Stockton, CA 95202, before **MAY 1, 2014, at 2:00 p.m.** Sealed proposal shall be marked "Proposal" and indicate project name, number, and proposal opening date. Please note that some overnight delivery services do not deliver directly to the City Clerk's Office. This could result in the proposal arriving in the City Clerk's Office after the proposal opening deadline and therefore not being accepted.
 - A) **“RFP – TO PROVIDE THIRD PARTY ADMINISTRATIVE SERVICES”**
 - B) **PUR 14-006**
 - C) **MAY 1, 2014**

For Information on Technical Data or RFP Process/Clarification, contact:

Tami Matuska, HUMAN RESOURCES
Concepcion Gayotin, PURCHASING
Tom Morrison, SEGAL
via email - Purchasing@stocktongov.com

*If not completed as required, your proposal may be rejected.

DISCLAIMER: The City does not assume any liability or responsibility for errors/omissions in any document transmitted electronically.

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1.0 GENERAL INFORMATION

1.1 REQUEST FOR PROPOSAL (RFP) PROCESS

The purpose of this Request for Proposal (RFP) is to request proponents to present their qualifications and capabilities to provide to provide Third Party Administrative Services (PUR 14-006) for the City of Stockton.

1.2 INVITATION TO SUBMIT A PROPOSAL

Proposals shall be submitted no later than **2:00 p.m., on, MAY 1, 2014**, in the office of:

CITY CLERK
CITY OF STOCKTON
425 NORTH EL DORADO STREET
STOCKTON, CA 95202-1997

To the City, ONE (1) original (unbound and no staples) and SIX (6) copies of the proposal shall be submitted. Additionally, submit one (1) CD with an electronic version of the proposal. The proposal should be firmly sealed in an envelope, which shall be clearly marked on the outside, "RFP to provide Third Party Administrative Services for the City of Stockton (PUR 14-006)." Any proposal received after the due date and time indicated may not be accepted and may be rejected and returned, unopened, to the proponent.

Also, submit a similar courtesy copy of one proposal and CD to Segal at:

The Segal Company
c/o Tom Morrison
330 North Brand Blvd., Ste. 1100
Glendale, CA 91203

The timeliness of the submission and its acceptance will be determined by the City of Stockton. Any portion or documents submitted to Segal, but not submitted to the City of Stockton will not be accepted.

No unsolicited material will be accepted after the submittal date.

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1.3 LOCAL BUSINESS PREFERENCE

Stockton Municipal Code Section 3.68.090 reads as follows:

Preference shall be given to the purchase of supplies, materials, equipment and contractual services from local merchants, quality and price being equal. Local merchants who have a physical business location within the boundaries of San Joaquin County, and who have applied for and paid a business license tax and registration fee pursuant to Stockton Municipal Code Chapter [5.08](#) shall be granted a two (2) percent bid preference. Local merchants who have a physical business location within the boundaries of the City of Stockton, and who have applied for and paid a business license tax and registration fee pursuant to Stockton Municipal Code Chapter [5.08](#) shall be granted a three (3) percent bid preference. This is intended to provide preference in the award of certain City contracts in order to encourage businesses to move into the City. (Prior code § 3-106.1).

1.4 CONSEQUENCE OF SUBMISSION OF PROPOSAL

- A. The City shall not be obligated to respond to any proposal submitted nor be legally bound in any manner by the submission of a proposal.
- B. Acceptance by the City of a proposal obligates the proponent to enter into an agreement with the City.
- C. An agreement shall not be binding or valid against the City unless or until it is executed by the City and the proponent.
- D. Statistical information contained in these documents is for informational purposes only. The City shall not be responsible for the accuracy of said data. City reserves the right to increase or decrease the project scope.

1.5 ACCEPTANCE OR REJECTION OF PROPOSAL

The City reserves the right to select the successful proposal and negotiate an agreement as to the scope of services, the schedule for performance and duration of the services with proponent(s) whose proposal(s) is/are most responsive to the needs of the City. Further, the City reserves the right to reject any and all proposals, or alternate proposals, or waive any informality or irregularity in the proposal as is in the City's best interest.

The City reserves the right to reject any and all proposals, or portions thereof, received in response to the Request or to negotiate separately with any source whatsoever, in any manner necessary, to serve the best interests of the City.

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Additionally, the City may, for any reason, decide not to award an agreement(s) as a result of this Request.

Non-acceptance of any proposal shall not imply that the proposal was deficient. Rather, non-acceptance of any proposal will mean that another proposal was deemed to be more advantageous to the City or that the City decided not to award an agreement as a result of this Request.

1.6 RIGHT TO CHANGE OR AMEND REQUEST

The City reserves the right to change the terms and conditions of this Request. The City will notify potential proponent(s) of any material changes by posting on the City's website. No one is authorized to amend any of the Request requirements in any respect, by an oral statement, or to make any representation or interpretation in conflict with its provisions. If necessary, supplementary information and/or clarifications/questions/answers will be posted on the City's website at <http://www.stocktongov.com/services/business/bidflash/default.html>. Failure of any proponent to not have received such information and/or clarifications/questions/answers shall not relieve such proponent from any obligation under his/her proposal as submitted.

Any exceptions to this Proposal shall be clearly stated in writing.

1.7 CANCELLATION

The City reserves the right to rescind award of the contract at any time before execution of the contract by both parties if rescission is deemed to be in City's best interest. In no event shall City have any liability for the rescission of award. The proponent assumes the sole risk and responsibility for all expenses connected with the preparation of its proposal.

1.8 EXAMINATION OF PROPOSAL MATERIALS

The submission of a proposal shall be deemed a representation and warranty by the proponent that it has investigated all aspects of the Request, that it is aware of the applicable facts pertaining to the Request process and its procedures and requirements, and that it has read and understands the Request. No request for modification of the provisions of the proposal shall be considered after its submission on the grounds the proponent was not fully informed as to any fact or condition. Statistical information which may be contained in the Request or any addendum is for informational purposes only. The City disclaims any responsibility for this information which may subsequently be determined to be incomplete or inaccurate.

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1.9 ADDENDA AND INTERPRETATION

The City will not be responsible for, nor be bound by, any oral instructions, interpretations, or explanations issued by the City or its representatives. Any request for clarifications/questions/answers of this Request shall be made in writing/e-mail and deliverable to:

Tami Matuska, HUMAN RESOURCES
Concepcion Gayotin, PURCHASING
Tom Morrison, SEGAL

via email - Purchasing@stocktongov.com

Such request for clarifications/questions/answers shall be delivered to the City by April 10, 2014. Any City response to a request for clarifications or questions will be posted on the City's website at <http://www.stocktongov.com/services/business/bidflash/default.html> by April 17, 2014, and will become a part of the Request. The proponent should await responses to inquiries prior to submitting a proposal.

1.10 DISQUALIFICATION

Any of the following may be considered cause to disqualify a proponent without further consideration:

- A. Evidence of collusion among proponents;
- B. Any attempt to improperly influence any member of the evaluation panel;
- C. Any attempt to communicate in any manner with a City of Stockton elected official during the RFP/bid process will, and shall be, just cause for disqualification/rejection of proponent's proposal/proponent's submittal and considered non-responsive.
- D. A proponent's default in any operation of a professional services agreement which resulted in termination of that agreement; and/or
- E. Existence of any lawsuit, unresolved contractual claim, or dispute between proponent and the City.
- F. No person, firm, or corporation shall be allowed to make or file or be interested in more than one proposal for the same supplies, services, or both; provided, however, that subcontract proposals to the principal proponents are excluded from the requirements of this section: Section 3.68.120 of the Municipal Code.

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1.11 INFORMAL PROPOSAL REJECTED

A proposal shall be prepared and submitted in accordance with the provisions of these Request instructions and specifications. Any alteration, omission, addition, variance, or limitation of, from, or to a proposal may be sufficient grounds for rejection of the proposal. The City has the right to waive any defects in a proposal if the City chooses to do so. The City may not accept a proposal if any document or item necessary for the proper evaluation of the proposal is incomplete, improperly executed, indefinite, ambiguous, or missing.

1.12 CONDITIONS TO BE ACCEPTED IF ANY WORK IS SUBCONTRACTED

- A. The proponent assumes full responsibility, including insurance and bonding requirements, for the quality and quantity of all work performed.
- B. If proponent's supplier(s) and/or subcontractor's involvement requires the use of a licensed, patented, or proprietary process, the proponent of the process is responsible for assuring that the subcontractor, supplier, and/or operator have been properly authorized to use the process or for providing another process which is comparable to that which is required prior to submission of a proposal.

1.13 LICENSING REQUIREMENTS

Any professional certifications or licenses that may be required will be the sole cost and responsibility of the successful proponent.

A City of Stockton Business license may be required for this project. Please contact the City of Stockton Business License Division at (209) 937-8313.

1.14 INSURANCE REQUIREMENTS

Proponent, at Proponent's sole cost and expense and for the full term of the resultant contract or any extension thereof, shall obtain and maintain at least all of the insurance requirements listed in attached Exhibit 1.

All coverage shall be provided by a carrier authorized to transact business in California and shall be primary. All policies, endorsements, and certificates shall be subject to approval by the Risk Manager of the City to Stockton as to form and content.

Maintenance of proper insurance coverage is a material element of this contract and that failure to maintain or renew coverage or to provide evidence of renewal may be treated as a material breach of contract.

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The Proponent shall assert that these insurance requirements will be met as part of their proposal response. Failure to comply with these insurance requirements may result in a proposal being deemed unresponsive. Proponent shall satisfy these insurance requirements concurrently with the signing of the contract prior to commencement of work. It is strongly suggested that insurance requirements be reviewed with Proponent's broker to ensure any additional costs are included in the proposal pricing component.

Any questions pertaining to insurance requirements, please contact City of Stockton Risk Services at (209) 937-5037.

1.15 INDEMNIFICATION/HOLD HARMLESS DEFENSE CLAUSE

Contractor agrees to indemnify, save, hold harmless, and at City's request, defend the City, its officers, agents, and employees from any and all costs and expenses (including attorney and legal fees), damages, liabilities, claims, and losses occurring or resulting to the City in connection with the performance, or failure to perform, by Contractor, its officers, agents, sub-contractors, employees, or anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable under this Agreement, and from any and all costs and expenses (including attorney and legal fees), damages, liabilities, claims, and losses occurring or resulting to any person, firm, or corporation who may be injured or damaged by the performance, or failure to perform, of Contractor, its officers, agents, or employees under this Agreement. The duty to defend and the duty to indemnify are separate and distinct obligations. The City's acceptance of the insurance certificates required under this Agreement does not relieve the Consultant from its obligation under this paragraph. The indemnification obligations of this section shall survive the termination of this agreement.

The proponent shall assert that these indemnification/hold harmless provisions will be adhered to as part of their proposal. Failure to agree with this language may result in a proposal being deemed unresponsive.

1.16 APPLICABLE LAW

This agreement shall be governed by the laws of the State of California. Venue shall be proper in the Superior Court of the State of California, County of San Joaquin, Stockton Branch, or, for actions brought in Federal Court, the United States City Court for the Eastern City of California, Sacramento Division.

1.17 METHOD OF PAYMENT

Payment will be made within thirty (30) days after invoices are received and accepted by the City Manager. Invoices are to be rendered monthly.

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1.18 NOTICE TO OUT-OF-STATE VENDOR

Sales and use tax on purchases made by the City of Stockton from all companies located outside California and whose products are shipped from out of state will be remitted to the State Board of Equalization directly by the City under permit number **SR KHE 28-051174 DP**. **Please do not include sales/use tax on the invoice that you submit to the City of Stockton.**

Questions regarding the City of Stockton's payment of sales/use tax can be directed to the City of Stockton's Purchasing Division at (209) 937-8357.

1.19 TERM

Anticipated contract award is 3 years with the option to renew for 2 additional one-year periods. The projected start date is January 1, 2015.

1.20 COMPETITIVE PRICING

Proponent warrants and agrees that each of the charges, economic or product terms or warranties granted pursuant to this Contract are comparable to or better than the equivalent charge, economic or product term or warranty being offered to any similarly situated commercial or other government customer of proponent. If proponent enters into any arrangements with another customer of proponent to provide product under more favorable charges, economic or product terms or warranties, proponent shall immediately notify CITY of such change and this Contract shall be deemed amended to incorporate the most favorable charges, economic or product terms or warranties.

1.21 FUNDING

Any contract which results from this Request will terminate without penalty at the end of the fiscal year in the event funds are not appropriated for the next fiscal year. If funds are appropriated for a portion of the fiscal year, this contract will terminate without penalty, at the end of the term for which funds are appropriated.

1.22 UNCONDITIONAL TERMINATION FOR CONVENIENCE

The City may terminate the resultant agreement for convenience by providing sixty (60) calendar day advance notice unless otherwise stated in writing.

1.23 AUDITING OF CHARGES AND SERVICES

The City reserves the right to periodically audit all charges and services made by the successful proponent to the City for services provided under the contract.

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Upon request, the proponent agrees to furnish the City with necessary information and assistance.

1.24 CHANGES

The City's representative has the authority to review and recommend or reject change orders and cost proposals submitted by the proponent or as recommended by the proponent's Project Manager, pursuant to the adopted City of Stockton Standard Specifications.

1.25 AWARD

Upon conclusion of the Request process, a contract may be awarded to provide Third Party Administrative Services for the City of Stockton.

The City reserves the right to select the successful proponent and to negotiate terms of a contract with the proponent(s) whose proposal(s) is/are most responsive to the needs of the City. Further, the City reserves the right to reject any and all proposals, or alternate proposals, or waive any informality in the proposal as is in the City's best interest.

1.26 PRODUCT OWNERSHIP

Any documents, products or systems resulting from the contract will be the property of the City of Stockton.

1.27 CONFIDENTIALITY

If proponent believes that portions of a proposal constitute trade secrets or confidential commercial, financial, geological, or geophysical data, then the proponent must so specify by, at a minimum, stamping in bold red letters the term "**CONFIDENTIAL**" on that part of the proposal which the proponent believes to be protected from disclosure. The proponent must submit in writing specific detailed reasons, including any relevant legal authority, stating why the proponent believes the material to be confidential or a trade secret. Vague and general claims as to confidentiality will not be accepted. The City will be the sole judge as to whether a claim is general and/or vague in nature. All offers and parts of offers that are not marked as confidential may be automatically considered public information after the contract is awarded. **The proponent is hereby put on notice that the City may consider all or parts of the offer public information under applicable law even though marked confidential.**

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1.28 OTHER GOVERNMENTAL AGENCIES

If mutually agreeable to all parties, the use of any resultant contract/purchase order may be extended to other political subdivisions, municipalities, or tax supported agencies.

Such participating governmental bodies shall make purchases in their own name, make payment directly to successful Proponent and be liable directly to the successful Proponent, holding the City of Stockton harmless.

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2.0 BACKGROUND

The City currently offers a self-insured medical plan for active employees, the Modified Medical Plan, and allows retirees to enroll and pay the entire cost of participation in the Modified Medical Plan and a small group is enrolled in a terminated medical plan only for retirees, the Original plan, that is also self-insured. The City also offers a fully insured Kaiser medical plan as an option. In addition, dental and vision benefits are offered to City employees through various providers. The current TPA provides the eligibility services and vendor premium disbursement.

Proposers should carefully review the scope of work for the services required of the City.

Contributions

The City currently contributes a fixed dollar amount per its agreement with its bargaining units for Active Employees, based on the level of coverage without regard to the plan that is selected. Retirees pay the full cost of coverage as of July 1, 2013. The administrator is required to collect all retiree premiums, with the exception of the enrolled members of the Kaiser Plan. Kaiser collects all retirees' premiums. Please note, all self-pay premiums for employees on leave and COBRA participants are collected by the administrator.

Enrollment as of February 2014

Modified Active	376
Modified COBRA	7
Modified Retiree	67
Original Retiree	2
Kaiser	711
Kaiser COBRA	2
Total	1,165

Plan Design/Eligibility

Please refer to Attachment B.

Underwriting Information

Please refer to Attachment C.

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2.1 SCOPE OF WORK

A. FORMS

1. Provide all standard supplies necessary with respect to the Plan, including standard black and white enrollment materials, claim forms and other related documents.

B. PLAN DOCUMENTS

1. Provide benefit booklets and standard documents to communicate the benefits available to participants in the Plan and to consult with them when necessary regarding the proper methods of submitting claims for benefits. Printing and graphic supply charges are to be billed in addition to the monthly administrative fee.
2. Administrator is responsible to work with the City and its consultant in the preparation of these materials.

C. COMMUNICATION REGARDING CLAIMS

1. Communicate in appropriate instances with physicians, hospitals and other persons or institutions supplying medical or other services, in order to clarify or verify claims.

D. ELIGIBILITY SYSTEM

1. Proposer must provide online eligibility system to the City to enter new employees, change enrollment, add dependents, and terminate employees and agree to provide this information to all other benefit vendors such as dental, vision, prescription, life insurance at a minimum.

E. CLAIMS PROCESSING

1. Review, process and adjust claims, in accordance with the Plan Documents, which are incurred on or after the Effective Date of this Agreement and are received by the administrator prior to the termination of this Agreement, including run-in claims upon the commencement of this agreement.

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2. Coordinating benefits with other group plans, auto insurance coverage, workers' compensation and any other applicable benefit plans; applying contractual and reasonable and customary allowances to billed charges; applying deductibles and coinsurance; and, upon receipt of funds from the City, sending explanations of benefits and non-assigned claim dates (if any) to the employee and assigned claim drafts to the service providers. This may also involve review by physician and dental consultants and consulting attorneys.
3. Upon the request of the City, process all run-out claims after the termination of this agreement at a fee stipulated in the Proposal request.

F. CLAIMS PROCESSING; RUN IN CLAIMS

1. Review, evaluate and process claims, in accordance with the Plan Documents, which were incurred prior to the Effective Date of this Agreement.

G. DENIALS AND APPEALS

1. As required by the Plan Documents and applicable law, notify participants in the Plan or their assignees of (i) any denial of their claim and the right to appeal the denial and (ii) the decision on appeal. The administrator shall review and provide recommendations on any appeals of denied claims, and obtain for the City the opinion of an Independent Review Organization, the charges for which will be billed on a per use basis.

H. EXCESS LOSS CLAIMS

1. File requests for reimbursement for claims exceeding the stop loss or excess loss insurance attachment point to the insurance carrier and review such reimbursement. Provide such other notices regarding claims as may be required by the carrier.
2. Comply with all reporting requirements of the stop loss carrier.

I. MONTHLY REPORTING

1. Provide the City with a monthly check register and a monthly accounting of the self-funded claims activity in a manner as designated by the City and to sufficiently provide an audit trail for the City's auditors.

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J. PREMIUMS AND FEES

1. Provide a monthly invoice to the Plan Sponsor for stop loss, excess loss, medical, dental, vision or similar insurance premiums, administrative fees and other agreed-upon premiums or fees. Reconcile all invoices with the respective carrier or service provider and remit applicable premiums and fees monthly to insurance carriers and other service providers.
2. Collect all premiums from non-active employees (COBRA and Employees on leave) and retirees, except the Kaiser plan participants.

K. ACCOUNT MANAGEMENT

1. Senior and associate account management team to service the City Human Resource Department in a sufficient manner for it to accomplish its day-to-day responsibilities.

L. CUSTOMER SERVICE

1. Provide customer service to answer inquiries on claims, eligibility, provider network, services, coverage, or other inquiries from participants Monday through Friday from 8:00 AM to 5:00 PM (PST).

M. ENROLLMENT SUPPORT

1. Prepare and provide Benefit Presentations.
2. Attend Open Enrollment Meetings and yearly Benefits Fair in Stockton, California.

N. COBRA ADMINISTRATIVE SERVICES

1. Transmit COBRA notification to participants upon notification from the City of a qualifying event via eligibility file transfer.
2. Accept and process all COBRA forms from qualifying beneficiaries.
3. Collect all premiums.

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4. Notify COBRA participants of extensions under disability or extended state benefits.
5. Notice and terminate all delinquent COBRA beneficiaries.

O. STOP LOSS PAYMENT INFORMATION

1. Provide to the Stop Loss Insurance Carrier all necessary information in order to comply with the requirements of the stop loss carrier contract.
2. Provide sufficient notice to the City and its consultant on the number of emerging claims and the appropriate amounts expected to be reimbursed by the stop loss insurance carrier.

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3.0 PROPOSAL GUIDELINES, CONTENT AND FORMAT

The City of Stockton uses a qualifications-based selection process in obtaining these services. In order for the City to properly evaluate the Proponents qualification to perform this work, the proposals shall include, as a minimum, the following information:

- A. Evidence of the Proponent's ability to be responsive to this project in regard to timeliness and expertise, including availability of staff proposed to be assigned.
- B. The Proponents are encouraged to expand on the Scope of Work to demonstrate their expertise. Evaluation of the proposals will be based on qualifications, the experience of staff proposed to be assigned to the project, references and thoroughness of the proponent's response to the Scope of Services.
- C. Such additional information that the Proponent may feel would be pertinent to assist the City of Stockton in making its final decision.
- D. Please submit one (1) original and six (6) copies of your proposal/qualifications. The original should be unbound to allow us to reproduce your proposal, as needed. Additionally, submit one (1) CD with an electronic version of the proposal and all submitted proposal documents. Additionally, a courtesy copy of the proposal and CD must be submitted to Segal.

3.0.1 Cover Letter

Submit a letter on your company letterhead addressing the proposal and format. The letter should be signed by an officer of the firm authorized to bind the firm to all comments made in the proposal, and shall include the name, address, phone number and e-mail address of the person(s) to contact who will be authorized to represent your firm.

3.0.2 Minimum Experience Qualifications Summary

A statement of professional experience and ability.

3.0.3 Management/Method of Operation

Provide detailed description outlining your firm's approach to provide the service. Highlight innovative ideas your firm may have to provide to the City and describe in detail your procedures and management techniques.

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3.0.4 References

Provide a list of references with current contact person, e-mail address and phone number who may be contacted regarding firm performance.

3.0.5 Financial Statement

The proponent must be able to demonstrate a good record of performance and have sufficient financial resources to ensure that they can satisfactorily provide the services required herein.

Proponent shall submit a full and detailed presentation of the true condition of the proponent's assets, liabilities and net worth. The report should include a balance sheet and income statement. If the proponent is a new partnership or joint venture, individual financial statements must be submitted for each general partner or joint venture thereof. If firm is a publicly held corporation, the most current annual report should be submitted.

Any proponent who, at the time of submission, is involved in an ongoing bankruptcy as a debtor, or in a reorganization, liquidation, or dissolution proceeding, or if a trustee or receiver has been appointed over all or a substantial portion of the property of the proponent under federal bankruptcy law or any state insolvency, may be declared non-responsive.

3.0.6 Corporate Structure, Organization

Describe how your firm is organized, noting major divisions and any parent/holding companies, as well as brief history of the firm and all personnel potentially to be involved in the project including all sub-consultants. Designate the Principal in Charge and other key personnel. Include résumés. Also, provide a description of the experience your firm has had with similar processes.

3.0.7 Proposal Fee (Under Separate Cover)

Provide detailed basic fee structure and break-down of any other charges related to your firm's proposal. Finalist's fee structure may be subject to negotiation.

3.0.8 Proposal Format

The proposal must be submitted, typewritten on 8½" X 11" white paper and must be bound in a secure manner.

3.0.9 Supplemental Information

Material and data not specifically requested for consideration, but which the proponent wishes to submit must not appear with the Proposal Form, but may

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appear only in an “Additional Data” section. This has specific reference to the following types of data:

- A. Generalized narrative of supplementary information; and
- B. Supplementary graphic material.

3.0.10 Proposal Submission

All proposals must be signed with the full name of the proponent, if an individual; by an authorized general partner, if a partnership; or by an authorized officer, if a corporation.

3.0.11 Proposal Submission by Agent

When proposals are signed by an agent other than an officer of a corporation or a member of a general partnership, a power of attorney authorizing the signature must be submitted with the proposal.

3.0.12 Proposal Submission by Partnership or Joint Venture

If the proposal is submitted by a partnership or joint venture, the Statement of Personal History attached to the Proposal Form must be completed by each general partner or joint venture thereof. If the proposal is submitted by a corporation, the Statement must be completed by each principal officer of said corporation.

3.0.13 Proposal Submission Requirements

The original proposal must have wet ink signatures. Modification to a proposal after the proposal submittal deadline will not be accepted by the City.

3.1 EVALUATION PROCEDURE AND CRITERIA

The City is interested in selecting a qualified firm with the ability to provide Third Party Administrative Services. A key component for the successful firm will be the ability to meet the City’s performance desires while minimizing the cost.

The Evaluation Panel will consist of City of Stockton staff and any other person(s) designated by the City. Following review of the proposals, the Panel may invite one or more proponents to make an oral presentation. During these presentations, the proponent will be allowed to present such information as may be appropriate in order that the Panel can effectively and objectively analyze all materials and documentation submitted as part of the proposals.

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Each firm must be represented by an individual who will be the prime contact person to the City and any other individuals whom the firm may select. The highest-rated proposal(s) will then be further scrutinized through financial analysis and reference checks.

To that end, the Panel will evaluate the proposals based on, but not limited to, the following criteria:

- A. Proponent's ability to provide all services as outlined in the Scope of Work;
- B. Related experience with similar projects, company background and personnel qualifications;
- C. Proponent's Fee Schedule: completed and signed (under separate sealed cover);
- D. Proponent's Agreement;
- E. Non-Collusion Affidavit;
- F. References;
- G. Recently terminated clients;
- H. Performance Guarantees; and
- I. Any other criteria as best suits the City of Stockton.

3.2 PROPOSED DEVELOPMENT COSTS

The cost of preparing and submitting a proposal is the sole responsibility of the proponent and shall not be chargeable in any manner to the City of Stockton.

3.3 PROPONENT CONTACT

Proponent shall provide the name, address, e-mail address and telephone number of an individual in their organization to whom notices and inquiries by the City should be directed as part of this proposal.

3.4 CITY'S USE OF PROPOSAL MATERIAL

All material submitted in or with the proposal shall become the property of the City, unless it is clearly marked as proprietary information. The City reserves the right to use any ideas presented in the proposals, without compensation paid to the Firm. Selection or rejection of the proposal shall not affect this right.

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3.5 REJECTION OF PROPOSAL

The City reserves the right to reject any and all proposals submitted and to request additional information from the Proponent. The award will be made to the firm which, in the opinion of the City, is best qualified.

PROPOSAL DOCUMENTS

A) "RFP – TO PROVIDE THIRD PARTY ADMINISTRATIVE SERVICES"

B) PUR 14-006

C) MAY 1, 2014

COMPANY NAME: _____

CONTACT NAME: _____

ADDRESS: _____

TELEPHONE NUMBER: _____

EMAIL: _____

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PROPONENT'S AGREEMENT

In submitting this proposal, as herein described, the proponent agrees that:

1. They have carefully examined the Scope of Work and all other provisions of this document and understand the meaning, intent and requirements of same.
2. They will enter into contract negotiations and furnish the services specified.
3. They have signed and notarized the attached Non-Collusion Affidavit form, whether individual, corporate or partnership. Must be 'A Jurat' notarization.
4. They have reviewed all clarifications/questions/answers on the City's website at <http://www.stocktongov.com/services/business/bidflash/default.html>
5. Confidentiality: Successful Proponent hereby acknowledges that information provided by the City of Stockton is personal and confidential and shall not be used for any purpose other than the original intent outlined in the Request for Proposal. Breach of confidentiality shall be just cause for immediate termination of contract agreement.

FIRM

ADDRESS

SIGNED BY

TITLE OR AGENCY

TELEPHONE NO. /FAX NO.

DATE

E-MAIL ADDRESS

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PROPONENT'S QUESTIONNAIRE

Questionnaire Instructions to Proponents

*****DO NOT ALTER THE QUESTIONS OR QUESTION NUMBERING***.**

- Provide an answer to each question even if the answer is “not applicable” or “unknown.” Incomplete questionnaires may be cause for disqualification.
- Answer the question as directly as possible.
 - If the questions asks “How many...” provide a number
 - If the question asks, “Do you...” indicate Yes or No **first**, followed by your additional narrative explanation.
- Lengthy responses are less preferred...to avoid this, be concise in your response. Use bullet points as appropriate. Reconsider how to word any response that exceeds 200 words in length so that the response contains the **most important points** you want displayed. Do not refer the reader to an appendix/attachment for further information.
- Proponent will be held accountable for accuracy/validity of all answers.
- Remember, RFP responses will become part of the contract between the winning Proponent and the City.

NOTE: Please make sure to include an electronic copy of your completed questionnaire in Word Format on the CD with your response.

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DO NOT ALTER THE QUESTIONS

A. GENERAL RFP REQUIREMENTS

For this section of the questionnaire, answer the question/requirement with a simple “Yes” or “No” answer. If you answer “No” to any of the questions/requirements in this section, please explain the response at the end of the section. The explanation will be reviewed, however, failure to agree to all of the terms requested in this section may cause the City to deem your proposal non-responsive.

1. Do you agree that if this proposal results in your company being awarded a contract and if, in the preparation of that contract, there are inconsistencies between what was proposed and accepted versus the contract language that has been generated and executed, that any controversy arising over such discrepancy will be resolved in favor of the language contained in the proposal or correspondence relating to your proposal?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Will you agree to be bound by the terms of your proposal until a final contract is executed?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Do you agree to all the terms and conditions in Section I of this RFP?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. You will be required to issue the Contract within thirty (30) calendar days after being given a <i>Notice of Intent to Award</i> unless waived by the City. Please confirm your acceptance of this requirement.	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Confirm that your proposed third party administrative fees are guaranteed for 36 months.	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Confirm that your proposed rates exclude commissions.	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Please confirm that your bid includes all fees with respect to the administration of the plans and that any and all fees not included are listed separately in your fee quotation form.	<input type="checkbox"/> Yes <input type="checkbox"/> No
8. Please confirm that there will be no adjustments to the proposed fees and/or rates based on actual enrollment or subsequent shifts in enrollment.	<input type="checkbox"/> Yes <input type="checkbox"/> No
9. The City requires that it maintain the right to terminate the contract at any time provided that it gives 60 days advance written notification to the contractor. Do you agree to this provision?	<input type="checkbox"/> Yes <input type="checkbox"/> No
10. Will you transfer enrollment cards, claim information, and other administrative records to any carrier that would replace you in the event of termination of this contract at no charge?	<input type="checkbox"/> Yes <input type="checkbox"/> No
11. Do you agree to the provision that changes in the administrative fee or/and premium rate may only occur on the anniversary date unless required by mandatory benefit changes?	<input type="checkbox"/> Yes <input type="checkbox"/> No

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12. Confirm that your service team supporting the City's Benefit Management will be available to the City Personnel during normal business hours for the operation of the City.	<input type="checkbox"/> Yes <input type="checkbox"/> No
13. Will you agree to accept any specified eligibility rule established by the City?	<input type="checkbox"/> Yes <input type="checkbox"/> No
14. Will you agree to include in your contract a hold harmless provision that indemnifies the City against liability that arises as the result of negligent acts, errors, omissions, fraud and other criminal acts committed by your network providers, officers, employees, and agents of the organization?	<input type="checkbox"/> Yes <input type="checkbox"/> No
15. Confirm that your firm is approved to administer claims under the Anthem Joint Administration Agreement.	<input type="checkbox"/> Yes <input type="checkbox"/> No
16. Do you agree to maintain compliance with HIPAA privacy and security for the duration of the contract with the City?	<input type="checkbox"/> Yes <input type="checkbox"/> No
17. Confirm that your company is in compliance with all state and federal laws applicable to the programs you are proposing or the services you will provide.	<input type="checkbox"/> Yes <input type="checkbox"/> No
18. Do you agree to provide monthly, quarterly, and annual reporting (i.e., administrative costs/premium, claims, enrollment and utilization)? - Enrollment: Monthly - Administrative costs/premium: Monthly - Claims: Monthly including large claim reports - Utilization: Quarterly; Semi-Annual and Annual	<input type="checkbox"/> Yes <input type="checkbox"/> No
19. Do you agree to perform all services listed under section 2.1, Scope of Work?	<input type="checkbox"/> Yes <input type="checkbox"/> No
20. Does your proposed fee include all services listed under section 2.1, Scope of Work?	<input type="checkbox"/> Yes <input type="checkbox"/> No

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Explain any "No" answer provided in the requirements above:

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IMPLEMENTATION AND TRANSITION	VENDOR RESPONSE
<p>j. Your proposed data migration strategy.</p> <p>k. Your approach to risk and issue management, scope control, and quality assurance.</p> <p>l. Establishment of bank accounts and on-line plan information.</p>	<p></p> <p></p> <p></p>
<p>5) Please indicate how you will be converting any existing claim records that are needed in order for you to process run-in claims on your system, including the methodology you will use and the cost involved. If this cost is not included in your quoted rates, please detail the cost. Please indicate the time frame for this conversion.</p>	<p></p>
<p>6) Would you transfer enrollment cards (if applicable), claim information and other administrative records to any carrier/TPA who replaced you at no charge?</p>	<p></p>
<p>7) Are all implementation costs included in your basic fees? If no, please identify all additional charges and include in Tables 3 of the Fee Quotation Section.</p>	<p></p>
<p>8) Based upon past experience from other clients for which you have implemented services, what can the City expect as far as the transition process is concerned?</p>	<p></p>

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C. COMPANY HISTORY & FINANCIAL PROFILE

COMPANY HISTORY & FINANCIAL PROFILE	VENDOR RESPONSE
1) Provide the legal name, address and telephone number of your company and the type of entity (sole proprietorship, partnership, LP, LLC or corporation and whether public or private). Include the name and telephone number of the person(s) in your company authorized to execute the proposed contract.	
2) Indicate any pending claim, complaint, petition, or lawsuit filed by your company or anyone acting on your company's behalf where the City may be liable for damages, costs, or attorneys' fees.	
3) State if you are a local vendor as defined in Section 1.3 of this RFP (provide the street address of the local office).	
4) Where is your company located and how long has it been in business? Indicate the total number of employees.	
5) If your Company is selected as a contractor, do you propose to open a local office? If not, how does your company proposed to provide local customer service?	
6) Is your company a division or subsidiary of a parent firm? If yes, please indicate the name of the parent firm.	
7) Do you plan to subcontract any portion of the services required to another firm? If "Yes", answer the following:	

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COMPANY HISTORY & FINANCIAL PROFILE	VENDOR RESPONSE
<p>a. Will you take responsibility for the quality, timeliness and accuracy of these sub-contracted services?</p> <p>b. Describe how your staff will interface with the staff of the subcontractor(s).</p> <p>c. Is there an expectation that member systems and/or participants would interface with any subcontractor?</p> <p>d. Is your organization willing to include language in the service agreement that will warrant that your firm and its related organizations will not outsource work to foreign workers during the life of the contract?</p>	
<p>8) Confirm that Plan data will be made available to the City or its authorized agents for purpose of an audit, from time to time. What, if any, restrictions would apply?</p>	
<p>9) Along with your proposal, please include copies of the most recent reports on your company claims paying ability from the rating services of Standard & Poor's, A.M. Best's, Moody's, and/or Fitch. (If you are not rated by one or more of these organizations, please so state). Has there been any change in your ratings in the last two years? If yes, please explain the nature and reason(s) for the change.</p>	

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COMPANY HISTORY & FINANCIAL PROFILE	VENDOR RESPONSE
<p>10) Provide the latest annual report or other financial reports (including audited financial statements) that indicate the financial position of your organization. If your company is privately held, list owners with 5 percent or more of equity. If the financial report is to be held as confidential, it must still be provided. It may be included in a separate envelope marked as confidential, proprietary information. Failure to submit the required information may cause your proposal response to be deemed incomplete.</p>	
<p>11) Has your firm ever been subject to a legal action brought by a client or former client for the proposed product/services within the past five years? If so, please explain the nature and current status of the action(s). Are there any outstanding legal actions pending that would affect your ability to provide the requested services? If yes, please explain.</p>	
<p>12) Has your company, its affiliates or any of its staff, principals or owners ever been subject to a governmental or criminal investigation involving the requested services? Please describe.</p>	
<p>13) What fidelity and surety insurance or bond coverage do you currently carry to protect your clients? Specifically describe the type and amount of the fidelity bond insuring your employees that would protect the City Plan in the event of a loss. Please confirm you are willing to maintain the insurance amounts required by the City as outlined in Exhibit 1.</p>	

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COMPANY HISTORY & FINANCIAL PROFILE	VENDOR RESPONSE
<p>14) Has your firm or any client administered by your firm ever sustained a fidelity loss or claim? If yes, please provide details.</p>	
<p>15) Indicate your firm's current liability insurance limit with regard to errors, omissions, negligence, etc. Please include deductible and annual limit (per occurrence and aggregate) information and name of insurer. (Please provide copies of such policies). Please confirm you are willing to maintain the insurance amounts required by the City as outlined in Exhibit 1.</p>	
<p>16) Designate the individual(s) with the following responsibilities. Include the name, title and address of each individual, along with a brief description of his/her qualifications and experience.</p> <ul style="list-style-type: none"> • The individual(s) representing your company during the proposal process. • The individual(s) who will be assigned to the overall ongoing management. • The individual(s) responsible for day-to-day service. 	<hr/> <hr/> <hr/>

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D. CUSTOMER SERVICE

CUSTOMER SERVICE	VENDOR RESPONSE
<p>1) Provide a brief overview of the administration office you would propose for the City. What is the location and hours of operation of the office that would provide day-to-day account service? How long has it been operational? What types of services does it provide?</p>	
<p>2) Describe the staffing of the proposed administration office. How many employees work in that location? What was the turnover rate for customer service and account management staff in the last 12 months? What was your total turnover? (Express as a percentage of total staff members.) What is the average number of years of experience of these employees?</p>	
<p>3) Indicate how many full time and part time individuals (by position type and level) would be dedicated or assigned to the City's account. Will dedicated employees have shared duties with other accounts? What percentage of time would be dedicated to the City? Please include customer service and programming staff specifically, in your response. Who will be assigned as the account executive on the account? Please provide his/her professional biography with your response.</p>	
<p>4) Describe the supervision function. Who would be responsible for daily ongoing administrative issues? How would account service for the City be coordinated? If your firm is selected, do you anticipate hiring additional staff? If so, how many and in what category?</p>	

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CUSTOMER SERVICE	VENDOR RESPONSE
5) Do you currently offer, or would you agree to offer, a web site that would provide claims status, verification of eligibility and other participant information?	
6) Please provide information on any enhancements currently underway in the customer service department.	
7) Do you conduct customer satisfaction surveys? If yes, please provide the satisfaction percentage for the last two years. If not, will you be willing to conduct surveys on behalf of the City if you are selected?	
8) Will a toll-free number be made available to participants to handle inquiries regarding benefit/plan design, eligibility, claim status, or other service issues such as locating network providers? Please specify whether the number will be dedicated to the City or shared (check only one):	<input type="checkbox"/> Yes, at no extra charge <input type="checkbox"/> Yes, at a charge of \$_____ (Please include this fee in Table 1 of Section IX) <input type="checkbox"/> No
9) What days/hours will the telephone lines be staffed by actual customer service representatives? (Please do not include hours the telephone line will be staffed by an answering service. Include weekend hours, if applicable.)	
10) Indicate the ways in which your organization is able to accommodate the special needs of enrollees (check all that apply).	<input type="checkbox"/> No special accommodations <input type="checkbox"/> Have a TDD (Telecommunications Device for the Deaf) or other voice capability for the hearing impaired <input type="checkbox"/> We accommodate non-English speaking enrollees by contracting with an independent translation company <input type="checkbox"/> We maintain customer service staff with the ability to translate Spanish <input type="checkbox"/> We maintain customer service staff with the ability to translate the following languages:

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E. HIPAA

HIPAA	VENDOR RESPONSE
1) Describe the process used by your company to comply with HIPAA EDI, Privacy, Security and HITECH requirements. Have you received external or independent certification regarding your HIPAA compliance?	
2) Who is the key individual in your organization responsible for compliance with the HIPAA Administrative Simplification provisions? Please identify that individual by name and title.	
3) Have you arranged for additional vendors, subcontractors, or other entities to assist you in complying with the HIPAA Administrative Simplification provisions? If yes, please identify the entities and/or their role.	
4) Describe your HIPAA EDI compliance solution. Does your system have the ability to send and receive all types of HIPAA X12 electronic transmissions? Are you using a clearinghouse as part of your solution? If so, which one(s)?	
5) Are you actively conducting EDI transactions at the present time? If so, which transactions are you presently conducting? If not, what is preventing you from sending and/or receiving EDI transactions?	
6) Is your system compliant with the National Provider Identifier (NPI) requirements?	

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HIPAA	VENDOR RESPONSE
7) Has any client ever terminated a HIPAA Business Associate Agreement with you (or an underlying Services Agreement) for cause, due to material breach or violation of the HIPAA Business Associate Agreement? If so, please describe the breach or violation and your efforts to remedy the situation.	
8) Describe the process used by your company to comply with HIPAA Privacy and Security requirements. Have you conducted an assessment?	
9) Have you conducted an analysis of the risks and vulnerabilities to protected enrollment and claims information in your system and networks?	
10) Is your staff trained on all Privacy and Security requirements? Please describe your training program and enforcement policy.	
11) Does your system presently meet requirements in the regulations issued pursuant to the HIPAA Security and HITECH standards? If not, have you identified areas in which your system does not meet the proposed standards and what is your timetable for bringing your system into compliance?	
12) Does your system produce sufficient audit trails to satisfy the HIPAA Privacy and Security regulations?	
13) Are all electronic transmissions of PHI, including eligibility files, authorizations, reports, etc., encrypted or sent via secure means? Which encryption methods do you support for e-mails and file attachments? Please describe.	

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HIPAA	VENDOR RESPONSE
14) Describe the encryption solution that you provide clients for exchanging e-mails containing ePHI.	

F. ORGANIZATIONAL EXPERIENCE

ORGANIZATIONAL EXPERIENCE	VENDOR RESPONSE
1) How long has your firm been administering health benefit plans? Please list the number of years your company has provided claims administration services.	
2) Describe your company's experience administering health benefit plans and claims for similarly sized clients.	
3) How many clients are you currently administering? How many additional clients are expected during 2015?	
4) Has any client terminated the administration services of your firm during the last five years? If so, please provide the names along with the reason for each termination. May they be contacted?	
5) Describe how your company keeps its staff apprised of legislative updates, both federal and State. Indicate the scope of your company's technical research ability, including staff and access to legal resources.	
6) Describe how your company keeps its clients abreast of on-going changes within your industry.	

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G. Claims Administration

CLAIMS ADMINISTRATION	VENDOR RESPONSE
1) Do you agree to perform each of the services as outlined in the Scope of Work in this RFP? If not, please list in detail each exception to the required services that you are not agreeing to perform.	
2) Identify any services in the Scope of Work that you do not provide to other clients.	
3) Please provide screenshots of your online eligibility system, which demonstrate the ability to enter new employees, change enrollment, add dependents, and terminate employees.	
4) Are changes made by the City in real time or batch processed?	
5) Is there any time lag for changes made into eligibility system and the claim system?	
6) Is your system currently set up to accumulate both the medical and prescription drug claims for the ACA mandated combined out-of-pocket maximum? If not, by what date will your system be able?	
7) Will you agree to provide eligibility information to the other insurance companies from this system and develop interferences for insurance companies/vendors?	
8) Do you agree to pay all run-in claims if you are required by the City? Please provide the cost of processing run-in claims in Fee Quotation Section.	

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CLAIMS ADMINISTRATION	VENDOR RESPONSE
9) How many claims processors will be dedicated/assigned to this account? What is the average number of years of experience of these claims processors?	
10) Describe both the initial and ongoing training received by claims processors, customer service representatives, supervisors and other management staff. Is the training optional or mandatory? How is performance measured to assure quality, timeliness, and accuracy of services?	
11) Describe the claims payment process from date of receipt to full adjudication of checks to providers or patients. Will all claims be paid in accordance with the benefit program described in the RFP and attached SPD?	
12) Is your recordkeeping system flexible to capture and track the following data elements? <ul style="list-style-type: none"> • Date of the original contract. • End date of the contract. • Basic employee census data, such as employee name, address, social security number and alternate ID number. • Data for each eligible dependent including date of birth, sex, social security number, relationship to member (spouse, domestic partner, child, etc.), student/disability status and verification dates, other employment/coverage (COB), Medicare coverage, alternate mailing address, etc. • Effective date by plan. • Termination date. 	<hr/>

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CLAIMS ADMINISTRATION	VENDOR RESPONSE
<ul style="list-style-type: none"> • Eligibility rules and benefit design by plan. • Eligibility accounting by group and subgroup. 	
<ul style="list-style-type: none"> • Subgroup accounting. • Appeals process (intake and first response). • Status (Employee, retiree, COBRA, etc.). 	
<p>13) Will you be able to maintain and administer alternate IDs? Describe your capabilities to assign, as well as to receive, City-assigned alternate IDs.</p>	
<p>14) Please describe your claims processing system. What other software is utilized (e.g., unbundling)? Describe how you will track and capture eligibility information, claim payments, etc. for the Plan.</p>	
<p>15) Describe your system's auto adjudication capabilities. What percentage of claims are you typically able to auto adjudicate (please specify hospital, medical, etc.)?</p>	
<p>16) Do you have the capability to transmit and receive data (eligibility, claims, payments, etc.) electronically? Please describe your current capabilities.</p>	
<p>17) Please describe your claims system capabilities in terms of reasonable and customary (R&C) profiles maintained. How do you develop and maintain your R&C profiles? How often are they updated? Can you capture CPT-4 codes plus modifiers? ICD-9? ICD-10? RBRVS? Custom R&C schedules?</p>	

**CITY OF STOCKTON
 REQUEST FOR PROPOSALS (RFP)
 TO PROVIDE THIRD PARTY ADMINISTRATIVE SERVICES
 (PUR 14-006)**

CLAIMS ADMINISTRATION	VENDOR RESPONSE	
18)What is the maximum amount of claims history that can be maintained on-line for a group of this size?		
19)Describe your internal procedures to monitor turnaround time and payment accuracy.		
20)Describe your internal procedures and methodology for claims audits and quality control.		
21)Please provide your most recent claims processing performance statistics for the claims office/staff that you are proposing for the City.	Statistic	
	Claims processing turnaround time for clean claims (in working days)	_____ day s
	Financial accuracy	%
	Coding accuracy	%
	Overall processing accuracy	%
	Auto adjudication ratio	%
22)For the claim office proposed, what is the number of working days for a claim to be processed (check issued) from the date of receipt, without coordination of benefits? On what basis do you make that representation (e.g., average turnaround time over the past 12 months)? <ul style="list-style-type: none"> • What percent of claims are processed within 5 working days: _____ % • What percent of claims are processed within 10 working days: _____ % 		
23)When are claims pending? Does a pending notice go into the system? Is there an automatic follow-up? What is the frequency of the follow-up? How many follow-ups performed?		

**CITY OF STOCKTON
 REQUEST FOR PROPOSALS (RFP)
 TO PROVIDE THIRD PARTY ADMINISTRATIVE SERVICES
 (PUR 14-006)**

CLAIMS ADMINISTRATION	VENDOR RESPONSE
24)How do you avoid duplicate payments of the same claim? If duplicate payments or overpayments are made, what are your procedures for recovery of the overpayments or duplicate payments?	
25)Describe the methods used to track claim status? If on-line, can claim tracking be made available to clients?	
26)How do you handle backlogs or emergency situations that affect claims processing and customer service (e.g., overtime, switch to another office)? Describe process for monitoring, recording and retrieving customer service calls and correspondence.	
27)Are you able to give credit for deductibles, or charges applied to out-of-pocket maximums and plan maximums, that accumulated with a prior administrator/carrier?	
28)Describe how your claims system interfaces with managed care data regarding a specific claim and/or hospital bill. If managed care services are subcontracted, does it have the ability to electronically transfer files from/to the medical review organization?	
29)What processes or programs do you have in place that identify and result in cost savings?	
30)Please explain how you identify and investigate workers compensation claims.	
31)What types of programs do you have in place to investigate potential health care fraud and abuse? How do you identify cases for investigation? What procedures are followed once a case is identified?	

**CITY OF STOCKTON
 REQUEST FOR PROPOSALS (RFP)
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CLAIMS ADMINISTRATION	VENDOR RESPONSE
32)How do you determine whether any professional charges submitted were for services actually rendered?	
33)Explain how unusual claims and/or charges are handled. Do you retain medical consultants for the review of any unusual claims or charges? If yes, explain the method in which such medical consultants are used and their qualifications. Indicate the savings in claim costs that are attributable to the use of these medical consultants and how that amount of savings is calculated. Does this outside organization or person have any other kind of business or personal relationship with your organization or any member of your organization? If so, what is the relationship?	
34)Please explain any other special claim administration procedures that you employ to achieve savings on claim payments, such as special investigations of claims. Include a description of each procedure, indicating whether these procedures are optional or automatic, their cost and the savings you typically achieve by using them. Be sure to explain how any savings are calculated.	
35)Are your systems and processes compliant with the DOL requirements for Claims and Appeals procedures? Please describe.	
36)Provide sample printed materials including claim forms, EOBs, etc.	

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H. Computer and System Support

COMPUTER AND SYSTEM SUPPORT			VENDOR RESPONSE		
1) Please describe all data elements that your record keeping system can capture and track. Can reports be queried by any of these data elements?					
2) Can your existing system handle/administer the City's plan rules? What system modifications do you expect to implement in order to accommodate the City's plan design and provide the required services accurately, and on a timely basis?					
3) Please indicate in the chart below what components of the computer application were (a) developed in-house, (b) purchased, or (c) licensed. If software is purchased or licensed, please indicate from whom.					
Function	Developed In-House	Purchased	Licensed	Year of Last Major Modification	Name of Software Vendor
Enrollment and Eligibility					
Claims Processing					
Imaging/ Scanning					
Workflow					
Customer Service					
Other: _____					
4) Describe your disaster recovery program and business resumption strategy.					

**CITY OF STOCKTON
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I. Reporting Capabilities

REPORTING CAPABILITIES	VENDOR RESPONSE
<p>1) You are expected to meet certain minimum reporting requirements. The City will require a number of regular weekly, monthly, quarterly and annual claim reports. Samples of some of these reports are listed below. Please indicate for each:</p> <ul style="list-style-type: none"> i. Whether or not you can provide such a report and the frequency provided, and ii. If you can provide the requested report, please indicate the price or whether the cost is included in your fees. <ul style="list-style-type: none"> • A monthly paid claims summary for all benefit payments made during the month. The summary should show the eligible charges submitted, amount paid during the month, and the number of claims paid. (i.e., the number of checks or drafts issued). How soon after the end of any given month, would such a report be available? Describe the reconciliation of the paid claims summary to the funding requests (how do you handle adjustments to prior funding requests? • A monthly report illustrating the distribution of claim occurrences and expenditures by hospital, including a cumulative total of the cost per day, length of stay, and total number of days by facility. 	This area is intentionally left blank for the vendor to provide their response

**CITY OF STOCKTON
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REPORTING CAPABILITIES	VENDOR RESPONSE
<ul style="list-style-type: none"> • A monthly report on admission approvals and denials for each hospital. • Cost containment reports showing savings due to amounts determined to be ineligible, amounts applied to deductible and coinsurance, and amounts adjusted for COB. • Claims paid by type of service category showing total number of claims, eligible charges and claim payments for each category. • Recommendation for IBNR for the City's financials including supporting documentation such as: Claims lag/triangulation report for financials (NOTE: the City's fiscal year is July 1 through June 30.) • Customer service and activity reports. • Full financial accounting reports including schedules and support for both internal and external audits. 	
<p>2) Describe any other claim/management reports you would be able to provide to the City or that you regularly provide as part of your standard reporting package at no additional charge, and the frequency with which they would be provided.</p>	
<p>3) How long are participant and claim records maintained in the system? How far back can the City go to obtain historical information on its health plan?</p>	
<p>4) What information/reports are available to the City via on-line access?</p>	

**CITY OF STOCKTON
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REPORTING CAPABILITIES	VENDOR RESPONSE
<p>5) Would you provide ad-hoc data reports at the City's request? If so, please describe your ad-hoc data reporting capabilities. Would there be additional fees for these reports? If so, please describe and include all additional fees in Tables 1 and 2 of the Fee Quotation Section.</p>	

**CITY OF STOCKTON
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J. Medicare Secondary Payer Mandatory Insurer Reporting

MEDICARE SECONDARY PAYER	VENDOR RESPONSE
1) Are you a Responsible Reporting Entity (RRE)?	
2) Do you have a Voluntary Data Sharing Agreement (VDSA) or Voluntary Data Exchange Agreement (VDEA) with CMS for reporting? If so, will your organization utilize this reporting method for all clients?	
3) If you do not have a VDSA or VDEA with CMS (or will not be utilizing this reporting methods for self-insured plans), please include information on what you are doing to support your clients' reporting requirements.	
4) Please provide information on how your client interfaces (e.g., eligibility and enrollment reporting process including online enrollment) have been implemented to comply with this new requirement.	

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PROPONENT INFORMATION SHEET

Organization Name:	
Date Founded	
Contact Person's Name	
Title	
Address	
City/State	
Phone Number	
E-mail Address	
Fax Number	
Website	

CURRENT CLIENT REFERENCES				
Name	Contact Name	Phone Number and Client Location	Number of Employees	Contract Start Date
RECENTLY TERMINATED CLIENTS				
Name	Contact Name	Phone Number	Termination Reason	Termination Date

_____ Authorized Signature

**CITY OF STOCKTON
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FINANCIAL EXHIBITS

Please be advised that if your quotes are not “firm” or “final” you must clearly indicate it in your proposal and explain exactly what information will be needed in order for the quote to become final. In providing fee estimates please keep in mind the following:

1. Proposals that contain contingencies upon the award of multiple services under the contract will not be accepted, including specific vendors.
2. Please complete the tables that are at the end of this section. Include all assumptions used to develop the fees. In preparing the tables, please keep in mind the following:
 - You must quote fees on a monthly per capita basis; please calculate your total monthly charge based on the headcounts provided in this RFP, and list the headcounts/assumptions used in your calculation.
 - For capitated quotes, please specify which participant population the fee should apply to (i.e., actives, retirees, terminated, etc.).
 - In order to ensure consistency among vendor bids, it is very important that you use the volumes provided in this RFP to calculate your fees, if you are quoting capitated fees; insert total fees where requested.
 - Any set-up fees to transfer records from the incumbent TPA system and/or manual records to your recordkeeping system should be listed separately (Table 3).
 - Any special fees or charges of any kind for services or supplies that will not be covered by your proposed per capita or fixed monthly fee must be disclosed in your proposal (Table 2). Please describe any services or supplies you will not cover.
 - Monthly fees should include all administration services outlined in this request for proposal. If you are proposing fees on a bundled basis, which may differ from the suggested breakdown, ensure that all services are accounted for and indicate “Included” in the appropriate fee box. List in Table 2 any services that you would not provide or that are not included in your fees.
3. List all services and supplies that are covered by the fees provided in Table 2. Please include all services as this list will be included in a contract agreement should your firm be selected.
4. For the fees quoted, indicate if fees include the cost of routine printing and postage (i.e., mailing of EOBs, checks, etc.). If not, provide the additional cost for postage.
5. If your organization makes any charges of any kind for services or supplies that are not included in the fees quoted on the basis indicated above (e.g., start-up costs, booklet drafting or printing) please describe clearly in your proposal such services and/or supplies and the charges that will be made for them. Otherwise, the City will assume that the fees that you quote include all services and supplies that could reasonably be expected to be provided to the City during the course of your administration of the plan.

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Table 1 - TPA Fee Quotation Form

	MONTHLY FEE CLAIMS ADMINISTRATION		
	Year 1	Year 2	Year 3
<p>1. Claims Administration for Original and Modified Plans</p> <ul style="list-style-type: none"> • Eligibility and enrollment maintenance • Coordinating benefits with other group plans, auto insurance coverage, workers' compensation and any other applicable benefit plans • Claims administration • Claims and appeals processing • Customer service <p>• Headcount used in the calculation: _____</p>	_____ <u>PEPM</u>	_____ <u>PEPM</u>	_____ <u>PEPM</u>
<p>2. Kaiser Eligibility and Vendor Premium Disbursement</p> <p>Headcount used in the calculation: _____</p>			
<p>3. Self-Pay Administration – COBRA, Retiree, Leave of Absence; includes notification to participants of all open enrollments and benefit changes</p>			
<p>4. Other Fees <i>(Please indicate if any will be treated as pass through costs paid by the City.)</i></p>			
<ul style="list-style-type: none"> • 800 Number (Specify shared or dedicated) 			
<ul style="list-style-type: none"> • Postage 			
<ul style="list-style-type: none"> • Printing of Forms 			
<ul style="list-style-type: none"> • Scanning 			

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	MONTHLY FEE CLAIMS ADMINISTRATION		
	Year 1	Year 2	Year 3
• SPDs/SMMs			
• Banking			
• Other (please specify)			
5. Run In Claims Administration			
6. Total Monthly Fees			
7. Total Annual Fees			

Table 2 - Fees and Services

LIST OF SERVICES INCLUDED IN FEES <i>(Please specify all services as this list will be included in a contract agreement should you be selected.)</i>
1. 2. 3.
ANY SPECIAL FEES, CHARGES OR EXPENSES OF ANY KIND NOT INCLUDED IN FEES
LIST OF SERVICES NOT INCLUDED IN FEES, ALONG WITH ASSOCIATED FEES
1 2. 3.

**CITY OF STOCKTON
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Table 3 - First Year Set-Up Fees

SERVICE	SET-UP FEES (YEAR 1 ONLY)
1. Initial Set-up Charge	
2. Development of Communication Materials (e.g., transition announcement letters, etc.)	
3. Other (Specify)	
Total Set-up Fees	

_____ **Authorized Signature**

_____ **Title**

_____ **Name of Company**

_____ **Date**

**CITY OF STOCKTON
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PERFORMANCE GUARANTEES

- 1. The City is looking for a flat dollar (\$\$\$) performance guarantee amount that can be allocated by the City across the various guarantees as they choose. Please indicate the amount you are willing to place at risk.**

- 2. The City will require specific performance guarantees. In addition, you may provide other guarantees designed to differentiate your program. All guarantees shall be set and measured annually. Measurement of performance guarantees may be based on internal self-reporting, subject to independent audit.**

Please describe your financial penalties for failure to meet guarantees and the threshold that would trigger such penalties. If you wish to provide other categories and targeted standards and penalties, please indicate them as changes or additions to the chart below.

Performance Category	Performance Standard Description	Proposed	
		Minimum Standard Target	Penalty
Overall Client Services	Telephone call availability and answering speed		
	Telephone call abandonment rate		
	Telephone call on-hold (in-queue) time		
	Complaint resolution by vendor		
Report Standards	Timely delivery of Report		
	Report Accuracy		

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Performance Category	Performance Standard Description	Proposed	
		Minimum Standard Target	Penalty
Implementation	Ready to Pay Claims on 1/1/2015		
	Complete the Implementation by 1/1/2015		
Claims Services	Monthly Claims Processing Turnaround Time		
	Financial Accuracy		
	Processing Accuracy		
	Payment Accuracy		

EXHIBIT 1
INSURANCE REQUIREMENTS
CONSULTANT

CONSULTANT shall procure and maintain for the duration of the Agreement, insurance against all claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the **CONSULTANT**, its agents, representatives, volunteers, or employees.

1. **INSURANCE** Throughout the life of this Contract, the Consultant shall pay for and maintain in full force and effect with an insurance company admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A: VII" in Best Insurance Key Rating Guide, the following policies of insurance:

- A. **AUTOMOBILE LIABILITY** insurance, endorsed for "any auto" with the following limits of liability: Bodily Injury \$250,000 each person, and \$500,000 each occurrence. Property Damage \$100,000 each occurrence.
- B. **WORKERS' COMPENSATION** insurance as required under the California Labor Code and Employers Liability Insurance with limits not less than \$1,000,000 per accident/injury/disease.
- C. **COMMERCIAL OR COMPREHENSIVE GENERAL LIABILITY AND MISCELLANEOUS SUPPLEMENTARY INSURANCE;**

FOR **ADDITIONAL** REQUIREMENT(S):

- (i) **COMMERCIAL OR COMPREHENSIVE GENERAL LIABILITY** insurance which shall include Contractual Liability, Products and Completed Operations coverage's, Bodily Injury and Property Damage Liability insurance with combined single limits of not less than \$1,000,000 per occurrence, and \$2,000,000 Aggregate limit.
- (ii) **PROFESSIONAL LIABILITY**, Not less than \$1,000,000 per Claim/\$2,000,000 Aggregate (3 yr discovery and reporting tail period coverage). Certificate of Insurance only required.
- (iii) **CRIME COVERAGE OR FIDELITY BOND**: covering the dishonest acts of employees furnished by Lessee, including coverage for theft of property of the City by the Lessee, its employees or subcontractors. The limit shall not be less than \$5,000,000 each occurrence.

Deductibles and Self-Insured Retentions must be declared and are subject to approval by the CITY.

Exhibit 1

The Policy(s) shall also provide the following:

1. The Commercial General Liability insurance shall be written on ISO approved occurrence form with additional insured endorsement naming: *City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers are additional insureds.*
2. All insurance required by this Agreement shall be with a company acceptable to the CITY and issued and executed by an admitted insurer authorized to transact insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONSULTANT completes its performance of services under this Agreement.
3. For any claims related to services or products provided under this contract, the Consultant's insurance coverage shall be primary insurance as respects the City of Stockton its officers, agents, and employees. Any coverage maintained by the CITY shall be excess of the Consultant's insurance and shall not contribute with it. Policy shall waive right of recovery (waiver of subrogation) against the CITY.
4. Each insurance policy required by this clause shall have a provision that coverage shall not be cancelled by either party, except after thirty (30) days' prior to written notice by certified mail, return receipt requested, has been given to the CITY. Further, the thirty (30) day notice shall be unrestricted, except for workers' compensation, or non-payment of premium, which shall permit ten (10) days advance notice. The insurer and/or the contractor and/or the contractor's insurance agent shall provide the CITY with notification of any cancellation, major change, modification or reduction in coverage.
5. Regardless of these contract minimum insurance requirements, the Consultant and its insurer shall agree to commit the Consultant's full policy limits and these minimum requirements shall not restrict the Consultant's liability or coverage limit obligations.
6. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the California Civil Code.
7. The Company shall furnish the City of Stockton with the Certificates and Endorsement for all required insurance, prior to the CITY's execution of the Agreement and start of work.
8. Proper address for mailing certificates, endorsements and notices shall be:

Exhibit 1

City of Stockton
Attention: Risk Services
425 N. El Dorado Street
Stockton, CA 95202

9. Upon notification of receipt by the CITY of a Notice of Cancellation, major change, modification, or reduction in coverage, the Consultant shall immediately file with the CITY a certified copy of the required new or renewal policy and certificates for such policy.

Any variation from the above contract requirements shall only be considered by and be subject to approval by the CITY's Risk Manager (209) 937-8617. Our fax is (209) 937-8558.

If at any time during the life of the Contract or any extension, the Consultant fails to maintain the required insurance in full force and effect, all work under the Contract shall be discontinued immediately. Any failure to maintain the required insurance shall be sufficient cause for the CITY to terminate this Contract.

If the Consultant should subcontract all or any portion of the work to be performed in this contract, the Consultant shall cover the sub-contractor, and/or require each sub-contractor to adhere to all subparagraphs of these Insurance Requirements section. Similarly, any cancellation, lapse, reduction or change of sub-contractor's insurance shall have the same impact as described above.

ATTACHMENT A – CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT

Date

Name

Job Title

Company Name

Business Address

Re: PUR 14-006: RFP – Project Name

Dear _____ :

This confidentiality agreement is between the City of Stockton (Client) by and through the Segal Company, acting as a consultant for Client (Consultant) and _____ [Company Name], on behalf of itself and all of its subsidiaries and affiliates, (hereafter “Contractor”) and is executed in connection with the Project Name RFP PUR 14-006 that Contractor intends to submit to Consultant in response to PROPOSALS issued by Client on behalf of its “Clients.”

In order to prepare a responsive proposal, Contractor needs to receive certain Client health plan information and data, including individually identifiable health information pertaining to Client health plan participants and beneficiaries, as well as Proprietary Information. Consultant and Contractor agree that the term “individually identifiable health information” refers to any health information that is not “de-identified,” as defined in 45 C.F.R. Section 164.514(b)(2). Consultant agrees to provide the necessary Proprietary Information in connection with this PROPOSAL, and Contractor agrees as follows:

1. Contractor will use this Proprietary Information only for the purpose of preparing Contractor’s response to City of Stockton’s PROPOSAL;
2. Contractor agrees that only those individuals employed by Contractor who have a need to know this information to prepare a proposal and have been made aware of the terms of this Agreement and have agreed to abide by its terms will have access to the Proprietary Information provided by Consultant (“Contractor’s Representatives”);
3. Neither Contractor nor any of its Representatives will disclose the Proprietary Information to any person or entity outside of Contractor, unless such a disclosure is: (a) necessary to prepare a proposal and the recipient first

- executes a confidentiality agreement with provisions equivalent to this one; or (b) required by law;
4. Contractor agrees to use commercially reasonable efforts to maintain the security of the Proprietary Information;
 5. Contractor will return the Proprietary Information to Consultant or destroy it upon completion of the RFP process if such return or destruction is feasible. If Contractor determines that return or destruction of some or all of the information is not feasible, Contractor agrees to: (a) inform Consultant of the specific reason(s) that make return or destruction not feasible; (b) extend the protections of this Agreement to any retained information for as long as Contractor retains it; and (c) limit further uses or disclosures to those that make the return or destruction infeasible;
 6. Contractor will report to Consultant any use and/or disclosure of Proprietary Information that is not permitted by this Agreement;
 7. Contractor shall regard and preserve as confidential all Proprietary Information that has been or may be obtained by Contractor in the course of any proposal, whether Contractor has such information in Contractor's memory, or in writing or in other physical form. Contractor shall not, without written authority from Consultant, use any Proprietary Information for Contractor's benefit or Contractor's purposes, either during the RFP process or thereafter;
 8. With respect to each PROPOSAL and the Proprietary Information disclosed in connection therewith, the obligations of Contractor assumed in this Agreement shall continue beyond the completion of the RFP process;
 9. Contractor shall and does hereby indemnify, defend and hold harmless City of Stockton, Consultant and Consultant's officers, directors, employees and shareholders from and against any and all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, and reasonable attorney fees and costs, that City of Stockton/Consultant may incur or suffer and that result from, or are related to, any breach or failure of Contractor and Contractor's Representatives to perform any of the representations, warranties and agreements contained in this Agreement that pertain to individually identifiable health information;
 10. Contractor recognizes that any breach of the covenants contained in this Agreement would irreparably injure City of Stockton. Accordingly, City of Stockton may, in addition to pursuing its other remedies, obtain an injunction from any court having jurisdiction of the matter restraining any further violation and no bond or other security shall be required in connection with such injunction;
 11. If any of the provisions herein become invalid or are declared invalid, such determination of invalidity as to the clause(s) shall not affect the other provisions of this Agreement. If any provision of this Agreement should be held invalid or unenforceable, the remaining provisions shall be unaffected by such a holding. If

any provision is found inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances;

- 12. This Agreement shall be binding upon City of Stockton, Consultant and Contractor and their respective successors, assigns, heirs, executors and administrators;
- 13. This Agreement contains the entire understanding of the parties hereto and supersedes all previous communications, representations, or agreements, oral or written, with respect to the subject matter hereof. No failure to exercise nor any delays in exercising any right or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy. Neither this Agreement nor any of its provisions may be amended, supplemented, changed, waived or rescinded except by a written instrument signed by the party against whom enforcement thereof is sought. No waiver of any right or remedy hereunder on any one occasion shall extend to any subsequent or other matter;
- 14. This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made on and performed within the State of California. Any action to enforce this Agreement shall be brought in State of California, County of San Joaquin.

Intending to be legally bound, the Parties have executed this Agreement.

The Segal Group, Inc.
For City of Stockton

Contractor

Signed: _____

Signed: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTACHMENT B - PLAN DESIGNS/ELIGIBILITY

Please see 3 documents posted on Bidflash named Attachment B - ...

ATTACHMENT C – Underwriting Information**Enrollment**

	Q1 2013	Q2 2013	Q3 2013	Q4 2013
Modified Active including COBRA	1,951	1,797	1,206	1,197
Modified Retiree	1,159	1,037	387	325
Original Retiree	61	54	9	8
Kaiser	1,687	1,858	2,051	2,082
Total	4,858	4,746	3,653	3,612

Original and Modified Plans - Total Claims Processed (excluding duplicate claims)

	Q1 2013	Q2 2013	Q3 2013	Q4 2013
Claims Processed	8,592	11,189	7,636	4,131

ATTACHMENT D – SAMPLE CITY CONTRACT
PROFESSIONAL SERVICES CONTRACT FOR
CONSULTING SERVICES

THIS CONTRACT is entered into on _____ 20XX,
by and between the CITY OF STOCKTON, hereinafter referred to as "CITY," and
NAME, hereinafter referred to as "CONSULTANT."

Section 1
SCOPE OF SERVICES

Subject to the terms and conditions set forth in this Agreement, CONSULTANT shall provide CITY the services described in Exhibit A, entitled Scope of Services, attached hereto and by reference made a part thereof. CONSULTANT shall not be compensated for services outside the scope of services as set forth in Exhibit A unless, prior to the commencement of such services: (a) CONSULTANT notifies CITY and CITY agrees that such services are outside of the scope of services to be performed; (b) CONSULTANT estimates the additional compensation required for the additional services; and, (c) CITY, after notice, approves the additional services and amount of compensation therefore.

Section 2
COMPENSATION

CITY shall pay CONSULTANT for services rendered pursuant to this Agreement at the times and in the manner as set forth in Exhibit A, attached hereto and by reference made a part hereof, in a total amount of **\$AMOUNT**. Payments specified in Exhibit A shall be the only payments to be made to CONSULTANT for services rendered pursuant to this Agreement unless, pursuant to Section 1 above, CITY approved additional compensation for additional services.

CONSULTANT will submit monthly invoices to CITY for services completed and reasonable expenses incurred to the date of the invoice. All invoices will be itemized to reflect the categories of employees performing the requested tasks, the billing rate for each employee and the hours for services.

All invoices sent by CONSULTANT to CITY shall be paid within thirty (30) days of receipt provided supporting narrative and hours billed against the specific task allocations in the contract's scope of work are included and acceptable to the CITY. Invoices are to be rendered monthly.

Section 3
TERMS AND CONDITIONS OF AGREEMENT

1. Time for Commencement and Completion of Services: CONSULTANT shall commence services on **DATE**, CITY and shall prosecute the services to completion, unless the agreement is terminated as provided for herein or modified by CITY and agreed to by CONSULTANT.

2. Term of the Agreement:

a. Base Period: This Agreement shall become effective from January 1, 2015, and shall be effective through the December 31, 2017, a base period of three (3) years.

b. Renewal Option: This agreement shall automatically renew for an additional one (1) year period except when written notice is delivered by either party to the other expressing intent not to renew. Such notice must be delivered a minimum of one hundred and eighty (180) days prior to the next expiration date of this agreement. The maximum number of automatic one (1) year renewal periods under this agreement is two (2).

3. Facilities and Property: CITY shall not be required to make its facilities accessible to CONSULTANT as required for CONSULTANT's performance of its services.

4. License, Permits, and Compliance with Law: Prior to performing any services for CITY, CONSULTANT, if not already in possession of a valid City of Stockton business license, shall obtain at its own expense and maintain for the duration of this Agreement a City of Stockton Business License. In addition, CONSULTANT represents that prior to commencing any services under this Agreement, it shall obtain and maintain at its own expense during the life of this Agreement any other licenses, permits, qualifications, and approval required to practice its profession and perform the contract services and shall comply with any and all applicable local, state and federal laws in performing the contract services.

5. Relationship of Parties, No Third-Party Beneficiaries: CONSULTANT is an independent contractor under this Agreement. This Agreement gives no rights or benefits to anyone not named as a party to this Agreement, and there are no third party beneficiaries to this Agreement. In the exercise of rights and obligations under this Agreement, CONSULTANT acts as an independent contractor and not as an agent or employee of CITY. CITY shall not control where and how services are performed. CITY shall not reimburse CONSULTANT for business expenses or supplies and shall not provide CONSULTANT with vacation, pension, insurance, or sick leave. CONSULTANT shall provide CONSULTANT'S own office, tools and supplies and shall be free to engage in contracts with other persons or agencies, either public or private.

Attachment D

CONSULTANT shall not be entitled to any rights and benefits accorded or accruing to the City Council members, officers or employees of CITY, and CONSULTANT expressly waives any and all claims to such right and benefits.

6. Subcontracts: CONSULTANT may use the services of independent contractors to perform a portion of its obligations under this Agreement with prior approval by CITY. Independent contractors and subcontractors shall be provided with a copy of this Agreement and shall agree to be bound by its terms. CONSULTANT shall be the responsible party with respect to all actions of its independent contractors and subcontractors, and shall obtain such insurance and indemnify provisions from contractors and subcontractors as CONSULTANT shall determine to be necessary.

7. No Discrimination: In performing the services under this Agreement, CONSULTANT shall not discriminate in the employment of its employees and the engagement of any subcontractors on the basis of race, color, national origin, ancestry, sex or any other criteria prohibited by law.

8. Insurance Requirements: Prior to approval of this Agreement by CITY, CONSULTANT shall file with the CITY evidence of the required insurance as set forth in Exhibit B attached.

9. Indemnity and Hold Harmless: CONSULTANT agrees to indemnify, save, hold harmless, and at City's request, defend the City, its officers, agents, and employees from any and all costs and expenses (including attorney and legal fees), damages, liabilities, claims, and losses occurring or resulting to the City in connection with the performance, or failure to perform, by Contractor, its officers, agents, sub-contractors, employees, or anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable under this Agreement, and from any and all costs and expenses (including attorney and legal fees), damages, liabilities, claims, and losses occurring or resulting to any person, firm, or corporation who may be injured or damaged by the performance, or failure to perform, of Contractor, its officers, agents, or employees under this Agreement. The duty to defend and the duty to indemnify are separate and distinct obligations. The City's acceptance of the insurance certificates required under this Agreement does not relieve the Consultant from its obligation under this paragraph. The indemnification obligations of this section shall survive the termination of this agreement.

10. Standard of Performance: CONSULTANT shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession. All services and/or products of whatsoever nature which CONSULTANT delivers to CITY pursuant to this Agreement shall be prepared in a professional manner and conform to the standards of quality normally observed by a person practicing the profession of CONSULTANT and its agents, employees and subcontractors assigned to perform the services contemplated by this Agreement.

Attachment D

11. Ownership and Use of Documents and Electronic Media Deliverables: All completed reports and other data or documents provided or prepared by CONSULTANT in accordance with this Agreement are the property of CITY, and may be used by CITY at its own risk.

12. Resolutions of Disputes, Forum, and Attorneys' Fees: The laws of the State of California shall govern the interpretation of and the resolution of disputes under this Agreement. Any dispute arising from this Agreement shall be adjudicated in the courts of San Joaquin County in the State of California. If any claim, at law or otherwise is made by either party to this Agreement, the prevailing party shall be entitled to its costs and reasonable attorneys' fees.

13. Termination: This Agreement shall continue until terminated as provided for herein. CITY may terminate this Agreement at any time by providing written notice to CONSULTANT. CONSULTANT may terminate this Agreement by providing one hundred and eighty (180) days written notice to CITY. In the event CITY shall give such notice of termination, CONSULTANT shall immediately cease rendering services pursuant to this Agreement.

In the event CITY shall terminate this Agreement: (a) CITY shall have full ownership and control of all writings which have been delivered by CONSULTANT pursuant to this Agreement and all drafts of reports and writings which form the basis for any writing or report which would have been otherwise delivered to CITY pursuant to this Agreement; (b) CITY shall pay CONSULTANT the reasonable value of services rendered by CONSULTANT pursuant to this Agreement provided, however, CITY shall not in any manner be liable for lost profits which might have been made by CONSULTANT had CONSULTANT completed the services required by this Agreement. In this regard, CONSULTANT shall furnish the CITY such financial information as in the judgment of the CITY representative is necessary to determine the reasonable value of the services rendered by CONSULTANT.

14. Notices: All notices, requests, demands and other communications hereunder shall be deemed given only if in writing signed by an authorized representative of the sender (may be other than the representative referred to in Paragraph 13 above), and delivered by facsimile with a hard copy mailed first class, postage prepaid, or when sent by a courier or express services guaranteeing overnight delivery to the receiving party, and addressed to the respective party as follows:

To CITY:

City of Stockton
City Hall
425 N. El Dorado Street
Stockton, CA 95202
Attn: Risk Services

To CONSULTANT: **NAME AND ADDRESS**

15. **Entire Agreement**: This document, including all exhibits, contains the entire agreement between the parties and supersedes whatever oral or written understanding they may have had prior to the execution of this Agreement.

16. **Severability**: If any portion of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

17. **Headings, Assignment and Waiver**: The headings in this Agreement are inserted for convenience only and shall not constitute a part hereof. Neither party to this Agreement shall assign its duties and obligations hereunder without the prior written consent of the other party. A waiver of any party or any provision or a breach of this Agreement must be provided in writing and shall not be construed as a waiver of any other provision or any succeeding breach of the same or any other provisions herein.

18. **Auditing**: CITY reserves the right to periodically audit all charges made by CONSULTANT to CITY for services under this Agreement. Upon request, CONSULTANT agrees to furnish CITY, or a designated representative, with necessary information and assistance.

CONSULTANT agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to the performance of this Agreement. CONSULTANT agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspection and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONSULTANT further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

19. **Integration and Modification**: This Agreement represents the entire integrated agreement between CONSULTANT and CITY; supersedes all prior negotiations, representations, or agreements, either written or oral, between the parties; and may be amended only by written instrument signed by CONSULTANT and CITY.

20. **Authority**: The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

IN WITNESS WHEREOF, CITY and CONSULTANT have executed this Agreement as of the date first above written.

NAME AND TYPE OF ENTITY,

By _____

NAME
TITLE

ATTEST:

CITY OF STOCKTON, a municipal corporation,

BONNIE PAIGE
City Clerk of the City of Stockton

By _____
KURT WILSON
City Manager

APPROVED AS TO FORM AND
CONTENT:
JOHN LUEBBERKE.
CITY ATTORNEY

By _____
JOHN M. LUEBBERKE
City Attorney

EXHIBIT A
SCOPE OF WORK

1. FORMS

- a. Provide all standard supplies necessary with respect to the Plan, including standard black and white enrollment materials, claim forms and other related documents.

2. PLAN DOCUMENTS

- a. Provide benefit booklets and standard documents to communicate the benefits available to participants in the Plan and to consult with them when necessary regarding the proper methods of submitting claims for benefits. Printing and graphic supply charges are to be billed in addition to the monthly administrative fee.

- b. Administrator is responsible to work with the City and its consultant in the preparation of these materials.

3. COMMUNICATION REGARDING CLAIMS.

- a. Communicate in appropriate instances with physicians, hospitals and other persons or institutions supplying medical or other services, in order to clarify or verify claims.

4. ELIGIBILITY SYSTEM

- a. Proposer must provide online eligibility system to the City to enter new employees, change enrollment, add dependents, and terminate employees and agree to provide this information to all other benefit vendors such as dental, vision, prescription, life insurance at a minimum.

5. CLAIMS PROCESSING.

- a. Review, process and adjust claims, in accordance with the Plan Documents, which are incurred on or after the Effective Date of this Agreement and are received by the administrator prior to the termination of this Agreement, including run-in claims upon the commencement of this agreement.

- b. Coordinating benefits with other group plans, auto insurance coverage, workers' compensation and any other applicable benefit plans; applying contractual and reasonable and customary allowances to billed charges; applying deductibles and coinsurance; and, upon receipt of funds from the City, sending

explanations of benefits and non-assigned claim dates (if any) to the employee and assigned claim drafts to the service providers. This may also involve review by physician and dental consultants and consulting attorneys.

- c. Upon the request of the City, process all run-out claims after the termination of this agreement at a fee stipulated in the Proposal request.

6. CLAIMS PROCESSING; RUN IN CLAIMS.

- a. Review, evaluate and process claims, in accordance with the Plan Documents, which were incurred prior to the Effective Date of this Agreement.

7. DENIALS AND APPEALS.

- a. As required by the Plan Documents and applicable law, notify participants in the Plan or their assignees of (i) any denial of their claim and the right to appeal the denial and (ii) the decision on appeal. The administrator shall review and provide recommendations on any appeals of denied claims, and obtain for the City the opinion of an Independent Review Organization, the charges for which will be billed on a per use basis.

8. EXCESS LOSS CLAIMS.

- a. File requests for reimbursement for claims exceeding the stop loss or excess loss insurance attachment point to the insurance carrier and review such reimbursement. Provide such other notices regarding claims as may be required by the carrier.
- b. Comply with all reporting requirements of the stop loss carrier.

9. MONTHLY REPORTING.

- a. Provide the City with a monthly check register and a monthly accounting of the self-funded claims activity in a manner as designated by the City and to sufficiently provide an audit trail for the City's auditors.

10. PREMIUMS AND FEES.

- a. Provide a monthly invoice to the Plan Sponsor for stop loss, excess loss, medical, dental, vision or similar insurance premiums, administrative fees and other agreed-upon premiums or fees. Reconcile all invoices with the respective carrier or service provider

and remit applicable premiums and fees monthly to insurance carriers and other service providers.

- b. Collect all premiums from non-active employees (COBRA and Employees on leave) and retirees, except the Kaiser plan participants.

11. ACCOUNT MANAGEMENT

- a. Senior and associate account management team to service the City Human Resource Department in a sufficient manner for it to accomplish its day-to-day responsibilities.

12. CUSTOMER SERVICE

- a. Provide customer service to answer inquiries on claims, eligibility, provider network, services, coverage, or other inquiries from participants Monday through Friday from 8:00 AM to 5:00 PM (PST).

13. ENROLLMENT SUPPORT

- a. Prepare and provide Benefit Presentations.
- b. Attend Open Enrollment Meetings and yearly Benefits Fair in Stockton, California.

14. COBRA ADMINISTRATIVE SERVICES

- a. Transmit COBRA notification to participants upon notification from the City of a qualifying event via eligibility file transfer.
- b. Accept and process all COBRA forms from qualifying beneficiaries.
- c. Collect all premiums.
- d. Notify COBRA participants of extensions under disability or extended state benefits.
- e. Notice and terminate all delinquent COBRA beneficiaries.

15. STOP LOSS PAYMENT INFORMATION

- a. Provide to the Stop Loss Insurance Carrier all necessary information in order to comply with the requirements of the stop loss carrier contract.
- b. Provide sufficient notice to the City and its consultant on the number of emerging claims and the appropriate amounts expected to be reimbursed by the stop loss insurance carrier.

EXHIBIT B
INSURANCE REQUIREMENTS
CONSULTANT

CONSULTANT shall procure and maintain for the duration of the Agreement, insurance against all claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CONSULTANT, its agents, representatives, volunteers, or employees.

2. **INSURANCE** Throughout the life of this Contract, the Consultant shall pay for and maintain in full force and effect with an insurance company admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A: VII" in Best Insurance Key Rating Guide, the following policies of insurance:

- A. **AUTOMOBILE LIABILITY** insurance, endorsed for "any auto" with the following limits of liability: Bodily Injury \$250,000 each person, and \$500,000 each occurrence. Property Damage \$100,000 each occurrence.
- B. **WORKERS' COMPENSATION** insurance as required under the California Labor Code and Employers Liability Insurance with limits not less than \$1,000,000 per accident/injury/disease.
- C. **COMMERCIAL OR COMPREHENSIVE GENERAL LIABILITY AND MISCELLANEOUS SUPPLEMENTARY INSURANCE;**

FOR **ADDITIONAL** REQUIREMENT(S):

- (iv) **COMMERCIAL OR COMPREHENSIVE GENERAL LIABILITY** insurance which shall include Contractual Liability, Products and Completed Operations coverage's, Bodily Injury and Property Damage Liability insurance with combined single limits of not less than \$1,000,000 per occurrence, and \$2,000,000 Aggregate limit.
- (v) **PROFESSIONAL LIABILITY**, Not less than \$1,000,000 per Claim/\$2,000,000 Aggregate (3 yr discovery and reporting tail period coverage). Certificate of Insurance only required.
- (vi) **CRIME COVERAGE OR FIDELITY BOND**: covering the dishonest acts of employees furnished by Lessee, including coverage for theft of property of the City by the Lessee, its employees or subcontractors. The limit shall not be less than \$5,000,000 each occurrence.

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Deductibles and Self-Insured Retentions must be declared and are subject to approval by the CITY.

The Policy(s) shall also provide the following:

2. The Commercial General Liability insurance shall be written on ISO approved occurrence form with additional insured endorsement naming: *City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers are additional insureds.*
2. All insurance required by this Agreement shall be with a company acceptable to the CITY and issued and executed by an admitted insurer authorized to transact insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONSULTANT completes its performance of services under this Agreement.
10. For any claims related to services or products provided under this contract, the Consultant's insurance coverage shall be primary insurance as respects the City of Stockton its officers, agents, and employees. Any coverage maintained by the CITY shall be excess of the Consultant's insurance and shall not contribute with it. Policy shall waive right of recovery (waiver of subrogation) against the CITY.
11. Each insurance policy required by this clause shall have a provision that coverage shall not be cancelled by either party, except after thirty (30) days' prior to written notice by certified mail, return receipt requested, has been given to the CITY. Further, the thirty (30) day notice shall be unrestricted, except for workers' compensation, or non-payment of premium, which shall permit ten (10) days advance notice. The insurer and/or the contractor and/or the contractor's insurance agent shall provide the CITY with notification of any cancellation, major change, modification or reduction in coverage.
12. Regardless of these contract minimum insurance requirements, the Consultant and its insurer shall agree to commit the Consultant's full policy limits and these minimum requirements shall not restrict the Consultant's liability or coverage limit obligations.
13. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the California Civil Code.

Attachment D

14. The Company shall furnish the City of Stockton with the Certificates and Endorsement for all required insurance, prior to the CITY's execution of the Agreement and start of work.

15. Proper address for mailing certificates, endorsements and notices shall be:

City of Stockton
Attention: Risk Services
425 N. El Dorado Street
Stockton, CA 95202

16. Upon notification of receipt by the CITY of a Notice of Cancellation, major change, modification, or reduction in coverage, the Consultant shall immediately file with the CITY a certified copy of the required new or renewal policy and certificates for such policy.

Any variation from the above contract requirements shall only be considered by and be subject to approval by the CITY's Risk Manager (209) 937-8617. Our fax is (209) 937-8558.

If at any time during the life of the Contract or any extension, the Consultant fails to maintain the required insurance in full force and effect, all work under the Contract shall be discontinued immediately. Any failure to maintain the required insurance shall be sufficient cause for the CITY to terminate this Contract.

If the Consultant should subcontract all or any portion of the work to be performed in this contract, the Consultant shall cover the sub-contractor, and/or require each sub-contractor to adhere to all subparagraphs of these Insurance Requirements section. Similarly, any cancellation, lapse, reduction or change of sub-contractor's insurance shall have the same impact as described above.