

DEPARTMENTAL INPUT **CONTRACT/PROJECT MEASURE ANALYSIS AND RECOMMENDATION**

☐ New
 ☐ OTR
 ☐ Sole Source
 ☐ Bid Waiver
 ☐ Emergency
 Previous Contract/Project No. RFP724

Contract
☒ Re-Bid
 ☐ Other
 LIVING WAGE APPLIES: ☐ YES
☒ NO

Requisition No./Project No.: RQHR1700001
 TERM OF CONTRACT 5 YEAR(S) WITH 2 YEAR(S) OTR

Requisition /Project Title: Employee Group Legal Services

Description: This contract will establish a contract for pre-paid group legal insurance plans/programs that is entirely paid for by the employees.

Issuing Department: HR
 Contact Person: Helena Denham-Carter
 Phone: 305-375-1638

Estimate Cost: \$15,000,000
 GENERAL
 FEDERAL
 OTHER X

Funding Source:

ANALYSIS

Commodity Codes:	<u>961-50</u>	<u>953-68</u>	<u>961-72</u>
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.			
	EXISTING	2ND YEAR	3RD YEAR
Contractor:	<u>ARAG</u>		
Small Business Enterprise:	<u>N/A</u>		
Contract Value:	<u>\$17,300,000</u>		
Comments:	<u>Please return to Celeste Walker.</u>		

Continued on another page (s):
☐ YES
☒ NO

RECOMMENDATIONS

	Set-aside	Sub-contractor goal	Bid preference	Selection factor
SBE				

Basis of recommendation:

Signed: <u>Celeste Walker</u>	Date sent to SBD: <u>04/11/2017</u>
	Date returned to DPM: <u></u>

2.0 SCOPE OF SERVICES

2.1 Background

Miami-Dade County, hereinafter referred to as the County, as represented by the Miami-Dade County, as represented by the Miami-Dade Human Resources Department, is soliciting proposals for the provision of a Proposals for Pre-Paid Group Legal Insurance Plan/Program. The plan year effective date is January 1, 2018. The County anticipates awarding up to two contracts.

The purpose of this RFP is to establish accountability through a contractual relationship with vendors offering pre-paid group legal insurance plans/programs that are entirely paid for by the employees. The County does not contribute to the cost of any of these plans/programs. To the extent allowable under Florida law, The County would like to offer additional protection or services to employees (i.e., guaranteed cost, advanced notice of rate changes). In return for the contractual commitments, The County will establish payroll deduction slots and allow marketing to The County employees. The requested and resulting Agreement is for the purpose of allowing marketing and payroll deduction slots and does not alter or replace the application process or other requirements under Florida insurance law.

The County reserves the right to contract directly for one or more plans independently. The County will not contract with independent agents to provide this service. It will be the Awardee's responsibility to appoint, supervise, and maintain properly licensed and trained agents to offer these products and to ensure proper recordkeeping, billing, and documentation for each plans/products offered.

2.2 Minimum Qualification Requirements

The minimum qualification requirements for this Solicitation are:

1. Proposer shall be licensed by the State of Florida, Office of Insurance Regulation, to provide the plan/program services for which the proposal is being submitted for, as of proposal due date.

(Note: This is a continuing requirement throughout contract award and term of the agreement.)

2.3 Preferred Qualification Requirements

1. Have a minimum of five (5) years of experience in the State of Florida administering claims and providing similar services to those listed in this Solicitation, for governmental groups of 10,000 employees or greater. This preferred qualification is also applicable to the Proposer's subcontractors.
2. The County's account should not increase the Proposer's nationwide current book of business by more than 25%.
3. If Proposer is not rated by AM Best or the AM Best rating is below A-/VI, Proposer must submit the most recent three (3) years of independent audited financial statements, including auditors' notes/commentary.

(Note: This is a continuing requirement throughout contract award and term of the agreement.)

4. Have a minimum of five (5) years of experience in the State of Florida administering claims and providing similar services to those listed in this Solicitation, for governmental groups of 10,000 employees or greater. This preferred qualification is also applicable to the Proposer's subcontractors.
5. The County's account should not increase the Proposer's nationwide current book of business by more than 25%.
6. If Proposer is not rated by AM Best or the AM Best rating is below A-/VI, Proposer must submit the most recent three (3) years of independent audited financial statements, including auditors' notes/commentary.

(Note: This is a continuing requirement throughout contract award and term of the agreement.)

2.4 General Information

The County currently offers eligible employees and their dependents the following:

Plan Type	Plan Provider	Plan Payment
Fully Insured Group Legal Insurance	ARAG Insurance Company	Employees pay 100% of the cost.

Any full-time employee who has completed 60 days of employment is eligible for benefits. Part-time employees who work an average of 60 hours bi-weekly and have completed 60 days of active employment are also eligible for benefits. Coverage is effective the first day of the month following or coincident to the completion of the eligibility period.

The current bi-weekly premium rates are as follows:

TIER	BI-WEEKLY RATES
Single Employee	\$7.29
Employee Plus One Dependent	\$9.34
Employee Plus Family	\$9.61

The County employs over 28,000 individuals throughout South Florida. Please refer to the Miami-Dade County Employee Census Data provided as electronic files listed in **Attachment** for the eligible employee listing.

2.5 Deliverables:

A Plan Requirements

1. General Information

- a. State of issue for the plan must be Florida.

1.	Provide customer service lines with a local Area Code for employees, as well as a toll-free line for employees residing outside the local area code.
2.	Accept the County's self-billing statement. The process is as follows: Each month a deduction/reduction report is generated reflecting all employees enrolled in the Voluntary Supplemental Insurance Plans/Programs. The report is reconciled with the amounts disbursed after each payroll cycle. This information is summarized and remitted. It is the responsibility of the Awardee(s) to provide the County with any discrepancies within 10 business days.
3.	Your rate quotation shall assume a rate guarantee period of 36 months, if permitted by law. Additional rate guarantees are encouraged for years four and five.
4.	If selected as an Awardee(s), you will be required to provide the County a list of agents that will be selling your plans/product(s). Subject to the County's approval, the County may limit the number of agents.
5.	Provide a dedicated Account Manager who will have the overall responsibility for managing the County's relationship and attend (in person) meetings as needed.
6.	Awardee will be required to administer and maintain the voluntary supplemental products/plans in accordance with all appropriate federal and state statutes then in effect.
7.	Variations in actual enrollment shall have no effect on your rate quotation. Your Proposal shall be valid regardless of actual enrollment.
8.	If selected as an Awardee, you will need to participate in open enrollment, health fairs, and you will need to supply at your own cost the materials and supplies for open enrollment and throughout the year.
9.	Awardee agrees to maintain accurate recordkeeping, including but not limited to, applications, deductions, refund checks, cancellations, terminations, claims, and billing. Awardee is responsible to reconcile and provide the County within 10 business days of any discrepancies.
10.	Awardee agrees to provide a bilingual customer service representative at no additional cost if requested by the County.
11.	Awardee agrees to only a one-year look back period for reconciliation on billing and premiums.
12.	Awardee shall maintain an office in the tri-county area (Broward, Miami-Dade, and Palm Beach Counties). This office must be staffed by at least one representative and open for business Monday-Friday.
13.	Awardee will make all refunds directly to employees for excess premiums and any tax documents as necessary. In addition, provide notification to the County of such refunds.
14.	Awardee shall notify the County monthly of any cancellations and reason for cancellations.
15.	
16.	The Human Resources Benefits Division shall review and approve all communication materials, open enrollment and marketing materials for distribution prior to the employee's. If any, postage costs are to be paid by the Awardee(s). At a minimum of 60 days prior to open enrollment.
17.	Awardee in cafeteria plan will be required to participate in open enrollment.
18.	Applications must be fully executed and employees must be provided with a copy at the time of signature. Employees signing up for the voluntary plans/programs shall be named as the owner of the policy and provided with a certificate of insurance within 30 days.
19.	As requested by the County, the selected Proposer shall provide activity reports. Reports shall be provided to the County within 48 hours of request, unless otherwise approved by the County.
20.	Exclude commission or any other compensation paid to a broker or selling agency in the rates unless required by law.

- b. The Plans effective date shall be January 1, 2018.
- c. All full-time and Part-time employees and their dependents are eligible to participate in the plans/programs.
- d. The County will remit premiums to the selected Proposer on a monthly basis for all voluntary plans/programs, in arrears, The County retains the right, at all times, to self-bill. The County will remit premium payments based on it's the County's records.
- e. There shall be no minimum participation requirements.

2. **Scope of Services:** Clearly describe how the proposer can accomplish each of the following Scope of Services provided below and provide a brief description

2.6 **Requirements and Services to be Provided**

A. **Plan Requirements**

- 1. Contract situs state shall be Florida.
- 2. The Plan effective date shall be January 1, 2018.
- 3. Premiums are collected through bi-weekly payroll deductions and employees pay the full cost of coverage on a post-tax basis.
- 4. All County employees enrolled as of December 31, 2017 shall be eligible for coverage with no actively at work provision.
- 5. The Plan shall allow coverage for the employee, the employee's spouse/domestic partner and eligible unmarried dependent children, including the children of a domestic partner. Unmarried dependent children are eligible for coverage through the end of the calendar year turning age 19. Coverage may be extended to the end of the calendar year turning age 25 if the unmarried dependent child is dependent on the employee for financial support and resides in the employee's household or is a full time/part-time student.
- 6. Participating employees on County approved unpaid leave of absence may continue their coverage for up to one year (more, if such leave is extended by County action) by paying the required bi-weekly contributions directly to the County.
- 7. Terminated employees may purchase a conversion policy directly from the selected Proposer.
- 8. Provide coverage levels at least of greater than the current coverage level (See **Attachment 1**).

B. **Administrative and Related Services**

The selected Proposer shall:

- 1. Provide a customized website which includes information on participating providers, educational materials, monthly newsletter and available benefits, along with a link, for posting through the County's benefits website.
- 2. Provide a toll-free number for telephone, consultation and customer service inquiries, Monday through Friday from at least 8:00 a.m. to 6 p.m. (local time).
- 3. Prepare a customized Policies and Procedure manual for services requested herein, which will be utilized by the selected Proposer and the County.
- 4. Fulfill, upon expiration of any agreement as a result of this Solicitation, all responsibilities

- of the Plan year.
5. Comply with Performance Guarantee Provisions. (See Performance Guarantee Provisions Worksheet, **Attachment 3**.)
 6. It is the County's preference that the selected Proposer offer Plan "rights of recovery" provisions.

C. Enrollment And Communication Materials

The selected Proposer shall:

1. Accept all new enrollees.
2. Accept the County's standard Benefits Enrollment Form provided as **Attachment 4** for new enrollees and open enrollment. The County shall retain final approval authority of the standard enrollment form to be utilized. The County utilizes web enrollment for the annual benefits open enrollment and new hire enrollments. However, in some instances, paper forms may be utilized. The selected Proposer shall provide system interface and data format requirements for enrollment and eligibility data.
3. Accept the County's standard Change In Status Form provided as **Attachment 5**.
4. Provide enrollment materials in sufficient quantities as determined by the County with additional supplies available throughout the Plan year as necessary.
5. Mail ID cards and new member materials to all new enrollees' homes. The selected Proposer shall pay all applicable postage.
6. Provide sufficient Plan representatives, as necessary and requested by the County, for participation in annual open enrollment regional meetings (approximately 25).
7. Provide at least 120 days prior to open enrollment effective date, or as determined by the County, the schedule of benefits to include in the County's benefits handbook.
8. Forward *all* employee communications to the County's Benefits Manager or designee for approval, in writing, prior to printing. Annual open enrollment materials shall be shipped by the selected Proposer directly to the County locations for distribution to employees. The selected Proposer shall pay all applicable postage.
9. Proposer will offer at least five annual financial planning seminars and workshops to County employees.

D. Representations and Warranties

The selected Proposer shall:

1. Ensure that services will be administered on a uniform basis for all participants.
2. Ensure that at all times the panel of attorneys shall be comprised of an adequate number of attorneys throughout the geographic area covered by the Plan to permit convenience of access and to provide satisfactory and timely legal services to covered participants.
3. Ensure that all attorneys on the panel are members in good standing of the State Bar Association in which the legal services are performed. See Section 2.4, A(1).

2.7 Premium Remittance

The County will remit to the selected Proposer the total fees due for each participant at the end of each bi-

weekly pay period accompanied by an electronic file and/or computer printout of enrolled employees' salary deductions. Employees pay the full cost for the Plan.

Employee salary deductions are bi-weekly in arrears and it is necessary for the selected Proposer to take into its underwriting consideration the need for a 60 day grace period. The selected Proposer shall provide coverage for up to 60 days after non-payment of premium for employees on an approved leave of absence.

The selected Proposer shall allow retroactive premium adjustments and honor claims that are incurred within 120 days of termination of eligible employees who are inadvertently and incorrectly excluded from employer remittance reports.

2.8 Reporting

The selected Proposer shall provide an Annual Premiums versus Claims Utilization Report which shall be segregated by service categories. Report shall be provided to the County within 45 days of the end of each Plan year.

The County reserves the right to request additional reports on an as-needed basis, in addition to, a yearly survey to determine member satisfaction.