

NOTICE

The City of Mercedes is accepting Sealed Proposals for GROUP HEALTH/RX INSURANCE until 4:00 PM, **Wednesday, October 26, 2022**, at which time they will be opened in the City Manager's office. Any proposals received after the time for opening shall be returned unopened. Proposals submitted via faxes will not be accepted.

Specifications are available and can be obtained at the Office of the City Secretary, 400 South Ohio, Mercedes, Texas, 78570, (956) 565-3114 ext. 137, beginning Wednesday, October 5, 2022 at 5:00 PM or on the City's website at; www.cityofmercedes.com.

Each bidder shall furnish the information required on the proposal forms. The proposals shall be sealed and addressed to: City Manager Alberto Perez, P.O. Box 837, Mercedes, TX 78570, or delivered to 400 South Ohio, Mercedes, Texas and clearly marked "PROPOSAL 2022-016 – GROUP HEALTH/RX INSURANCE" on the lower left-hand cover.

The City of Mercedes reserves the right to postpone, to accept or to reject any or all proposals, or to waive any informalities in the proposal process and will select on the best value to the City. Proposals may be held by the City of Mercedes for a period not to exceed sixty (60) days from the date of the opening for the purpose of reviewing the proposals and investigation of the proposer's qualifications and making recommendation to the City of Mercedes for contract award.

Please direct your questions to Kristine Longoria, Human Resources at klongoria@cityofmercedes.com and cc'd to jcastillo@cityofmercedes.com or at (956) 565-3114.

Joselynn Castillo
City Secretary

Request for Proposals

City of Mercedes

(PROPOSAL 2022-016 - GROUP HEALTH INSURANCE)

Employee Benefit Plans

Fully Insured Medical/Prescription Drug Program

DUE: October 26, 2022 @ 4:00 P.M.

City of Mercedes, City Manager's Office
400 S. Ohio Ave. Mercedes, TX 78570

Effective Coverage: 12/01/2022

Introduction
City of Mercedes

These proposal specifications have been prepared to solicit competitive proposals for the fully insured Group Medical/RX with PPO insurance program of the City of Mercedes, Texas, hereafter referred to as “the entity”.

A. Effective Date

Unless otherwise specified, the effective date of the coverage will be DECEMBER 1, 2022 at 12:01 A.M. Central Standard Time.

B. Underwriting Data

The underwriting, exposure, and loss date included in these specifications have been assembled by the entity. While every effort has been made to ensure the accuracy of this information, it cannot be guaranteed. It shall be the responsibility of the successful broker, insurer(s), and/or intergovernmental pool to review this information and work with the City of Mercedes on an ongoing basis to ensure all relevant information is included in the City’s insurance coverage.

If it becomes necessary to revise any part of this proposal, a written addendum will be provided to all who submitted proposals who have completed and returned the “Notice of Intent to Submit Proposal” form. The entity is not bound by any oral representations, clarification or change is provided to Proposers in written addendum from City Manager, Alberto Perez, the authorized representative of the City.

C. Agent/Broker and Insurer Requirements

All insurers involved must be authorized and/or licensed to operate in the State of Texas. Non-admitted or surplus line carriers must be on the approved list of the Texas Insurance Department and any applicable taxes or fees must be fully disclosed. Insurers must have a rating in the current edition of Best’s Insurance Reports (Property/Liability Edition) of at least “A” or better or, if an intergovernmental pool, provide a copy of the most recent audited financial statements complete with auditor’s notes and reinsurance arrangements.

D. Compliance with Laws

All Proposers shall observe and comply with all regulations, laws, ordinances, etc., of local, state, and federal governments as they apply to this proposal process.

E. Proposal Rules

1. Deviations from Specification: All deviations from these specifications must be clearly stated in your proposal. Any significant limitations of coverage, restrictive conditions, etc., should also be clearly described.

These specifications are not intended to be restrictive with respect to any innovative techniques for rating or for providing coverage, if a distinct advantage can be

demonstrated. Proposals failing to meet all of the specifications will not necessarily be rejected, but any deviations must be clearly noted to be considered.

2. Proposal: One (1) electronic, One (1) paper original and Seven (7) copies of sealed proposals must be submitted in writing at or before, 4:00 P.M. on October 26, 2022 to City Manager, Alberto Perez, City of Mercedes, Texas at the following address:

City of Mercedes
400 S. Ohio Ave.
Mercedes, TX 78570
(956) 565-3114 ext. 137

Or mailed to:
City of Mercedes
P.O Box 837
Mercedes, TX 78570

The sealed envelope must clearly state it is an Insurance Proposal and the date and time of the opening of Proposals. The proposals will be publicly opened at Mercedes City Hall on October 26, 2022 at the following location:

City of Mercedes
400 S. Ohio Ave.
Mercedes, TX 78570
(956) 565-3114 ext. 137

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Proposals must be submitted with complete specimen policy forms and all applicable endorsements attached. IF SPECIMEN POLICY FORMS AND ENDORSEMENTS ARE NOT PROVIDED, AN EXPLANATION IS REQUIRED AS TO WHY THEY ARE NOT INCLUDED, AND PROPOSALS MAY BE SUBJECT TO DISQUALIFICATION. Every effort will be made to compare proposals on an equitable basis. Please be assured your efforts will be well received and thoroughly considered. Our evaluation of the proposals will consider the limits, terms, conditions and exclusions of the coverage provided, cost, and services available from the broker, insurer(s) and pool(s), and the financial solvency of the carrier. The City reserves the right to accept or reject all or any part of any proposals, based upon its own selection criteria. Preference will be given to the carrier who can provide all lines of coverage in package format. Preference shall be given to proposers willing and able to provide all coverage being proposed. The term of coverage will be for a two-year period provided there is no rate increase within the option to extend two additional years if there is a rate reduction.

3. Anti-lobbying Provision
During the period between the Request for Proposals solicitation, submission date, and the contract award, respondents, including their agents and/or representatives/owners, shall not contact or promote their Proposal to any member of the Mercedes City Commission or City staff except in the course of City sponsored inquiries, briefings, interviews, and/or presentations requests through the City Manager. Violation of this provision may result in the rejection of the respondent's Proposal submittal.
4. Coverage Quotations: If the proposed coverage is contingent upon the entity providing additional information, inspections, completed applications, or is subject to any other conditions, such requirements must be stated clearly in the proposal. As NOTED PREVIOUSLY, PROPOSALS WITH SEPARATE QUOTATIONS FOR EACH LINE OF COVERAGE REQUESTED MUST BE SUBMITTED WITH COMPLETE SPECIMEN POLICY FORMS AND ENDORSEMENTS ATTACHED.
5. Loss and Claims Reports: Each insurer (or its claims administrator) will be required to provide the City with periodic reports.
6. Loss Prevention Services: Please provide a description of the specific services available to the employees from you and/or the insurer(s), and indicate any additional fees that will be charged for such services.
7. Claims Adjusting Services: Please provide a description of claims adjusting services. If independent firms are to be used, the names and addresses of the firms are required to be shown. It is also required that the Claims Administration forms be completed and returned with your proposal.

8. Duration of Proposal: We require that all proposals remain valid without material change for at least 60 days after the due date noted in “2” above.
9. Non-Compliance with Signed Proposal: It is understood and agreed, in the event an insurance policy(ies) does not meet the terms and conditions accepted by the entity as specified in this proposal, the entity shall at its sole option have the right to:
 - a. Cancel the policy or policies on a pro-rata basis (not short rate); OR
 - b. Require the insurer, agent/broker, or intergovernmental pool to provide the coverage as stated in this proposal at the proposed premium.
10. Pro-Rata Cancellation: The entity may choose a common effective date for all policies. If this option is selected, the rates must be guaranteed for the extended coverage period required to bring all policies to a common effective date.

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Introduction Notice General

This Notice is to highlight the main requirements of the Request for Proposals.

1. The City of Mercedes is accepting Sealed Proposals from qualified firms for Benefit Plan relating to fully insured Group Medical/RX with PPO Insurance.
2. Data contained in the specifications is confidential and must be used solely in preparation of a proposal for Insurance services or coverage as follows:
 - PPO Network
 - Utilization Review
 - Prescription Drug Card
3. Where applicable, all companies submitting proposal must be licensed by the Texas Department of Insurance and permitted to contract with the State or any of its subdivision. All insurance carriers must provide their company rating. Proposers who fall under the guideline of the Inter-local Cooperation Act, Chapter 791, Title 7, Government Code, will be acceptable.
4. The City of Mercedes may award to contract with the proposal that provided the services at the best value for the City. In determining the best value for the City, the City may consider the following:
 - The purchase price
 - The reputation of the bidder and of the bidder's goods or services;
 - The quality of the bidder's services
 - The extent to which the goods and services meet the City's needs;
 - The bidder's past relationship with the City;
 - The total long-term cost to the City to acquire the bidder's goods or services; and
 - Any relevant criteria specifically listed in this request for proposals.
5. The Term of this contract is for two (2) year term provided there is no rate increase with two (2) option one-year extensions provided there is no rate increase. Lower rates would be considered with no change in coverage.
6. Any questions regarding the bid documents, such as requests for clarifications and/or information or additional documents concerning this request for proposals shall be submitted in writing to: Human Resources Kristine Longoria, P.O Box 837, Mercedes, TX 78570 or by email to klongoria@cityofmercedes.com and cc'd to jcastillo@cityofmercedes.com No phone calls regarding this RFP will be accepted. Replies to written questions will be issued via email to requesting parties as well as to

any other persons who have requested the packet for proposals. Oral interpretations or clarifications will be without legal effect.

7. Any form of contact by a respondent or potential respondent regarding this request for proposals at any time during the solicitation process from initial advertisement through time of award, with the City Commission or any person employed by the City of Mercedes other than through the communication channels included in this request for proposal, or as subsequently instructed by the City of Mercedes through the solicitation process, will constitute grounds for rejection of their proposal.
8. Public sector employers are not allowed, under current state law, to execute a document containing a Hold Harmless/Indemnification Clause causing the employer to be responsible for other parties' liability. Therefore, your documents should not contain any such clauses.
9. The City of Mercedes reserves the right to reject any or all proposals, or part of proposals, waive technicalities and to select the proposal in the best interest of the City. Price alone will not be the sole determining criteria in the selection process.
10. The respondents will submit: one (1) Electronic Submission is required (flash drive or CD) along with one (1) paper original and seven (7) copies. Materials must but submitted in a sealed envelope and addressed to: City Manager Alberto Perez, City of Mercedes, P.O. Box 837, Mercedes, TX 78570 or hand delivered to: City Manager's Office, 400 S. Ohio Ave. Mercedes, TX 78570 and clearly marked "PROPOSAL 2022-016 – GROUP HEALTH/RX INSURANCE" on the outside of the Envelope.
11. Digital Format: If any respondent obtains the proposal specifications in digital format in order to prepare a proposal, the proposal must be submitted in hard copy according to the instructions contained in the package. If, in its proposal response, respondents make any changes whatsoever to the published specifications, the specifications as published shall control. Furthermore, if any alteration of any kind to the bid specification is discovered after the contract is executed and is or is not being performed, the contract is subject to immediate cancellation without recourse.
12. Review: The City of Mercedes will analyze vendor pricing, services and capabilities for the medical/RX plans. The City's current vendor is as indicated below:

Medical/prescription

Blue Cross Blue Shield

A summary of the benefits and eligibility provisions are included in this RFP.

Options:

The City of Mercedes is seeking sealed proposals from organizations (hereinafter referred to as “Vendor”) for the following: Fully Insured Group Medical/RX Program. Proposals should include at least one option.

Option 1 – Should be the current plan design.

Option 2 or more – Alternate proposals will also be considered, provided the alternative(s) are clearly identified and completely explained. Alternates can be a lower or higher cost option(s).

ELIGIBILITY

ACTIVE EMPLOYEES, SOME RETIRED EMPLOYEES, AND DCM EMPLOYEES. All regular, full-time, active employees, working at least 40 hours per week are eligible to participate in the City’s benefits plan (medical/RX). Elected officials serving in office (members of the City Commission) are not eligible to participate in the City’s medical and prescription benefit plan. Retired employees with a minimum of fifteen years of service who retire in good standing are covered by the City’s medical and prescription drug plan for two years. DCM full-time employees are also eligible to be covered. All eligible dependents and spouses of active employees are allowed to elect health coverage at the employee’s expense, provided that the employee has also elected coverage. Dependent children who are under 26 years old are eligible, regardless of student status. The City contributes 100% of the Employee Only Cost for MEDICAL/RX.

PLAN EFFECTIVE DATE: December 1, 2022

Coverage: Coverage will be on the 1st day of the month before the expiration of 90 days from initial date of employment, unless otherwise required by law.

Commissions/Agent of Record:

The City does not currently have an agent of record. Should the Commission select an agent of record, the commission shall have an input as to the commission if it affects the premium rates.

Disqualification:

Disqualification may occur for any of the following reasons:

- The respondent is involved in any litigation against the City of Mercedes;
- The respondent is in arrears on any existing contract or has defaulted on a previous contract with the City;
- The respondent is disbarred, suspended, or otherwise excluded from or ineligible for participation in State or Federal assistance programs.
- The respondent contacts any member of the City Commission from the time proposals are bid up to and during the time to award to promote their proposal.

Confidentiality

All proposals submitted shall remain confidential. After award, proposals will be made available for public inspection pursuant to the Public Information Act. The City shall not be responsible for the confidentiality of any trade secrets or other information contained disclosed in the proposal unless clearly identified as such.

Award of Contract

The City reserves the right to accept or reject any or all proposals, and to waive any formalities, or irregularities in the RFP process and award the proposal to best serve the interest of the City. Proposals may be awarded or rejected in any combination the City selects.

The City will select the most highly qualified respondent(s) of the requested services based on demonstrated competence and qualifications and then attempt to negotiate with respondent(s) a contract(s) at a fair and reasonable price.

Acceptance of Proposal Content

Before submitting a proposal, each Respondent shall make all investigations and examinations necessary to ascertain all conditions and requirements affecting the performance of the contract to verify any representations made by the City upon which the proposal will rely.

The estimated timeline for specification is noted below and followed by the detailed requirements.

First Publication: October 10, 2022
Second Publication: October 17, 2022
Proposals Due: October 26, 2022 at 4:00 P.M.

Contract Effective Date: December 1, 2022

DEADLINE AND DELIVER LOCATION

Deadline: Sealed submittals must be received and time stamped by 4:00 P.M., Local Time, October 26, 2022. The clock located at the City will be the official time. It is the sole responsibility of the respondent to ensure that the sealed RFP submittal arrives at the below location by specified deadline.

One (1) Electronic Submission is required (flash drive or CD) along with (1) one paper original and seven (7) copies. Materials must be submitted in a sealed envelope and addressed to: City Manager Alberto Perez, City of Mercedes, P.O. Box 837, Mercedes, TX 78570 or hand delivered to: City Manager Alberto Perez, 400 S. Ohio Ave., Mercedes, TX 78570 and clearly marked on the outside of the Envelope: **“PROPOSAL 2022-016 – GROUP HEALTH/RX INSURANCE”**. Faxed submittals will not be accepted. Proposals received after the deadline will be considered unacceptable and will not be opened. The City of Mercedes is not responsible for lateness of mail, courier service, etc.

SCOPE OF SERVICES REQUESTED

The City shall require that the respondents provide all necessary services included, but not limited to the following:

- Maintain a fully automated claims adjudication system in compliance with electronic transmission standards and security requirements and all other regulars as required by HIPAA. Provide WEB access to plan participants that allows for claim status and offers various customers service functions.
- Maintain records and management reports, including claims and accounting information as required by the contract.
- Provide timely response to inquiries from plan participants and providers regarding eligibility and status of claim, correspondence, payment, and any other information requested by such parties in a manner that will limit the City's involvement in day-to-day inquiries.
- Prepare and review with the Human Resources and Payroll staff, and print summary plan documents, claim forms, and any other communication material as required by the contract.
- If vendor issues ID cards, the City prefers vendor to mail the initial identification cards to the City of Mercedes address.
- Deliver utilization reports. The City needs to be able to access standard reports online, preferably in excel format.
- Provide online access to additional standard or ad hoc reports as needed by the City. If a specific report cannot be generated online, prepare and provide such to the City electronically.
- Meet with representatives of the City's Human Resources and Payroll Departments as often as deemed necessary by City.

Contact Terms

The City desires to receive proposals with at least two (2) year guarantee, with an optional two (2) year extensions if there will be no increase in premium rates.

Exhibits

Any Information necessary for the submittal of this proposal are not included. Respondents may request plan coverage, reports, and employee census by contacting the Human Resources Department by email at klongoria@cityofmercedes.com.

Proposal Format

General

Proposals shall be submitted in the following format with each element requested and/or form furnished as specified to facilitate evaluation of the proposals. The detailed requirements in this RFP are mandatory.

Letter of Transmittal

- A letter of transmittal must be submitted with a Respondent's proposal. The Letter must include:

- A statement of the respondent's understanding of the services required by the Request for Proposal and attached specifications.
- A statement that the respondent can and will furnish the required services in full compliance to the terms, conditions and specifications set forth in this RFP within the designated time frames.
- A statement of the Respondent's status (i.e. corporation, partnership, other), and its affiliation with any other corporation or firm along with the names of the person(s) authorized to make representations on behalf of the respondent, binding the firm to a contract.

Table of Contents

A Table of Contents should indicate the material in the proposal.

Required Attachments

All quoting respondents should complete the appropriate items outlined in the RFP.

Quoting respondents may include additional information, flyers brochures, etc. in each tab of their hard copy responses in addition to the complete required attachments.

Quoting respondents should also include the name, address, phone number, fax number, email address of the contact person(s) within the organization.

Selection Process

The City shall evaluate all submissions and present such to the City Commission. The City Manager shall make a recommendation to the City Commission of the selection of the most qualified respondent to enter into contract negotiations with the City. The City will evaluate the quotes based on price, coverage area, billing and technical support. The City reserves the right to negotiate the final fee schedule prior to recommending any respondent a contract.

Selection Criteria

Respondents are advised that the City reserves the right to evaluate and rank the proposals without input from the respondents. Therefore, proposals should be complete as initially submitted.

When services and fees are agreed upon, the selected respondent shall be offered a contract subject to City Commission approval.

The selected respondent shall enter into negotiations with the City for the services to be performed. Should negotiations be unsuccessful, the City shall enter into negotiations with the next, highest-ranked respondent until an agreement for services and fees are reached. This process shall continue until an agreement is reached.

This RFP does not commit the City to pay for any direct and/or indirect costs incurred in the preparation and presentation of a response. The City reserves the right to accept or reject all or part of proposals.

NOTICE TO RESPONDENTS

Disclosure of Certain Relationships

Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local governmental entity make certain disclosures concerning any affiliation or business relationship that might cause a conflict of interest with the local governmental entity. The provisions of Chapter 176 and the Form CIQ questionnaire that must be completed to comply with this law are available at the Texas Ethics Commission website.

A current list of the City of Mercedes City Commission members and the City Manager are available at the City, or on the City's website at <http://www.cityofmercedes.com>. If you are considering doing business with the City of Mercedes and have an affiliation or business relations that requires you to submit a completed Form CIQ, it must be filed with the City Secretary's Office of the City of Mercedes no later than the seventh (7th) business day after the date you become aware of facts that require the form to be filed. You may also include the statement along with the proposal. See Section 176.006, Texas Local Government Code. It is a Class C misdemeanor to violate this provision.

By submitting a response to the City of Mercedes Request for Proposal, Request for Bid, or Request for Qualifications or by conducting business with said entity, you are representing that you are in compliance with the requirements of Chapter 176 of the Texas Local Government Code.

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Letter of Interest

RFP: Group Medical/RX

The undersigned firm submits the following information in response to Request for Proposal, issued by the City of Mercedes, Texas (“City”) for a Group Medical/RX. This proposal includes:

- Completed RFP Letter of Interest Form. (Required)
- Completed Conflict of Interest Form. (Required)
- Completed Debarment and Suspension Certificate. (Required)
- Non-Collusion Statement (Required)
- One (1) electronic copy of proposal (Required)
- One (1) original and seven (7) paper copies of proposal (Required)

Respondent is responsible for calling the City Manager of the City of Mercedes to determine if any addendums have been issued.

Respondent also understands that the City is not bound to select any proposals for the final pre-qualified list and may reject any RFP submittal that the City receives.

Respondent further understands that all costs and expenses incurred by them in preparing this RFP and participating in this process will be borne solely by the respondent, and that the RFP submittal materials will become the property of the City and will not be returned.

Respondent agrees that the City will not be responsible for any errors, omissions, inaccuracies, or incomplete statements in this RFP and accepts all terms of the RFP submittal process by signing this letter of interest and making the RFP submittal.

The respondent certifies, by submission of this proposal or acceptance of this contract, that neither it, nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal or State departments or agencies.

Any offer submitted because of this RFP shall be binding on the Respondent for 90 calendar days following the specified opening date. Any proposal for which the respondent specifies a shorter acceptance period may be rejected.

This RFP shall be governed by and construed in all respects according to the laws of the State of Texas.

Company Name: _____

Mailing Address: _____

City, State, Zip: _____

Tax ID: _____

Representative Signature

Date

Printed Name

Title