

**CITY OF STOCKTON
REQUEST FOR PROPOSALS (RFP)
TO PROVIDE BENEFITS CONSULTANT SERVICES
(PUR 14-024)**

QUESTIONS/ANSWERS & CLARIFICATIONS

POSTED 9-12-14

THE FOLLOWING 3 SETS OF QUESTIONS ARRIVED WITHIN THE SPECIFIED TIME REQUIREMENTS AND CITY RESPONSES ARE IN BLUE.

>>> Deirdre Mathis <dmathis@keenan.com> 9/8/2014 4:41 PM >>>
Hello,

Keenan & Associates has the following questions for the City of Stockton:

1. What is the current annual compensation being paid to the current Consultant?

Compensation is not based on an annual service amount, but is instead related to the various project elements and general consulting requirements. The not to exceed amount from the contract inception date of December 14, 2010 through the December 13, 2014 termination date is \$678,500.00.

2. Is the compensation an annual not to exceed number or is each project priced separately?

Each service element is priced separately with a not to exceed number per the specifications of the current RFP document.

3. What are the current enrollment numbers and annual premium amounts for each of the City's **fully insured** programs?

	Employees Enrolled	Premium
9/1/13-8/31/14		
Kaiser:	749	\$7,989,552.86
Operating Engineers plans	63	\$ 964,954.00
Delta Dental DMO	18	

4. How long has the current consultant been in this role with the City of Stockton?

The Segal Company has been the City's consultant since December 14, 2010.

5. To what degree did the current consultant have input in preparing this RFP document?

Public document examples of benefit consultant RFP's were garnered independently and from the current consultant. Other than that, the current

consultant did not provide any discussion or input relative to the creation of the RFP document, which was constructed solely by City staff.

Thank you very much.

Kind Regards,

Deirdre

Deirdre J. Mathis

Technical Writer, Marketing Department

Keenan

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>>> Randy Moran <Randy@foster-foster.com> 9/8/2014 3:30 PM >>>

Concepcion,

Please find our questions regarding the Request for Proposal for benefits consultant services for the City of Stockton below. Feel free to contact me if you or your team would like clarification on any of our questions.

1. Who currently provides the City of Stockton with benefits consultant services?

The current consultant is The Segal Company.

2. Are the current services provided via a fixed fee arrangement, or on a time-and-expense basis?

The current services are provided on a time-and-expense basis with a not to exceed amount for each service element.

3. If the services are provided via a fixed fee arrangement, please provide the most recent fee arrangement.

The current services are provided on a time-and-expense basis with a not to exceed amount for each service element.

4. If the services are provided via a time-and-expense basis, please provide the hourly rates and total fees charged to the City for the last fiscal year for benefits consultant services.

**Hourly Rates: Senior Vice President-\$495
 Consultant-\$365
 Senior Health Actuary-\$385**

Actuary-\$365
Compliance Consultant-\$365
Associate-\$265

Total Fees Charged in FY 2013-14: \$152,285.00

5. Why is the City putting this work out to bid via an RFP process?

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

6. Can the City provide a copy of the deliverables produced in the last fiscal year for benefits consultant services?

We will be able to provide a copy of the most recent health actuary as it is a public document. Much of the other products are voluminous and many are confidential and/or proprietary in nature and it is not possible to sort through these items in conjunction with this process. It is expected that each vendor would have their own work product processes and formats for providing the services requested. SEE PLANS/ATTACHMENTS/AGENDAS SECTION OF BIDFLASH FOR DOCUMENT NAMED "ATTACHMENT A. SAMPLE"

7. Does the City's current service provider collect commissions or any other contingent payments from any carriers/vendors on any of their clients?

No commissions, overrides, contingent payments, etc., are received by the current consultant relative to the City contract. All remuneration related to these consultation services are directly related to the services provided. This is consistent with the requirements of the current RFP.

8. If commissions or other contingent payments are currently being paid, how much was paid to the current provider of these services during the most recent annual reporting period available?

No commissions, overrides, contingent payments, etc., are received by the current consultant relative to the City contract. All remuneration related to these consultation services are directly related to the services provided. This is consistent with the requirements of the current RFP.

9. Has the City had any performance issues with the current carriers/vendors?

The City is extremely satisfied with the current benefits consultant.

10. Traditionally, approximately how many meetings per year has the attendance of the consultant been requested?

It is estimated that there could be anywhere from 6 to 16 in person meetings depending upon issues that present. This could be meetings with bargaining units, City Council, vendor selection processes, etc. There are generally a minimum of three in-person meetings regarding finalizing the actuarial report

 with staff discussion, presenting to labor groups, and presentation to the City Council. Sections 2.1(B) and 2.2(C) lay out the expected bid/RFP processes that would be required over the life of the expected agreement resulting in this bid. For an RFP there may be two meetings; one to discuss proponents and narrow down finalists, and one to conduct finalist interviews. A bid would generally just require one meeting, but could require finalist interviews in narrow circumstances. There may be occasions where in person presentations to labor groups are required on an ad hoc basis. It is anticipated that the City will continue to look at the viability of the self-insured element of our health plans and would require in person meetings with staff and, potentially, labor groups. The number is an estimate only, but the narrative should provide an exemplar baseline for in-person meetings.

11. Traditionally, has the attendance of the consultant been requested during the open enrollment period? **No.**

12. What were the fees paid for the “in scope” and “out of scope” items for 2012, 2013 and 2014?

It is not clear what the intent of the question is. All fees paid to the current consultant were paid within the scope of the current engagement.

Thank you,
Randy

Randy Moran, *Senior Consultant*

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>>> Julie Theirl <julie.theirl@aon.com> 9/8/2014 2:39 PM >>>
Our questions are attached.

Thank you,

Julie Theirl | **Vice President**

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Email: julie.theirl@aon.com

1. In section 3.0.4 of the RFP, you request a copy of the respondent's financial statement. Aon's financial statement is 150 pages in length. Would a link the report suffice or do you require a hard copy?

A hard copy is required.

2. Why are you marketing consulting services at this time?

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

3. How satisfied is the City with its current employee benefit broker?

The City is extremely satisfied with the current benefit consultant. The City does not have, nor do we desire, a benefits broker.

4. If known, how many consulting hours were logged for each year 2011, 2012, 2013, and estimated for 2014?

Service and billing cycles have not always been in concert so it is difficult to give an actual hour for hour recap of each fiscal year, particularly since the current vendor began in the middle of a fiscal year. Over the course of the contract initiated on December 14, 2010 through June 30, 2014 there have been a total of 1782.75 hours billed. The hours-estimates for the services contemplated for the period beginning December 14, 2014 should be provided by each proponent as their business practices and processes dictate.

5. What is the City's budget for consulting under this contract?

The not to exceed amount from the contract inception date of December 14, 2010 through the December 13, 2014 termination date is \$678,500.00.

6. How many in-person meetings are expected within a 12 month period? Please split by meetings with staff and other meetings.

It is estimated that there could be anywhere from 6 to 16 in person meetings depending upon issues that present. This could be meetings with bargaining units, City Council, vendor selection processes, etc. There are generally a minimum of three in-person meetings regarding finalizing the actuarial report with staff discussion, presenting to labor groups, and presentation to the City Council. Sections 2.1(B) and 2.2(C) lay out the expected bid/RFP processes that would be required over the life of the

expected agreement resulting in this bid. For an RFP there may be two meetings; one to discuss proponents and narrow down finalists, and one to conduct finalist interviews. A bid would generally just require one meeting, but could require finalist interviews in narrow circumstances. There may be occasions where in person presentations to labor groups are required on an ad hoc basis. It is anticipated that the City will continue to look at the viability of the self-insured element of our health plans and would require in person meetings with staff and, potentially, labor groups. The number is an estimate only, but the narrative should provide an exemplar baseline for in-person meetings.

7. What does the City consider as its top three challenges within the next three – five years pertaining Health Benefits?

- The continued viability of the self-insured element of our health plan.
- Continuing transition to ACA compliance.
- Continuing to be able to provide competitive and cost effective benefits to our employees.

8. Can you please provide a detailed description as to the benefit consultant's involvement in the issuance of RFPs (i.e. deferred compensation, occupational health services, and the various health/benefit plans, etc.)

The consultant is responsible for full evaluation of all bid or RFP submissions, excluding the Benefits Consultant RFP, and providing comparative information for consideration by a selection committee. The consultant provides data and recommendations and participates fully in all final interviews with vendors. In essence, the consultant is the source of expertise in the selection process.

POSTED 8-28-14

1. **Communication** – please send your communication via email.
2. **Questions** – the last day to make inquiries is September 8, 2014.
3. **Answers** – clarifications and answers will be posted by September 12, 2014.
4. **Proposals due** promptly by 2:00 pm, Thursday, September 18, 2014, City Clerk's Office.