

# ISSUING DEPARTMENT INPUT DOCUMENT

## CONTRACT/PROJECT MEASURE ANALYSIS AND RECOMMENDATION

New   
  OTR   
  Sole Source   
  Bid Waiver   
  Emergency   
 Previous Contract/Project No. RFP-00615

Contract  
 Re-Bid   
  Other – Access of Other Entity Contract   
 LIVING WAGE APPLIES:  YES  NO

Requisition No./Project No.: EPPRFP-1588   
 TERM OF CONTRACT 5 YEAR(S) WITH  YEAR(S) OTR

Requisition /Project Title: Employee Benefits Consulting Services

Description: Miami Dade County is soliciting for proposal from qualified and experienced firms to provide a broad range of benefits consulting services, actuary services, consultant services

Issuing Department: ISD   
 Contact Person: Natalya Vasilyeva   
 Phone: 305-375-4725

Estimate Cost: 999,999   
 Funding Source: GENERAL   
FEDERAL   
OTHER self insuran

### ANALYSIS

<b>Commodity Codes:</b>	<span style="border: 1px solid black; padding: 2px;">91840</span>	<span style="border: 1px solid black; padding: 2px;">91885</span>	<span style="border: 1px solid black; padding: 2px;"></span>	<span style="border: 1px solid black; padding: 2px;"></span>	<span style="border: 1px solid black; padding: 2px;"></span>
Contract/Project History of previous purchases three (3) years Check here <input type="checkbox"/> if this is a new contract/purchase with no previous history.					
	<b><u>EXISTING</u></b>	<b><u>2<sup>ND</sup> YEAR</u></b>	<b><u>3<sup>RD</sup> YEAR</u></b>		
<b>Contractor:</b>	Gallagher				
<b>Small Business Enterprise:</b>					
<b>Contract Value:</b>					
<b>Comments:</b>					

Continued on another page (s):     YES     NO

### RECOMMENDATIONS

	Set-Aside	Subcontractor Goal	Bid Preference	Selection Factor
<b>SBE</b>				

Basis of Recommendation:

<b>Signed:</b> <span style="border: 1px solid black; padding: 2px;">Natalya Vasilyeva</span>	<b>Date sent to SBD:</b> <span style="border: 1px solid black; padding: 2px;">09/14/2020</span>
	<b>Date returned to SPD:</b> <span style="border: 1px solid black; padding: 2px;"></span>

## **1.0 PROJECT OVERVIEW AND GENERAL TERMS AND CONDITIONS**

### **1.1 Introduction**

Miami-Dade County, hereinafter referred to as the County, as represented by the Miami-Dade County Human Resources Department, is soliciting proposals from qualified and experienced firms interested in providing a broad range of actuarial and benefits consulting services in support of the County's Employee Benefits Program. The selected Proposer shall give the County's projects top priority and appoint a lead managing consultant with a staff of supporting consultants who will, respond timely, and perform effectively, the work orders required by the County.

The County anticipates awarding a contract for a three year period, at the County's sole discretion.

## **2.0 SCOPE OF SERVICES**

### **2.1 Background**

The County's Employee Benefits Program, administered by the Benefits and Employee Support Services Division of the Human Resources Department, provides a wide array of benefits to eligible employees, retirees, Consolidated Omnibus Budget Reconciliation (COBRA) participants, and eligible dependents. Benefit plans include group medical, dental, vision, basic life, supplemental life, disability, legal, Florida Retirement System administered pension benefits, and Internal Revenue Service (IRS) Section 125 flexible spending accounts and Sections 457(b) and 401(a) tax-deferred retirement plans. The County operates on a fiscal year beginning October 1 and continuing through September 30. The majority of these benefits are currently offered on a calendar/plan year basis (January 1 through December 31).

### **2.2 Objective**

The County is committed to providing comprehensive, high quality, and cost-effective benefit plans and programs that provide optimum value to the County, its employees and retirees. The County, through this solicitation, intends to establish a strategic partnership with a benefits consulting firm that will support a methodical and outcome-based approach for the continued development and forecasting of the County's Employee Benefit Program, including the expansion of performance standards and effectiveness of all cost controls, while maintaining State and Federal regulatory requirements.

### **2.3 Proposer and Staff Qualification**

The selected Proposer:

- A. Must be registered with the State of Florida, Division of corporations to do business in Florida.
- B. Must be an independent consulting firm and not affiliated with any insurance company, third party administration agency, or insurance provider network.
- C. Should have a minimum of ten (10) years of insurance consulting experience with public or private sector organizations with groups of 10,000 employees or greater.
- D. Proposed Lead Managing Consultant should hold a minimum of seven (7) years of experience in progressively responsible administrative oversight of public sector benefits and the application of State of Florida Regulations.

### **2.4 Program Overview and Plan Group Benefits**

The County currently offers eligible employees the following:

- Medical Insurance
- Dental Insurance
- Vision Insurance
- Wellness Program
- Basic Life Insurance
- Supplemental Life Insurance
- Flexible Spending Account
- Legal Plan

- Short and Long Term Disability
- Deferred Compensation
- COBRA
- Florida Retirement System (FRS)
- Life Insurance and AD&D – In line-of-duty (ILOD)
- Life Insurance– Special Risk (FL Statute)

For more details on the County's employee benefits please visit: <http://www.miamidade.gov/humanresources/benefits.asp>.

## **2.5 General Requirements and Services to be Provided**

The selected Proposer's responsibilities shall include, but are not limited to, the following:

### **A. Financial and Actuarial Services**

1. Provide an evaluation of the actuarial soundness of the County's self-funded medical plan and supplemental plan for Medicare eligible retirees.
2. Prepare an annual Actuarial Certification filing of the self-funded medical plan, as required by the State of Florida's Department of Financial Services, Office of Insurance Regulations.
3. Provide annual financial forecasting of the County's self-funded medical plan, to include the supplemental plan, and prepare renewal projections reports.
4. Analyze financial data provided to the County by the Third Party Administrator for self-funded medical plan and validate proposed rates based on underwriting methodology. Assist the County in negotiating rate renewals with both the self-funded and fully-insured plan providers.
5. Conduct various financial studies, as necessary and requested by the County, including those required by the Governmental Accounting Standards Board (GASB).
6. Prepare data driven analysis (e.g., numerical, historical, demographic, actuarial, etc.) and present the annual Executive Summary Rate Analysis Report to the County's Labor Healthcare Committee based on those findings. Selected Proposer shall provide recommendations to the Labor Healthcare Committee that support the total program costs and proposed employer and employee annual medical insurance renewal rates.
7. Provide to the County required data for the accurate and timely reporting under the Patient Protection and Affordable Care Act (PPACA). At the County's request, the selected Proposer shall provide advice and interpretation of federal benefit regulations to complete reporting task.
8. Provide actuarially based cost projections for various plan design alternatives and improvements based on the review of current plan experience, as well as industry trends, variable enrollment assumptions and contribution strategies.

### **B. Self-funded Plan Performance Monitoring and Auditing**

1. Monitor the performance of, and compliance with, all established contractual requirements of the self-funded medical plan.
2. Secure statistical reports, etc., directly from the Third Party Administrator's depository to evaluate and ensure compliance with contracted performance standards levels. Selected Proposer shall ascertain financial penalties for performance noncompliance have been properly recorded and liquidated damages assessed against Third Party Administrator.
3. Conduct annual onsite claims audit of self-funded plans at Administrator's facility, as deemed necessary by the County, to include review and compliance with contractually-established:
  - Performance standards;
  - Payment accuracy of claims;
  - Coding accuracy of claims;
  - Claims turnaround time, and
  - Plan provisions accuracy.

Any errors identified by selected Proposer must be properly classified as financial or non-financial and presented in a written findings report annually, or upon completion of the audit, to the County's Project Manager.

4. Conduct annual audit of the Pharmacy Benefits Management (PBM) Program agreement for the review and compliance of all formulary rebates to determine if the County receives guaranteed rebate amounts, in accordance with contractual obligations.
5. Request directly from the Third Party Administrator the Quarterly Rebate and Annual Reconciliation Report for the purpose of its review and subsequent briefing of the County's Project Manager on findings and conclusions.

### **C. Strategic Review of Benefit Plan Designs**

1. Analyze current County plan designs and recommend changes as necessary, based on market analysis, legislation and availability, to better meet the County's Employee Benefits Program's service objectives and to provide opportunities for cost containment.
2. Assist in the preparation for, and participate in, the meetings held between labor bargaining units and the County to discuss benefit contract issues, such as cost estimates for new or upgraded/downgraded benefit programs and methodology for rate calculations. The selected Proposer shall smooth the progress of discussions between the two parties - addressing emerging trends, critical success factors, and the potential impact to the County. Selected Proposer shall also be available to conduct educational workshops/presentations on key legislation affecting employee benefits, for the benefit of County Human Resources' employees, union officials, fiduciary administrators and other service providers, as specified by the County.
3. Provide technical support, as deemed necessary, to the County' Employee Benefits Program, in identifying and incorporating best plan and funding designs for all group benefits offered to County employees.
4. Provide professional legal consulting support and advice on the review of recommended plan amendments and for other benefits-related matters, as necessary, to ensure compliance with federal and state legislation.
5. Advise the County on short-term and long-term direction of benefits plan design and funding and explain any significant variations that would warrant redesign.
6. Advise the County in establishing strategic goals with respect to employee benefits and the Employee Wellness Management Program for the purpose of improving the overall health of employee population, and managing cost effectiveness.

### **D. Federal, State and Local Legal Compliance, Research Services and Related Requirements**

1. Provide research, advice and interpretation of federal, state and local benefit regulations and legislation. The selected Proposer shall provide interpretation of regulation and legislation, upon the County's request.
2. Provide professional legal consulting support and advice on specific service research, compliance related issues, and other general matters, as deemed necessary by the County.
3. Provide timely updates of proposed and effectuated changes in the legal environment that affect employee benefits (e.g. Employee Retirement Income Security Act (ERISA), PPACA, COBRA, Health Insurance Portability and Accountability Act (HIPAA), and (IRS) Sections 125, 457(b), 401(a), etc.), including any tax law newsletters or special advisories released.
4. Review plan design documents of self-funded medical and IRS Section 125 flexible benefits plans, and Sections 457(b) and 401(a) tax-deferred retirement plans, for compliance with applicable governing laws.
5. Obtain IRS private letter rulings for the County, as necessary and applicable, at the discretion of the County, in consultation with the selected Proposer.
6. Ensure compliance with all provisions/requirements of the PPACA.

Proposer's personnel performing these services must possess knowledge of Florida law as it pertains to employee benefits for political subdivisions of the State.

**E. Development of Request for Proposals (RFP), Proposal Review and Negotiations**

1. Provide assistance and technical expertise in reviewing competitive RFPs, including the establishment of appropriate performance standards, in development by the County.
2. Assist in the formulation of technical responses to inquiries received by prospective vendors and to be issued via addenda to an RFP.
3. Provide assistance in assessing qualifications and analyzing data provided in proposals received from prospective vendors. Selected Proposer may be required to participate in the Competitive Selection Committee meetings as deemed necessary by the County, at its sole discretion.
4. Test the adequacy of proposed provider and pharmacy networks, analyze hospital, physician and pharmacy discounts, perform geographic-access match studies, and conduct medical provider/prescription disruption analyses.
5. Provide negotiations assistance to the County, as deemed necessary by the County, in assessing the rates and fees proposed by the prospective vendors – and in negotiating competitive rates, discounts and services for current and future projects.

**F. Retirement Services – Deferred Compensation Plans**

1. Plan and Fee Benchmarking
  - Conduct benchmarking to determine if fees are reasonable and there is value for services received and issue a comprehensive report detailing findings of the benchmark process.
  - Based upon results of the benchmarking, conduct negotiations with the County's service providers to bring fees to an acceptable level for the Plan and its Fiduciaries.
  - Review all changes in provisions and language to contracts and service agreements between the parties for any modification.
2. Investment Policy Statement and Investment Monitoring

Provide, review and update the County's Investment Policy Statement tied to investment monitoring criteria, and provide quarterly investment monitoring reports.

  - i. Investment Advisory
    - Provide a documented monitoring and analysis process that evaluates plan investments in accordance with the County's plan Investment Policy by their adherence to the plan investment's stated styles and objectives.
    - Provide recommendations on appropriate course of action to take with regard to the status of each fund reviewed and analyzed. This will include recommendations on adding appropriate funds to a "watch list" or removing funds from a "watch list".
    - Provide a written Investment Monitoring Report. The report should cover, among other areas, the following: market & economic overview; plan asset allocation review (current and prior quarter); general asset category review; plan specific asset representation review; summary fund analysis compared to investment policy criteria; individual fund analysis.
    - Provide guidance and recommendations of alternative selections to use in the event that a fund needs to be replaced, i.e., provide a fund analysis of comparable category funds offered by the County's provider, and if requested, oversee the entire fund replacement/integration process.
3. Governance
  - i. Fiduciary Risk Mitigation Process
    - Develop a Fiduciary training manual, perform a review of oversight entity, organization and operations.
    - Assist in the preparation of any corporate governance documents desired.
    - Develop Plan Governance Best Practices including Fiduciary and safe harbor checklists; Fiduciary training manual; Fiduciary liability and Errors & Omissions insurance checklists; Fiduciary Stewardship and governance assistance including education of Plan Fiduciaries.

## G. Other Related Duties

1. Provide ongoing support, review, and interpretation of plan provisions and IRS regulations for Section 125 flexible benefits plan.
2. Provide ongoing support, review, and interpretation of plan provisions and IRS regulations for Sections 457(b) and 401(a) tax-deferred retirement plans. Selected Proposer will provide the County with key observations from the portfolio information.
3. Develop employee communications, including formulation of employee surveys and focus groups, as deemed necessary by the County. All findings and statistical analysis conducted shall be presented, in writing, to the County's Project Manager upon completion.
4. Assist with retirement, investment, and annuity placement consulting for executive level management, as deemed necessary by the County.
5. Provide specialized actuarial studies for supplemental retirement benefits.
6. Conduct benefit plan modeling, as requested by the County.
7. Work collaboratively with other County consultants and the County Attorney's Office.
8. Attend meetings with various providers under contract with the County, or with County staff not directly involved with the Employee Benefits Program, at the County Project Manager's request.
9. At the County's request, anticipated to be not less than bi-annually, the selected Proposer shall present to the County for consideration, a list of three (3) to five (5) critical topics that are relevant to employee benefit programs and health and welfare. The County will identify the topics that best align with its objectives, at the County's sole discretion. The selected Proposer will prepare an analysis that identifies observations and recommendations for the County to consider.
10. Provide ad-hoc analysis and benefits related reporting to the County, as deemed necessary by the County.
11. Provide other related consulting services, as identified by the County.
12. Provide additional Benefits Administration and Wellness program technology resources, if available.

### 2.6 Work Order Assignments

When the need arises, the County anticipates preparing a work plan which provides the selected Proposer with information regarding the anticipated deliverables for each particular project. After a work plan has been prepared by the County, the selected Proposer shall prepare a written engagement letter for review and approval by the County. The engagement letter must be received by the County as defined in each work plan, and should include the following:

- a. Description of the proposed approach and specific deliverables;
- b. Project schedule and completion date;
- c. Proposed staff to perform the work, including job title, hourly rate and estimated number of hours each will spend on the assignment;
- d. Breakdown of the cost per staff person (not to exceed maximum contracted rates); and
- e. Total not-to-exceed cost for the assignment, if requested.

The County anticipates issuing Work Orders based on each approved work plan/engagement letter (which may require negotiations with the selected Proposer). The County may modify, suspend, or cancel a request for a work plan/engagement letter at any time at no cost to the County. All costs associated with estimating a project shall be borne by the selected Proposer. The selected Proposer shall not have any claim, financial or otherwise, against the County as a result of the County modifying, suspending or canceling a Work Order.

**3.0 RESPONSE REQUIREMENTS**

<b><u>Technical Criteria</u></b>	<b><u>Points</u></b>
1. Proposer's relevant experience, qualifications, and past performance, relevant experience and qualifications of key personnel, including key personnel of subcontractors, that will be assigned to this project, and experience and qualifications of subcontractors	50
2. Proposer's approach to providing the services requested in this Solicitation	20

<b><u>Price Criteria</u></b>	<b><u>Points</u></b>
3. Proposer's proposed price	30

**6.0 ATTACHMENTS**

## Proposal Submission Package:

Proposer Information Section

Web Forms – Proposal Submittal Form, Fair Subcontract Practices Affidavit, Subcontractor Listing, and Lobbyist Registration.

Form 1 – Price Proposal Schedule

Draft Form of Agreement

HIPAA Business Associate Addendum