

Invitation to Bid
20141016 - STOP-LOSS INSURANCE FOR GROUP HEALTH PLAN

Responses to an Invitation to Bid will be received by the Purchasing Supervisor, Sumner County Board of Education, 1500 Airport Road, Gallatin, TN 37066 for 20141016 - STOP-LOSS INSURANCE until 9:30 a.m. CDT Thursday, October 16, 2014. Bid responses will be opened at that time, taken under advisement and evaluated. Should you have any questions please call Shawn Curtis, Human Resources Department at (615) 451-5200. All proposals are subject to the Board of Education's conditions and specifications which are available from Vicky Currey, Purchasing Coordinator (615) 451-6560. All bids can be viewed on line at www.sumnerschools.org.

NOTICE TO RESPONDENTS

Responses to an Invitation to Bid will be received by the Purchasing Supervisor in the SUPPORT SERVICE FACILITY CONFERENCE ROOM, Sumner County Board of Education, 1500 Airport Road Gallatin, TN 37066. They will be received until **9:30 A.M. Local Time THURSDAY, OCTOBER 16, 2014** for **20141016 – STOP LOSS INSURANCE FOR GROUP HEALTH PLAN**, at which time the responses will be opened, taken under advisement and evaluated. ***BIDS WILL BE POSTED ON www.sumnerschools.org***

GENERAL REQUIREMENTS AND CONDITIONS

1. The Sumner County Board of Education reserves the right to accept or reject any and/or all responses in whole or in part, and to waive informalities therein.
2. Any responses received after the scheduled closing time for the receipt for responses will not be considered.
3. If a mistake is discovered after the responses are received, only the Sumner County Board of Education may allow the respondent to withdraw the entire response.
4. Partial payments will not be approved unless justification for such payment can be shown. Terms will be net 30 days.
5. Payment will not be made until the said **20141016 – STOP LOSS INSURANCE FOR GROUP HEALTH PLAN** are inspected and approved as meeting all specifications by persons appointed by the Sumner County Board of Education.
6. Responses submitted must be in a sealed envelope and marked on the outside as follows:
RESPONSE: 20141016 – STOP LOSS INSURANCE FOR GROUP HEALTH PLAN
DEADLINE: 9:30 A.M. - THURSDAY, OCTOBER 16, 2014
7. Facsimile responses will not be considered.
8. If a successful bidder violates any terms of their bid, the contract, school board policy or any law they may be disqualified from bidding for a period of two years for minor violations or longer for major violations. Bids from disqualified bidders will not be accepted during the period of disqualification.
9. Prices quoted on the response (if any) are to be considered firm and binding until the said **20141016 – STOP LOSS INSURANCE FOR GROUP HEALTH PLAN** are in the possession of the Sumner County Board of Education.
10. No purchase or contract is authorized or valid until the issuance of a Board Purchase Order in accordance with Board Policy. No Board Employee is authorized to purchase equipment, supplies or services prior to the issuance of such a Purchase Order.
11. Any deviation from these stated terms, specifications and conditions must be coordinated with and approved in writing by the Purchasing Supervisor, Vicky Currey (615) 451-6560.
12. All bids that exceed \$25,000 must have the Company Name, License Number, Expiration Date thereof and License Classification of Contractor listed on outside of sealed envelope. As required by State of Tennessee Code Annotated 62-6-119.
13. The awarded bidder will be required to post a performance and payment bond in the amount of 25% of the contract price if it exceeds \$100,000 as stated by State of Tennessee Code Annotated 12-4-201.
14. If the project cost in excess of \$25,000 a performance bond must be secured by the requesting party in an amount equal to the market improvement value.

PROPOSAL REQUEST

Stop-Loss Insurance For Health Plan



**SUMNER COUNTY BOARD OF EDUCATION
SUMNER COUNTY, TENNESSEE**

DEADLINE:

9:30am CDT, Thursday, October 16, 2014

Introduction

Sumner County Board of Education, or herein known as “School System”, is hereby requesting a proposal for Stop-Loss Insurance.

General Information

I. Proposal Package

All sealed proposal packages must include all of the following, when applicable. Any sealed proposals shall be rejected as a non-conforming bid if any applicable item is missing.

- Three (3) complete copies of proposal
- Evidence of a valid State of Tennessee Business License and/or Sumner County Business License
- Evidence of compliance with the Sumner County Board of Education Insurance Requirements, if work is performed on School System Property
- Signed and completed Statement of Non-Collusion (Attachment 1)
- Properly completed Internal Revenue Service Form W-9
- Evidence of a company’s safety program and, if supported, a drug testing program (Attachment 2) Drug-Free Workplace Affidavit
- If bid is in excess of \$25,000, a certification of non-debarment must be completed (Attachment 3) Certification Regarding Debarment, Suspension, and Other Responsibility Matters
- Certification By Contractor (Attachment 4)

NEW VENDORS

1. To comply with Internal Revenue Service requirements, all vendors who perform any type of service are required to have a current IRS Form W-9 on file with the School System. At the time of requisition, the individual requesting a purchase order or disbursement will be informed if it is a new vendor and if a form W-9 is required. If form W-9 is required for a new vendor, the department head shall forward a completed form W-9 to the finance department. It can be obtained from the Internal Revenue Service's website at www.irs.gov.
2. To comply with the Tennessee Lawful Employment Act, non-employees (individuals hired as independent contractors) must have on file any 2m: of the following documents.
 - Valid Tennessee driver license or photo ID issued by department of safety
 - Valid out-of-state driver license
 - U.S. birth certificate
 - Valid U.S. passport
 - U.S. certificate of birth abroad
 - Report of birth abroad of a U.S. citizen
 - Certificate of citizenship
 - Certificate of naturalization
 - U.S. citizen identification card
 - Valid alien registration documentation or proof of current immigration registration

3. In addition, for all vendors with annual purchases in excess of \$50,000 (if a business license is required), a business license must be on file in the finance department, or the requisitioner must submit a copy with the purchase order requisition form or the payment requisition form, as applicable.

II. Responses

- Proposal must include point-by-point responses to the RFP.
- Proposal must include a list of any exceptions to the requirements.
- Proposal must include the legal name of the vendor and must be signed by a person or persons legally authorized to bind the vendor to a contract.
- If applicable, proposal must include a copy of the contract(s) the vendor will submit to be signed.
- Any and all proposal requirements must be met prior to submission.
- The bidder understands and accepts the non-appropriation of funds provision of the Sumner County Government.
- If noted in the section “proposal requirements” or later requested, the contractor will be required to provide a reference list of clients that have a current contract for services with their company.

III. Clarification and Interpretation of RFP

The words “must” and “shall” in this Request for Proposal indicate mandatory requirements. Taking exception to any mandatory requirement shall be grounds for rejection of the proposal. There are other requirements that the School System considers important but not mandatory. It is important to respond in a concise manner to each section of this document and submit an itemized list of all exceptions.

IV. Proposal Guarantee

Vendors must guarantee that all information included in their proposal will remain valid for a period of 90 days from the date of proposal opening to allow for evaluation of all proposals.

V. Related Costs

School System is not responsible for any costs incurred by any vendor pursuant to the Request for Proposal. The vendor shall be responsible for all costs incurred in connection with the preparation and submission of its proposal.

VI. Insurance Requirements and Liability

Each bidder or respondent to the RFP who may have employees, contractors, or agents working on School System properties shall provide copies of current certificates for general and professional liability insurance and for workers' compensation of a minimum of \$250,000. The owner or principal of each respondent must also be insured by workers' compensation if they perform any of the services on School System properties. There will be no exceptions to the insurance requirement.

VII. Payment Terms

Payment terms shall be specified in the bid response, including any discounts for early payment. All payments, unless agreed upon differently, will be after receipt of service or product and School System’s approval of conformance with specifications.

VIII. Deadline

Sealed proposals will be accepted until THURSDAY, OCTOBER 16, 2014 @ 9:30 A.M. Proposals received after that time will be deemed invalid and returned unopened to the vendor. Vendors mailing proposal packages must allow sufficient time to ensure receipt of their package by the time specified. There will be no exceptions.

IX. Withdrawal or Modification of Proposal

A withdrawn proposal may be resubmitted up to the time designated for the receipt of proposals provided that it fully conforms to the same general terms and requirements.

X. Package

The package containing the proposal must be sealed and clearly marked “20141016 – STOP LOSS INSURANCE FOR GROUP HEALTH PLAN” on the outside of the package. Responses may be hand delivered or mailed to the following address.

Sumner County Board of Education
Attn: Purchasing Coordinator
1500 Airport Road
Gallatin, TN 37066

XI. Right to Seek a New Proposal

The School System reserves the right to accept or reject any and all proposals for any reason. Proposals will be awarded to the best overall respondent as determined by that which is in the best interests of Sumner County.

XII. Procedures for Evaluating Proposals and Awarding Contract

In comparing the responses to this RFP and making awards, School System may consider such factors as quality and thoroughness of a proposal, the record of experience, the references of the respondents, and the integrity, performance, and assurances in the proposal in addition to that of the proposal price.

- Proposals will be examined for compliance with all requirements set forth herein.
- Proposals that do not comply shall be rejected without further evaluation.
- Proposals will be subjected to a technical analysis and evaluation.
- Oral presentations and written questions for further clarifications may be required of some or all vendors.

XIII. Discussions

Discussions may be conducted with the vendors which have submitted proposals determined to be reasonably likely of being considered for selection to assure a full understanding of and responsiveness to the RFP requirements. Every effort shall be afforded to assure fair and equal treatment with respect to the opportunity for discussion and/or revision of their respective proposals. Revisions may be permitted after the submission and prior to the award for the purpose of obtaining the best offers.

XIV. Open Records

After the bid is awarded, all proposals will be subject to the Tennessee Open Records Act, and the proposals will be available to the public upon written request.

Summary information on bids submitted will be posted on the School System website at <http://www.sumnerschools.org> under “Bids” link.

XV. Assignment

Neither the vendor nor School System may assign this agreement without prior written consent of the other party.

XVI. Liabilities

The vendor shall indemnify School System against liability for any suits, actions, or claims of any character arising from or relating to the performance under this contract by the vendor or its subcontractors.

School System has no obligation for the payment of any judgment or the settlement of any claim made against the vendor or its subcontractors as a result of obligations under this contract.

XVII. Tax Status

Sumner County Board of Education is tax exempt.

XVIII. Invoicing

Invoices are to be submitted to:

Sumner County Board of Education
695 East Main Street
Gallatin, TN 37066

The vendor must provide an invoice(s) detailing the terms and amounts due and the dates due. All invoices shall indicate payment terms and any prepayment discounts.

XIX. Contract Nullification

School System may, at any time, nullify the agreement if, in the judgment of School System, the contractor(s) has failed to comply with the terms of the agreement. In the event of nullification, any payment due in arrears will be made to the contractor(s), but no further sums shall be owed to the contractor(s). The agreement between School System and the contractor(s) is contingent upon an approved annual budget allotment, and is subject, with thirty (30) days notification, to restrictions or cancellation if budget adjustments are deemed necessary by School System.

XX. Applicable Law

Sumner County, Tennessee is an equal opportunity employer. School system does not discriminate towards any individual or business on the basis of race, sex, color, age, religion, national origin, disability or veteran status.

The successful contractor(s) agrees that they shall comply with all local, state, and federal law statutes, rules, and regulations including, but not limited to, the Rehabilitation Act of 1973 and the Americans with Disabilities Act.

In the event that any claims should arise with regards to this contract for a violation of any such local, state, or federal law, statutes, rules, or regulations, the provider will indemnify and hold School System harmless for any damages, including court costs or attorney fees, which might be incurred.

Any contract will be interpreted under the laws and statutes of the state of Tennessee.

School System does not enter into contracts which provide for mediation or arbitration.

Any action arising from any contract made from these specifications shall be brought in the state courts in Sumner County, Tennessee or in the United States Federal District Court for the Middle District of Tennessee.

Additionally, it is a violation of state statutes to purchase materials, supplies, services, or any other item from a vendor that is a commissioner, official, employee, or board member that has any financial or beneficial interest in such transaction.

GENERAL INFORMATION

1. INTRODUCTION:

The Sumner County Board of Education, hereinafter referred to as "the Board", is requesting quotations for stop-loss coverage from interested vendors for a January 1, 2015 effective date.

2. BACKGROUND:

Sumner County is located north of Nashville, stretching from Davidson County's northern border to the Kentucky state line. Sumner County was founded in 1786 and covers 530 square miles, including all or part of eight cities. Sumner County has a population of 155,474 as of the most recent census estimate. Since 2000, the county's population has grown more than twice as fast (19.2%) as the rate seen across the state.

Sumner County Schools has nearly 4,000 employees and more than 28,000 students in 45 schools.

- 2.1 The Board is requesting proposals for medical and pharmacy stop loss insurance in accordance with the requirements specified herein and including all provisions set forth in the accompanying documentation.
- 2.2 There are currently two separate medical plans. Certified employees are currently covered through a local self-insured plan (BOE Plan), while Classified employees are part of a combined self-funded plan with the local county. Certified employees are offered both CIGNA and BCBS of TN (Network S). Effective January 1, 2015, Classified employees will separate from the Sumner County Trust and join the Certified (BOE Plan) plan.
- 2.3 Sumner County Schools believes that the data contained in this bid is sufficient for the preparation of medical and pharmacy stop loss insurance proposals. The information is believed to be accurate and is based on the latest available information. Requests for additional information will be considered depending on the bid time frame and the availability of the requested information.
- 2.3 Arista Consulting Group is the benefits consultant for the Board. Any and all negotiations on behalf of the Board in conjunction with this bid will be performed exclusively by Arista Consulting Group, the Board and the vendor. No servicing agent(s) are requested by the Board at this time.
- 2.4 Request for Stop Loss Proposals

The Board recognizes the fact that there are very important considerations involved other than the rates and charges, and therefore will highly consider the proposal providing the best value.

Please provide quotes for the Board based upon the following desired terms:

Terms	Sumner County Schools
Contract Eff Date	1/1/15
Contract Basis (Spec & Agg)	12/12 or 12/15. Please quote both
Coverages (Spec & Agg)	Med & Rx only
Spec Deductible	Please quote \$250,000 and \$400,000
Aggregating Spec	None

The Board desires to keep contracts as clean as possible (ie. no lasers, no run-in limitations, etc.); however, the Board will consider any and all proposals including those that contain risk provisions as mentioned in this section.

- 2.5 The proposal prices must be all-inclusive. That is, the proposal must include cost of reinsuring as required; claims tracking, filing, and reporting; broker commissions; and any other costs which may accrue to proposer or carrier as a result of the reinsurance contracts, should it be awarded.
- 2.6 All proposals should assume a January, 1 2015 effective date and **prices must be final**. Additional claims information will not be available from the State.

3. COMPETITIVE PROPOSALS:

Proposals will be opened so as to avoid disclosure of contents to competing offerors, and kept confidential during the process of negotiation. However, all proposals shall be open for public inspection after award except for trade secrets and confidential information contained in the proposals and identified as such by the proposer.

- (a) Negotiations may be conducted with responsible offerors who submit proposals determined by the Purchasing Manager to be reasonably susceptible of being selected for award. All offerors will be accorded fair and equal treatment with respect to any opportunity for negotiation and revision of proposals. Revisions to proposals may be permitted after submission and before award for the purpose of obtaining best and final offers.
 - (i) Any oral negotiations must be confirmed in writing prior to award.
 - (ii) Award may be made without negotiation of proposals with any offeror.
- (b) Cost and/or Pricing Data shall be required to be submitted with the proposal, as specified elsewhere in this bid, or, during the process of any negotiations that may be conducted after receipt of proposals and prior to award.

4. TERM OF CONTRACT: Term of Contract and Renewal – Sumner County Schools intends to enter into a multi-year arrangement. This contract shall become effective from date of acceptance and approval by Sumner County Schools. It shall remain in full force and effect with firm fixed prices for a period of twelve (12) months or the end of the plan year, whichever occurs later.

5. OPTION TO RENEW: This contract may be extended provided all terms and conditions, except for the contract period being extended or any price redetermination as authorized elsewhere in this contract, remain unchanged and in full force and effect. Option, if exercised, to be executed in the form of a Modification/Supplemental Agreement, to be issued not sooner than ninety days (90) prior to expiration of this contract, nor later than the final day of the contract period. This Option to Renew requires the mutual agreement of both parties. Refusal by either party to exercise this Option to Extend shall require this contract to expire on the original or mutually agreed date. The normal extension period shall be in one (1) year.

6. Questionnaire

You must respond to all questions and requests in this Questionnaire. On a separate sheet of paper, please restate the first question and answer as completely and concisely as possible, then restate second question etc.

1. What is the name and address of the Reinsurance Carrier?
2. What is the name and address of the Company submitting this bid?
3. What is the name and address of the Managing General Underwriter?
4. What is the reinsurance carrier's current A.M. Best Rating?
5. What portion of the policy risk does the reinsurer retain?
6. What portion of the policy risk does the Managing General Underwriter retain?
7. If the MGU cedes any portion of the policy risk to any other person or entity, please identify those persons or other entities, providing the name and address.
8. What is the name and address of the firm that will issue the reimbursement checks?
9. Describe the process of claims tracking and filing, including the name and address of the firm that will track and file stop loss claims with the carrier or carrier's representative and the years of experience the stop loss tracking and filing firm has had at this activity.
10. What is your proposed individual lifetime limit?
11. What is your proposed individual annual limit?
12. Please confirm that:
 - a. The Policy covers dependents as well as the subscribers who are covered under the plan.
 - b. There are no exclusions for those plan members who are not actively at work.
 - c. There are no pre-existing condition exclusions.

- d. There are no waiting periods other than those that may be provided in the plan.
- e. Your contract will mirror the underlying plan document.
- f. Your aggregate and specific rates are firm.

13. Please provide an explanation of any unusual competitive provision or restrictions in your proposed contract, such as organ transplant coverage.

PROPOSAL PRICING FORM

PLAN YEAR: January 1, 2015 – December 31, 2015

Head Counts

Individual: _____ Family: _____

\$250,000 Specific 12/12 Basis

Monthly Premium Rate: Individual: _____ Family: _____

\$250,000 Specific 12/15 Basis

Monthly Premium Rate: Individual: _____ Family: _____

\$400,000 Specific 12/12 Basis

Monthly Premium Rate: Individual: _____ Family: _____

\$400,000 Specific 12/15 Basis

Monthly Premium Rate: Individual: _____ Family: _____

If you desire to quote on stop-loss insurance, and need information about claims experience, census, and benefit plan summaries, contact Lamar Wright at Arista Consulting Group at lwright@aristacg.com

ATTACHMENT 1

STATEMENT OF NON-COLLUSION

The undersigned affirms that they are dully authorized to execute this contract, that this company, corporation, firm, partnership or individual has not prepared this proposal in collusion with any other respondent, and that the contents of this proposal as to prices, terms or conditions of said proposal have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this proposal.

Company _____

Address _____

Phone _____

Fax _____

Respondent (Signature) _____

Respondent (Print Name and Title) _____

Authorized Company Official (Print Name) _____

ATTACHMENT 2

DRUG-FREE WORKPLACE

The Sumner County Board of Education is committed to maintaining a safe and productive work environment for its employees and to providing high quality service to its citizens. The goal of this policy is for Sumner County employees and contractors to remain, or become and remain, drug-free. Abuse and dependency on alcohol and/or drugs can seriously affect the health of employees, contractors and citizens, jeopardize personal safety, impact the safety of others and impair job performance.

Drug-Free Workplace Act of 1988 – Sumner County Board of Education is governed by the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D).

Omnibus Transportation Employee Testing Act of 1991 – Sumner County Board of Education is governed by the Omnibus Transportation Employee Testing Act of 1991 (Pub. L. 102-143, Title V).

Right to an Alcohol and Drug-Free Workplace - Employees have the right to work in an alcohol and drug-free environment and to work with persons free from the effects of alcohol and/or drugs.

Required Alcohol and Drug Tests - Alcohol and drug testing for safety sensitive employees shall be in accordance with the provisions contained in the Sumner County Alcohol and Drug Policy adopted by departments which have safety sensitive positions.

Contracts – Any contractors providing goods or services to Sumner County Board of Education must comply with all State and Federal drug free workplace laws, rules and regulations and so certify this compliance by completion of the DRUG-FREE WORKPLACE AFFIDAVIT (attached page 2).

DRUG-FREE WORKPLACE AFFIDAVIT (page 2)

STATE OF _____

COUNTY OF _____

The undersigned, principal officer of _____, an employer of five (5) or more employees contracting with Sumner County Board of Education to provide goods or services, hereby states under oath as follows:

1. The undersigned is a principal officer of _____ (hereinafter referred to as the "Company") and is duly authorized to execute this Affidavit on behalf of the Company.
2. The Company submits this Affidavit because it shall be receiving pay pursuant to a contract with the state or any local government to provide goods or services.
3. The Company is in compliance with all State and Federal Laws, Rules and Regulations requiring a drug-free workplace program.

Further affiant saith not.

Principal Officer: _____

STATE OF _____

COUNTY OF _____

Before me personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who acknowledged that such person executed the foregoing affidavit for the purposes therein contained.

Witness my hand and seal at office this _____ day of _____, 20_____.

Notary Public

My commission expires: _____

ATTACHMENT 3

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

The prospective participant certifies, to the best of its knowledge and belief, that it and its principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in transactions under federal non-procurement programs by any federal department or agency;
2. Have not, within the three year period preceding the proposal, had one or more public transactions (federal, state, or local) terminated for cause or default; and
3. Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) and have not, within the three year period preceding the bid, been convicted or had a civil judgment rendered against it
 - A. For the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction (federal, state, or local) or a procurement contract under such a public transaction;
 - B. For the violation of federal or state antitrust statutes, including those proscribing price fixing between competitors, the allocation of customers between competitors, or bid rigging; or
 - C. For the commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

I understand that a false statement on this certification may be grounds for the rejection of this proposal or the termination of the award. In addition, under 18 U.S.C. § 1001, a false statement may result in a fine of up to \$10,000 or imprisonment for up to five years, or both.

Name of Participant Agency

Name and Title of Authorized Representative

Signature of Authorized Representative Date

_____ I am unable to certify to the above statement. Attached is my explanation.

ATTACHMENT 4

CERTIFICATION BY CONTRACTOR

I, the undersigned, certify that on behalf of Contractor, I am authorized to attest and obligate the above certification and to legally bind Contractor to these terms, conditions and obligations.

_____ **Title**

_____ **Name**

_____ **Date**

_____ **Witness**