



# Shelby County Tennessee

Mark H. Luttrell, Jr., Mayor

## **Request for Proposal** **Shelby County Government** **Purchasing Department**

160 N. Main, Suite 550  
Memphis, TN 38103

*Issued: February 14, 2012*

*Due: March 28, 2012 no later than 3:00 P.M. (Central Standard Time)*

**RFP #12-002-35**

### **Employee Healthcare and Pharmacy Benefit Programs – Administrative Services (Employee Benefits)**

Shelby County Government is soliciting written proposals, on a competitive basis, from interested and qualified companies or professionals to provide Employee Healthcare and Pharmacy Benefit Insurance coverage. Information regarding this RFP is located on the County's website at [www.shelbycountyttn.gov](http://www.shelbycountyttn.gov). At the top of the home page, click on the links "Department", "P" for the Purchasing Department and "Bids" to locate the name of the above-described RFP. *You must have access to the Internet in order to participate in this solicitation.*

This document constitutes as your invitation to bid. This RFP process will be conducted via the Internet, using the Proposal Technologies Network, Inc. application. The specifications for this RFP will be contained in an electronic RFP (eRFP), which can be found at Proposal Tech's website ([www.proposaltech.com](http://www.proposaltech.com)). Specific instructions on how to gain access to this system will be listed in the instructions contained in this document.

### **REQUESTING ELECTRONIC PROPOSAL (eRFP)**

All interested parties must **review the detailed specifications** to this RFP as well as **respond** via the Internet through access to the Proposal Technologies Network, Inc. website. Everyone will be required to gain access to the electronic bid questionnaire through the following email address, [shelbycountyrfp@proposaltech.com](mailto:shelbycountyrfp@proposaltech.com).

You must obtain a user name and password for the electronic questionnaire by supplying the following information in an email:

- a. Your company name and address
- b. The primary contact person's name(s), telephone number and email address
- c. A statement that your firm is interested in responding to the Shelby County Government Employee Healthcare and Pharmacy Benefit Programs RFP.

Please note that no additional costs or fees apply to using this eRFP service. You are simply required to submit the information listed above in order to receive a password that will be used to access the information to respond to the RFP.

Once your information has been verified, you will receive an email invitation containing your username, password, and instructions on how to access the eRFP.

For technical difficulties with the Proposal Tech site or to set up a training session, please contact Kevin Webb at [kwebb@proposaltech.com](mailto:kwebb@proposaltech.com) or 877-211-8316 ext. 82. Training is optional.

The proposal, as submitted, should include all rates and information related to the services requested by the RFP specifications. If selected, your proposal will be the basis for negotiating a contract with Shelby County Government. ***In addition to completing your electronic submission through the Proposal Technologies Network, you will be required to provide hard copies (with signatures) of your proposal to the contacts listed below.***

**Note: The hard copy distributions should include the following:**

- **Questionnaire Response**
- **Exhibits 1 through 6 B for Medical Quotations**

**One (1)** hard copy  
**Holly Wilson**  
The Segal Company  
2018 Powers Ferry Road  
Suite 850  
Atlanta, GA 30339  
[hwilson@segalco.com](mailto:hwilson@segalco.com)  
PH: 678-306-3134  
FX: 678-306-3192

**One (1)** hard copy  
**Daniel Bearden**  
The Segal Company  
2018 Powers Ferry Road  
Suite 850  
Atlanta, GA 30339  
[dbearden@segalco.com](mailto:dbearden@segalco.com)  
PH: 678-306-3152  
FX: 678-306-3190

**One (1)** hard copy  
**George Bognar**  
The Segal Company  
1920 N. Street, NW  
Suite 400  
Washington, DC 20036  
[gbognar@segalco.com](mailto:gbognar@segalco.com)  
PH: 202-833-6487  
FX: 202-833-6490

**Three (3)** original hard copies (with signatures)

**Debra D. Louis, Buyer**  
Shelby County Government  
Purchasing Department  
160 N. Main St., Suite 550  
Memphis, TN 38103  
[Debra.louis@shelbycountyttn.gov](mailto:Debra.louis@shelbycountyttn.gov)  
PH: 901-222-2259  
FX: 901-222-2064

Your proposal must be received in the Shelby County Purchasing Department **no later than 3:00 p.m. (CST) on Wednesday, March 28, 2012.** The package containing three (3) original hard copies of your proposal must be sealed and marked with the Proposer's name and **"CONFIDENTIAL, EMPLOYEE HEALTHCARE AND PHARMACY BENEFIT PROGRAMS – ADMINISTRATIVE SERVICES, RFP #12-002-35"** noted on the outside.

Sincerely,

Signed Original On File

Debra D. Louis, Buyer  
Shelby County Government  
Purchasing Department

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*Note: Please make sure you pay close attention to Sections: I-V, IX & XI. These sections will clearly outline what information is required to properly respond and prepare your RFP response.*

*Please download all of the additional information and attachments that accompany this RFP.*

## I. INTRODUCTION

Shelby County Government (the “County”), is seeking proposals from interested and qualified companies or professionals to provide Employee Healthcare and Pharmacy Benefits for its employees, retirees, and their dependents (the “Services”). This Request for Proposal (“RFP”) is being released to invite interested and qualified companies or professionals to prepare and submit proposals in accordance with instructions provided where the successful candidate(s) will be selected and invited to enter into a contractual relationship with Shelby County for the Services outlined in this RFP. In this RFP, the terms Proposer and Provider are used interchangeably unless the context indicates otherwise.

## II. MINIMUM PROPOSER REQUIREMENT

All Proposers must:

1. Have a minimum of ten (10) years experience performing the work described in the RFP in administering Employee Healthcare and Pharmacy Benefits.
2. Be able to provide all services as outlined in the RFP including the eRFP which can be found at Proposal Tech’s website ([www.proposaltech.com](http://www.proposaltech.com)).
3. Have sufficient, competent and skilled staff, with experience in performing the Services.
4. Have all appropriate licenses and certifications required in the State of Tennessee to perform the Services and procure all permits, pay all charges, taxes and fees.
5. **Apply** and **qualify** for a vendor number and an Equal Opportunity Compliance (EOC) certification number through our EOC Administration (*see the details outlined in Section VII General Requirement / e. Selection Criteria*) **prior to submitting your response.**
6. Independent contractors (sole proprietors) must adhere to State of Tennessee Public Chapter No. 436, known as the “Tennessee Lawful Employment Act” (effective date of 01/01/12). ***Proof and documentation of employment eligibility must be included with the proposal.***
7. Attest that you adhere to the requirements of the “Living Wage Ordinance #328”, Section VI, Item J. (***A written statement of compliance must be provided with your response.***)
8. Adhere to all Title VI requirements and provide proof/documentation if necessary.
9. Provide proof of the minimum insurance requirements (**MANDATORY**, please review closely).

**Please Note:** *As a part of doing business with Shelby County, each individual, company or organization is required to obtain a vendor number and an “Equal Opportunity Compliance” certification number.*

*You can access the online application to receive the numbers indicated above at [www.shelbycountyttn.gov](http://www.shelbycountyttn.gov). At the top of the home page, click on the links “Department”, “P” for the Purchasing Department and “Conducting Business with Shelby County”. The “Vendor Registration” link is at the bottom of the drop down box. Please download the application instructions and read thoroughly prior to accessing the application.*

*If you have any questions regarding the application, you may contact Purchasing at (901) 222-2250 or the EOC Administration at (901) 222-1100.*

### III. CORRESPONDENCE

All correspondence, proposals and questions concerning the RFP are to be submitted to:

**Debra D. Louis, Buyer  
Shelby County Government  
160 N. Main St. Suite 550  
Memphis, TN 38103  
Debra.Louis@shelbycountyttn.gov**

Respondents requesting additional information or clarification of the eRFP located at the Proposal Tech website are to be submitted ***in writing*** to Holly Wilson through the Proposal Tech website at [www.proposaltech.com](http://www.proposaltech.com). Questions should reference the section of the eRFP to which the question pertains and all contact information for the person submitting the questions. ***IN ORDER TO PREVENT AN UNFAIR ADVANTAGE TO ANY RESPONDENT, VERBAL QUESTIONS WILL NOT BE ANSWERED. The deadline for submitting questions will be February 23, 2012, by 12:00 p.m. (CST).*** These guidelines for communication have been established to ensure a fair and equitable process for all respondents.

*Note: All written questions submitted by the deadline indicated above will be answered and posted to the County's website at [www.shelbycountyttn.gov](http://www.shelbycountyttn.gov) and Proposal Tech's website at [www.proposaltech.com](http://www.proposaltech.com) by March 5, 2012.*

Please be aware that contact with any other personnel (other than the people clearly identified in this document) within Shelby County or The Segal Co. regarding this RFP may disqualify your company from further consideration.

### IV. PROPOSAL SUBMISSION & DEADLINE

All interested parties must **review the detailed specifications** to this RFP as well as **respond** via the Internet through access to the Proposal Technologies Network, Inc. website. Everyone will be required to gain access to the electronic bid questionnaire through the following email address, [shelbycountyrfp@proposaltech.com](mailto:shelbycountyrfp@proposaltech.com).

You must obtain a user name and password for the electronic questionnaire by supplying the following information in an email:

- a. Your company name and address
- b. The primary contact person's name(s), telephone number and email address

- c. A statement that your firm is interested in responding to the Shelby County Government Employee Healthcare and Pharmacy Benefit Programs RFP.

Please note that no additional costs or fees apply to using this eRFP service. You are simply required to submit the information listed above in order to receive a password that will be used to access the information to respond to the RFP.

Once your information has been verified, you will receive an email invitation containing your username, password, and instructions on how to access the eRFP.

For technical difficulties with the Proposal Tech site or to set up a training session, please contact Kevin Webb at [kwebb@proposaltech.com](mailto:kwebb@proposaltech.com) or 877-211-8316 ext. 82. Training is optional.

The electronic response and all hard copy proposals must be received no later than **March 28, 2012 @ 3:00 p.m. (CST)**. Facsimile proposals will not be accepted. Postmarks will not be accepted in lieu of actual receipt. Late or incomplete proposals may not be opened and considered. Under no circumstances, regardless of weather conditions, transportation delays, or any other circumstance, will this deadline be extended.

## V. PROPOSAL TIMELINE

Shelby County reserves the right to modify this timeline at any time. If the due date for proposals is changed, all prospective proposers shall be notified.

<b>Request for Proposals Released</b>	<b>Tuesday, February 14, 2012</b>
<b>Deadline for Written Questions</b>	<b>Thursday, February 23, 2012</b>
<b>Proposal Due Date</b>	<b>Wednesday, March 28, 2012 by 3:00 pm (CST)</b>
<b>Notification of Award</b>	<b>May 2012</b>
<b>Services to Commence</b>	<b>January 1, 2013</b>

The County may reproduce any of the Proposer's proposal and supporting documents for internal use or for any other purpose required by law.

## VI. PROPOSAL CONDITIONS

### A. Contingencies

This RFP does not commit the County to award a contract. The County reserves the right to accept or reject any or all proposals if the County determines it is in the best interest of the County to do so. The County will notify all proposers, in writing, if the County rejects all proposals.

## **B. Modifications**

The County reserves the right to issue addenda or amendments to this RFP.

## **C. Proposal Submission**

To be considered, all proposals must be submitted in the manner set forth in this RFP. It is the Proposer's responsibility to ensure that its proposal arrive on or before the specified time.

Please note that part of the RFP process will also be conducted via the Internet, using the Proposal Technologies Network, Inc. application. Bid specifications are contained in the electronic eRFP which can be found at Proposal Tech's website ([www.proposaltech.com](http://www.proposaltech.com)). Proposers should respond to both the County's RFP and Proposal Tech's eRFP.

You have the option of submitting a quotation for:

- The Pharmacy Benefit Management (PBM) services only,
- The Medical ASO/Network Access services only, or
- A quotation for both the PBM services and the Medical ASO/Network Access services.

*The fees and rates in your proposal should exclude any charge for commissions and broker fees. This is applicable to healthcare and pharmacy services.*

Additionally, Shelby County is requesting a three (3) year rate guarantee for the administrative services.

## **D. Incurred Costs**

This RFP does not commit the County to pay any costs incurred in the preparation of a proposal in response to this RFP and Proposers agree that all costs incurred in developing this RFP are the Proposer's responsibility.

## **E. Final Authority**

The final authority to award a contract rests solely with the Shelby County Purchasing Department.

## **F. Proposal Validity**

Proposals submitted hereunder will be firm for at least one hundred-eighty (180) calendar days from the due date unless otherwise qualified.

## **G. Disclosure of Proposal Contents**

Provider understands and acknowledges that the County is a governmental entity subject to the laws of the State of Tennessee and that any reports, data or other information supplied to the County is subject to being disclosed as a public record in accordance with the laws of the State of Tennessee. All proposals and other materials submitted become the property of Shelby County Government.

## **H. LOSB**

The County encourages the utilization of locally-owned small businesses as sources of subcontract work. The County notifies all respondents that all firms and/or individuals shall comply with the regulations relative to nondiscrimination in federally assisted programs of the Title VI of the Civil Rights Act of 1964, as amended.

### **LOCALLY OWNED SMALL BUSINESS PURCHASING PROGRAM RULES AND REGULATIONS:**

- (i) The Administrator of Purchasing in conjunction with the Administrator of EOC shall identify certain goods and services required by the County to be set aside for special purchasing procedures for locally owned small businesses.
- (ii) Only certified locally owned small businesses will be allowed to submit competitive bids on the goods or services identified under paragraph (i) above.
- (iii) The Administrator of Purchasing shall, in conjunction with the Administrator of EOC, annually review the Shelby County Capital Improvement Program to determine those projects with a construction cost of \$250,000 or more. Contracts amounting to at least ten (10%) of the construction costs of such project shall be awarded to locally owned small businesses as defined herein, except as set forth in sub-paragraph (vi) of this section, either as part of the conditions of the solicitation for general contractors bidding on these projects, or as separate bids issued by the County for subcontracts that may be assigned to general contractors.
- (iv) After adhering to all other bidding and purchasing requirements of the County, not inconsistent with this part, if no bids are received from locally owned small businesses, then the County may solicit bids for the goods or services from all other sources.
- (v) On all purchases and/or contracts entered into by the County, the Purchasing Administrator or his or her designee shall have the right to negotiate with any supplier of goods or services to the County for the inclusion of locally owned small business subcontractors and/or suppliers in the contract award.

(vi) Failure by a supplier or contractor to include locally owned small business sub-contractors or suppliers in its bid or contract may be grounds for rejection of said bid or contract unless the supplier or contractor can show documented evidence of good cause why none were included.

(vii) Any locally owned small business awarded a contract or purchase order under this section shall not sublet, subcontract or assign any work or services awarded to it without the prior written consent of the Mayor or the Purchasing Administrator.

(viii) As to those purchases below the requirement for a formal bid solicitation (currently, under \$15,000) and not included in the locally owned small business set aside, the Administrator of Purchasing shall determine if any locally owned small business offers that product or service. If so, at least one such eligible locally owned small business should be included in the vendors contacted for an opportunity to bid, and the Administrator of Purchasing may, at his discretion, designate in a purchase order the purchase of such goods and services from the identified locally owned small business.

(ix) In those situations where a locally owned small business as defined herein, engages in open competitive bidding for County contracts, the Administrator of Purchasing shall provide for a preference for the locally owned small business where responsibility and quality are equal. Said preferences shall not exceed five percent (5%) of the lowest possible bidder meeting specifications. The preference shall be applied on a sliding scale in the following manner:

- a. A preference of up to five percent (5%) shall be allowed for contracts up to \$500,000.00;
- b. A preference of up to three and five-tenths percent (3.5%) shall be allowed for contracts up to \$750,000.00;
- c. A preference of two and one-half percent (2.5%) shall be allowed for contracts up to \$1,000,000.00;
- d. A preference of two percent (2%) shall be allowed for contracts that exceed \$1,000,000.00.

(x) For construction contracts over \$2,000,000.00, the Administrator of Purchasing shall provide for a preference of two percent (2%) to general contractors meeting the requirements of Section 1, Subparagraph B, if fifty percent (50%) or more of the total work comprising the bid has been or will be awarded to certified locally owned small businesses. The fifty percent (50%) subcontracting threshold must be met prior to contract execution.

(xi) The Administrator of Purchasing may divide a single bid package for any purchase of goods and services into two or more smaller bid packages in any case that the Administrator of Purchasing reasonably believes that the smaller bid packages will result in a greater number of bids by locally owned small businesses.

(xii) The Administrator of Purchasing, upon approval of the County Mayor, may establish special insurance and bonding requirements for certified locally owned small businesses so long as they are not in conflict with the laws of the State of Tennessee.

(xiii) The Administrator of Purchasing, with the approval of the County Mayor, shall adopt and promulgate, and may from time to time, amend rules and regulations not inconsistent with the provisions of this ordinance, governing the purchase of goods and services from locally owned small business concerns to effectuate and implement the Locally Owned Small Business Purchasing Program within the intent of this ordinance.

(xiv) The Administrator of EOC shall, in conjunction with the Administrator of Purchasing, provide a written quarterly report to the Mayor and Board of Commissioners which shall include a summary of the purchases selected for this program, a listing of the contracts awarded to locally owned small businesses for the period, and the dollar amounts of each such contract, and the percentage which such contracts bear to the total amount of purchases for the period.

## **I. LOSB Participation Requirement**

### **General**

Shelby County Government is committed to a policy of non-discrimination pursuant to the Equal Protection provisions of the United States Constitution. It is further the policy of Shelby County that its purchasing and contracting practices encourage the use of Locally-Owned Small Businesses (LOSBS) in all solicitations. In furtherance of these policy objectives, Shelby County seeks to afford all citizens equal opportunities to do business on county contracts and to ensure that all Providers doing business with Shelby County provide to LOSBS, maximum practicable opportunities, commensurate with availability, price and capabilities required, to participate on contracts which are paid for, in whole or in part, with monetary appropriations from Shelby County.

Shelby County seeks to prevent discrimination against any person or business in pursuit of these opportunities on the basis of race or gender. Shelby County will conduct its contracting and purchasing programs to discourage any discrimination and will actively seek to resolve all claims of discrimination brought against Shelby County or any Providers involved in such contracting and purchasing programs.

Shelby County has determined that 25% of the contract sum will be contracted with LOSB vendors. Any assistance or information regarding LOSB certified vendors, please contact:

Ms. Doris Vester  
Office of Equal Opportunity Compliance  
Board of Commissioners of Shelby County  
160 North Main Street, Suite 969  
Memphis, Tennessee 38103  
Phone: 901-222-1100  
Fax: 901-222-1101  
E-mail: Doris.Vester@shelbycountyttn.gov

### **Definitions**

The definitions used in this document are as follows:

1. **“Vendor or Provider”** means any person, firm, partnership, association, or joint venture seeking to be awarded a contract or subcontract to provide services required as outlined in the Scope of Work.
2. **“Certification”** or **“Certified”** means a Business that is certified by Shelby County Government under the LOSB program.
3. **“Commercially useful function”** means being responsible for the management and performance of a distinct element of the total work.
4. **“Provider”** shall mean any person or business enterprise that submits a bid or proposal to provide labor, goods, or services to Shelby County by contract.
5. **“Efforts to Achieve LOSB Participation”** means that the Provider will solicit LOSB Participation with respect to the services required and will consider all sub-proposals and quotations received from LOSB’s. When a subcontract is not awarded to the LOSB, the Provider must document the reason(s) the award was not made and substantiate that documentation in writing pursuant to the provisions of this Program.
6. **“Locally Owned Small Business (LOS B)”** means a business with: a home office located in Shelby County; annual revenues do not exceed \$3,000,000 and; has been certified by Shelby County Office of Equal Opportunity Compliance (EOC).
7. **“Non-LOS B”** means a business not certified as a LOSB.
8. **“Unavailable”** means either that: (1) there is no LOSB providing services requested; or, (2) no LOSB submitted a proposal.

### **Requirements and Compliance**

All firms or entities seeking to become Providers as outlined herein are required to make good faith efforts to achieve LOSB participation when submitting a proposal or bidding on Shelby County procurements. Providers shall not discriminate on the basis of race or gender when soliciting proposals in the performance of Shelby County’s procurements. Discrimination complaints brought to the attention of Shelby County Office of Equal Opportunity

Compliance (or its designee) will be reviewed and investigated to the extent necessary to determine the validity of such complaints and what actions, if any, should be taken by Shelby County.

## **Policies and Procedures**

Shelby County may adopt policies and procedures as necessary to carry out and implement its powers and duties with regard to the LOSB Program. It is the goal of the County to encourage participation by LOSB's and to adopt rules and regulations which achieve to the greatest extent possible a level of participation by LOSB's taking into account the total number of all providers and suppliers. Therefore, the County will review each proposal to determine the maximum potential for utilization of LOSB's. This review is based on the availability of qualified LOSB's providing services as it relates to the scope of work in the RFP. The following procedures may be utilized during the procurement process.

### **1. Provider's Responsibilities**

- a. Efforts to Achieve LOSB Participation:
  - All entities seeking to become Providers are required to make efforts to achieve maximum LOSB participation, as outlined in this LOSB Program, when submitting a response to a bid or negotiated proposal in response to a Shelby County procurement opportunity. Such Efforts should be documented on **LOS Form "A."** and submitted with your bid.
  - Unavailability - If a potential Provider's efforts to obtain LOSB participation are unsuccessful due to the unavailability of a LOSB, the Provider will submit a statement of unavailability. **LOS Form "A."**
- b. Utilization:
  - Providers are required to utilize legitimate LOSB's in order to receive credit for the utilization of a LOSB. Providers must document all LOSB's to be utilized, the percentage of utilization and the intended scope of work. Such information should be submitted on **LOS Form "B."** This documentation must be submitted with the bid or negotiated proposal document.
  - Post-Award Change - Any Provider who determines that a LOSB identified on **LOS Form "B"** cannot perform the services required shall request approval from Shelby County to contract with an alternate vendor pursuant to this LOSB Program. Such request will be reviewed and approved only after adequate documentation for the proposed change is presented.

## 2. **LOSB Responsibilities**

### a. **Services Required:**

It is the responsibility of each LOSB providing subcontracted goods and/or services to submit **LOSB Form “C”** certifying that it is performing the work and that it is a Commercially Useful Function.

### **Written Agreement**

Shelby County policies and procedures on LOSB participation are designed to create contractual relationships between Providers and LOSB’s. Therefore, a Provider may utilize the services of a LOSB in estimating and satisfying the scope of work, provided that a written contract/agreement is executed between the Provider and the LOSB.

### **Certification**

To ensure that the ownership and control over decision-making and day-to-day operations of a Certified LOSB is legitimate, Shelby County reserves the right to verify the ownership and control of each LOSB utilized.

### **Monitoring LOSB Utilization**

Shelby County intends to monitor and enforce this LOSB Program. Shelby County reserves the right to conduct random audits of each of its Provider’s/ LOSB’s. Shelby County reserves the right to reevaluate a LOSB’s certification at any time.

### **Efforts to Achieve LOSB Participation**

The Provider shall consider all proposals and/or quotations received from LOSB’s. When a subcontract is not awarded by a Provider to any of the competing LOSB’s, the Provider must document the reason(s) the award was not made to the LOSB’s. It is the responsibility of the Provider to prove that it employed Efforts to Achieve LOSB participation. Evidence supporting the Provider’s Efforts must be documented on **LOSB Form “A,”** which must include, but is not limited to, the following:

1. Provider must submit proof that it solicited LOSB participation through reasonable and available means including, but not limited to:
  - a. Written notices to LOSB’s who have the capability to perform the work of the contract or provide the service;
  - b. Direct mailing, electronic mailing, facsimile or telephone requests.
2. Provider must submit proof that it provided interested LOSB’s with adequate information about plans, requirements and specifications of the contract in a timely manner to assist them in responding to a solicitation.

3. Provider must submit proof that it made Efforts to Achieve LOSB Participation including, but not limited to, proof that it made opportunities available to LOSB suppliers and identified opportunities commensurate with opportunities made available and identified to Non LOSB's. Such proof will includes the names of businesses, contact person(s), addresses, telephone numbers, and, a description of the specifications for the work selected for subcontracting.
4. Provider must submit proof that it allowed LOSB's the opportunity to review bid specifications, blue prints and all other bid related items at no charge. The Provider must allow sufficient time for review prior to the bid deadline.
5. Provider must submit proof that it made Efforts to Achieve LOSB Participation by not rejecting a LOSB as unqualified or unacceptable without sound reasons based on a thorough investigation of their capabilities. Provider must submit proof of the basis for rejecting any LOSB deemed unqualified or unacceptable by the Provider. The Provider will not impose unrealistic conditions of performance on LOSB's seeking subcontracting opportunities.
6. Provider must fully cooperate with Shelby County in its post-contract award LOSB Program audit and compliance efforts.

#### **Substitution of LOSB's after Contract Award**

In order to make a substitution of a LOSB, a Provider must make a request to Shelby County. This request must be submitted in writing to Shelby County. Shelby County reserves the right to approve any substitution of a LOSB. The Provider has the responsibility to provide Shelby County with a reasonable basis for the substitution. If the Provider desires to substitute the LOSB with a Non-LOSB, then the Provider must comply with the Effort to Achieve LOSB participation provisions set forth herein.

#### **Noncompliance with LOSB Program**

Any of the following reasons, individually or collectively, may result in suspension from bidding, prohibition from contracting, and/or cancellation of contracts:

1. The failure to perform according to contract provisions relating to this LOSB Program;
2. Violation of, circumvention of, or failure to comply with the LOSB Program; and/or, other reasons deemed appropriate by Shelby County Questions and Information.

Questions regarding this LOSB Program and requests for information should be directed to:

Ms. Doris Vester  
Office of Equal Opportunity Compliance  
Board of Commissioners of Shelby County  
160 North Main Street, Suite 969  
Memphis, Tennessee 38103  
Phone: 901-222-1100  
Fax: 901-222-1101  
E-mail: Doris.Vester@shelbycountyttn.gov

## **LOS B Program Forms Description**

- **LOS B Form A -- Certification of Efforts**

Providers are required to submit **LOS B Form "A"** with proposals as evidence and documentation of efforts that have been made to contact LOSB's for participation as joint venture partners, or suppliers of services. Providers are required to contact LOSB's and solicit quotes for services. All responses to the Provider's solicitation should be recorded and reported.

- **LOS B Form B -- LOS B Utilization Plan**

A Provider is required to submit **LOS B Form "B"** with its Proposal in order to identify all LOSB's they propose to utilize in providing the services as outlined in the Scope of Work in the Request for Proposal. Providers may only include a proposed provider of services on **LOS B Form "B,"** if the entity is a legitimate LOSB. Additionally, if such entity will provide services, Providers may only list LOSB's on **LOS B Form "B"** if the entity will perform the required services. The Successful Provider will be required to finalize and submit **LOS B Form "B"** prior to award of a contract. **LOS B Form "B"** will be incorporated into the contract and will become a contractual obligation of the Successful Provider. **LOS B Form "B"** shall not be changed or altered after award of a contract without approval from Shelby County. The Provider is required to provide written notice describing the reasons for any proposed change to Shelby County and to obtain approval from Shelby County of any changes to **LOS B Form "B."**

- **LOS B Form C --Statement of Intent to Perform as a SubProvider or Provide Supplies or Services.**

Providers are required to have each subcontracted LOSB providing services complete **LOS B Form "C"** certifying that it is performing the work and that it is a Commercially Useful Function.

**LOS B Program - LOS B FORM A**  
**CERTIFICATION OF EFFORTS TO ACHIEVE LOS B PARTICIPATION**  
 (To Be Submitted with the Proposal)

**Company Name:** \_\_\_\_\_  
**RFP No.:** \_\_\_\_\_

- I certify that the following efforts were made to achieve LOS B participation: **YES NO**
- A Provided written notices to LOS B's who have the capability to perform the work of the contract or provide the service
  - B Direct mailing, electronic mailing, facsimile or telephone requests
  - C Provided interested LOS B's with adequate information about plans, requirements and specifications of the contract in a timely manner to assist them in responding to a solicitation
  - D Allowed LOS B's the opportunity to review bid specifications, blue prints and all other bid/RFP related items at no charge, and allowed sufficient time for review prior to the bid deadline
  - E Acted in good faith with interested LOS B's, and did not reject LOS B's as unqualified or unacceptable without sound reasons based on a thorough investigation of their capabilities
  - F Did not impose unrealistic conditions of performance on LOS B's seeking subcontracting opportunities

Additionally, I contacted the referenced LOS B's and requested a bid/proposal. The responses I received were as follows:

Name and Address of LOS B	Type of Work And Contract Items, Supplies or Services to be Performed	Response	Reason for Not Accepting Bid/Proposal

*(If additional space is required, this form may be duplicated)*

**If no LOS B's are available, please complete the following:**

I hereby certify that LOS B's were "Unavailable" as defined in the LOS B Program to submit proposals to provide services for this RFP's purpose.

Reasons for the "Unavailability":

\_\_\_\_\_

\_\_\_\_\_

Submitted by:

\_\_\_\_\_

Authorized Representative Signature

\_\_\_\_\_

Title

\_\_\_\_\_

Date

**LOS B Program - LOS B FORM B**

**LOS B UTILIZATION PLAN**  
(To Be Submitted with the Proposal)

**Company:** \_\_\_\_\_

**RFP No.:** \_\_\_\_\_

I, \_\_\_\_\_, do certify that on the following proposal,  
(Provider)

RFP 12-002-35, the following LOSB's will be utilized as sub-providers to provide professional services:

Name	Description of Work	Contract Value	LOS B Number

*(If additional space is needed this form may be duplicated)*

TOTAL CONTRACT VALUE: \_\_\_\_\_

TOTAL % OF LOSB PARTICIPATION: \_\_\_\_\_

*The successful bidder is required to finalize and submit this form prior to award of a contract. Joint Venture Agreements, partnering agreements and all pertinent information must be presented prior to contract award. This information will be incorporated into the contract and will become a contractual obligation of the successful bidder. The finalized LOSB Form B shall not be changed or altered after award of a contract without approval from Shelby County. The successful bidder is required to provide written notice describing the reasons for the change to Shelby County to obtain approval of any changes to LOSB Form B.*

Submitted by:

\_\_\_\_\_  
Authorized Representative Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**LOSB Program - LOSB FORM C**

**STATEMENT OF INTENT TO PERFORM AS A SUBPROVIDER OR  
PROVIDE SERVICES**

(To Be Submitted Prior to Contract Award)

**Company Name:** \_\_\_\_\_

**RFP No.:** \_\_\_\_\_

I, \_\_\_\_\_, intend to provide supplies or services in connection with  
(SubProvider/)

the proposal request as a LOSB Certified Vendor.

I am prepared to perform the “**Services Required**” in connection with the above proposal..

The following are the work items to be performed:

\_\_\_\_\_  
\_\_\_\_\_

at the following price: \$ \_\_\_\_\_

**If applicable, please complete the following:**

I have or will enter into a formal agreement with \_\_\_\_\_ for the (Company)  
above described scope of work, supplies, or services conditioned upon the execution of a contract  
with the County.

I hereby certify that this statement is true and correct:

Vendor Business Name: \_\_\_\_\_

Address: \_\_\_\_\_  
Street City, State, Zip

Authorized Representative's Signature

\_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **J. Living Wage**

Shelby County Government Ordinance #328 “Living Wages” is hereby incorporated into this Request for Proposal and any resulting contract. Please make sure that you review and apply the requirements of the ordinance to your proposal response. Failure to do so will result in disqualification from the review and award process. You may view and print the ordinance as a separate attachment for this RFP (*please do not forget to download ALL the additional attachments*).

## **VII. GENERAL REQUIREMENTS**

### **A. Background**

Shelby County is located in the State of Tennessee within the continental United States. It is the state’s largest county both in terms of population and geographic area. The County has approximately 6,000 employees and serves approximately 900,000 citizens.

Shelby County Government seeks to provide high quality, cost effective benefits to its employees, pre-65 retirees and their families. Shelby County periodically reviews its current benefit programs and is looking for a carrier(s) that can underwrite the plan of benefits on the most advantageous basis.

The current carriers for the County’s self-insured healthcare and pharmacy benefit programs are CIGNA Healthcare and Medco Health Solutions.

The County offers the following health plans to its employees and pre-65 retirees: CIGNA OAPIN In-Network (HMO), CIGNA OAP (PPO), and CIGNA Choice Fund HRA. *You are encouraged to quote on all three (3) of the medical plans.*

Post sixty-five (65) retirees are offered a fully insured Medicare supplement product. The post sixty-five (65) retiree group is not included in the Request for Proposal (RFP). The HRA includes a separate County-funded annual HRA account to also be administered by the quoting vendor along with the medical and prescription drug claims administration and network access.

Approximately 5,800 employees, retirees and their dependents are enrolled in one of the healthcare programs. Based on the most recent census from CIGNA, the enrollment is as follows: OAPIN (HMO) 5,263, OAP (PPO) 483 and HRA 73. Open enrollment is conducted annually. Employees and retirees pay a portion of the cost toward employee and dependent coverage.

Prescription drug coverage is carved out for the OAPIN HMO and OAP PPO utilizing a Pharmacy Benefit Manager (PBM), Medco Health Solutions. Prescription coverage for the HRA program is administered by the current health carrier, CIGNA Healthcare.

If you are quoting on the PBM services, only the HMO and PPO plans should be included in your quotation since the HRA plan ((high deductible plan) includes the drug benefits subject to the deductible and are to be processed by the Medical ASO vendor.

For purposes of this proposal, we are requesting that you match the current plan designs as closely as possible. If your plan designs preclude you from matching the existing schedule of benefits, quote a plan that best matches the current plans and note all deviations from the current plan. The schedule of benefits may be found in the Proposal Tech eRFP.

The health plans were non-grandfathered under the Patient Protection and Affordable Care Act effective August 1, 2011.

## **B. Scope of Contract**

The County wishes to engage in a contractual relationship with the best-qualified proposer selected through a competitive process that will work well with the County's personnel in the performance of the Services in a manner that is cost-effective and practical of which price is but one of the selection criteria.

## **C. Project Time Frame**

The initial contract term will begin January 1, 2013 through December 31, 2015, with the option to renew for two (2) additional one year periods beginning January through December with the same terms and conditions and satisfactory performance of all criteria and subject to the availability of funds for each renewal period. The optional renewal periods will be upon mutual written consent of both parties. The Provider must be prepared to begin immediately upon receipt of a Notice to Proceed. The Provider must provide a ninety (90) day advance written notice of renewal action.

## **D. Reservation of Rights**

The County reserves the right, for any reason to accept or reject any one or more proposals, to negotiate the term and specifications for the services provided, to modify any part of the RFP, or to issue a new RFP.

The County may at any reasonable time, at its expense, make an audit of the Provider's books relative to the Accounts.

## **E. Selection Criteria**

Each response will be evaluated on the criteria outlined in Section XII of this document. Each proposer should set out in its response to this RFP to clearly identify the qualifications of its company and each individual who will work on this project.

As part of the qualification process each vendor will be required to apply for an EOC # and provide workforce utilization information. Please contact the EOC Administration @ 901-222-1100 to obtain the necessary documents and to ask any questions that you may have regarding this information.

*During the evaluation process, Shelby County Government reserves the right to consider the vendor's EOC rating in the evaluation.*

#### **F. Additional Information and References**

Any additional information that would be helpful to the County in evaluating a proposal, including a list of current and former clients with a similar profile to Shelby County, should be submitted. At least three (3) former clients who have terminated in the last five (5) years should be included on this list.

### **VIII. AWARD OF CONTRACT**

Proposers are advised that the lowest cost proposal will not necessarily be awarded the contract, as the selection will be based upon qualification criteria as deemed by the County and as determined by the selection committee and the County Mayor.

### **IX. PURPOSE / SCOPE OF WORK**

To select the best-qualified proposer (hereinafter referred to as "Provider") and award a County-approved contract for professional services to perform the Services and to satisfactorily complete all activities associated with the Services.

For the purposes of this RFP, the County is requesting the Provider to match the current plan designs as closely as possible. If your plan designs preclude you from matching the existing schedule of benefits, quote a plan that best matches the current plans and note all deviations from the current plan.

Additionally, the County is requesting a three (3) year rate guarantee for the administrative services. Years 1, 2 and 3 would be the same rate(s) for the three (3) years. Years 4 and 5 are subject to a maximum increase of no more than five (5) percent. This rate guarantee applies to medical fees and for prescription dispensing and administrative fees as well.

**Services Required, but not limited to, shall include:**  
*(Please provide detailed responses.)*

1. Network Access for medical programs
2. Claims Adjudication services for medical and pharmacy programs
3. Actuarial Services – benefit calculations, reserve calculations
4. Utilization and Disease Management Programs

5. Administrative fees and network access charges – disclose all fees for medical services
6. Claim Costs – Provider Reimbursement and discount
7. Network Management
8. Utilization Review, Case Management
9. Wellness Strategy services including Disease Management
10. Describe Eligibility Administration services (applies to healthcare and pharmacy)
11. Member Services for Healthcare and Pharmacy (i.e. customer service, internet access, etc.)
12. Describe ability to integrate PBM services with current vendors
13. Describe Formulary Management and Rebate Programs
14. Mail Service Pharmacy
15. Describe Drug Utilization Review Services
16. Describe Specialty Pharmacy Services
17. Data Source for AWP and how AWP prices are updated in adjudication system
18. Describe Clinical Programs
19. Provide sample reports for healthcare and pharmacy that would be available to Shelby County free of charge
20. Provide sample communications that would be available to Shelby County free of charge
21. Disclose all administrative fees for prescription services (retail and mail order)
22. Describe process for providing pertinent information regarding legislative updates
23. Provide any other services to assist Shelby County in its control of healthcare costs
24. Provide detailed information your company would provide for the services listed above.
25. Provide AWP discount percentage, dispensing fee, rebate for retail and mail prescriptions
26. **Pre-implementation Audit:** The Provider, by responding to this RFP, agrees to pay for Segal to conduct a pre-implementation audit, at the discretion of the County. The fees for such an audit will not exceed \$30,000 for medical and \$20,000 for pharmacy. These amounts are in addition to any implementation credits normally provided for communications, member outreach, training, open enrollment, eligibility data testing, etc.
27. **Implementation Credits:** The Provider, by responding to this RFP, agrees to provide to the County implementation credits normally provided for communications, member outreach, training, open enrollment, eligibility data testing, consultant fees, wellness, RFP preparation or any other use that the County may require in the operation of the benefit program, of:
  - (A) **Medical:** \$25K each year, for each of the 3 contract years, and \$25K each year, for each of the following 2 years should the County elect to continue the contract in years 4 and 5. The amount of any unused implementation credit will carry forward so that if the full amount is not used during any preceding year, it may be used during the following years.
  - (B) **Pharmacy:** \$176K for the combined 3 year contract period. Should the County elect to continue the contract in years 4 and 5, the amount of any unused implementation credit will carry forward so that if the full amount is not used during the first 3 contract years, it may be used during years 4 and 5.

*In addition, all services outlined in Proposal Tech's eRFP at [www.proposaltech.com](http://www.proposaltech.com) are required for completion of this RFP. Failure to respond to all aspects of this RFP and the eRFP will disqualify your proposal.*

## **X. CONTRACT REQUIREMENTS**

The successful Proposer will be expected to enter into a contract incorporating the following terms and conditions, and such additional terms and conditions standard to services of this type.

### **A. General Requirements**

1. Control. All services by the Provider will be performed in a manner satisfactory to the County, and in accordance with the generally accepted business practices and procedures of the County.

2. Provider's Personnel. The Provider certifies that it presently has adequate qualified personnel to perform all services required under this Contract. All work under this Contract will be supervised by the Provider. The Provider further certifies that all of its employees assigned to serve the County have such knowledge and experience as required to perform the duties assigned to them. Any employee of the Provider who, in the opinion of the County, is incompetent, or whose conduct becomes detrimental to the work, shall immediately be removed from association with services under this Contract.

3. Independent Status. (a) Nothing in this Contract shall be deemed to represent that the Provider, or any of the Provider's employees or agents, are the agents, representatives, or employees of the County. The Provider will be an independent contractor over the details and means for performing its obligations under this Contract. Anything in this Contract which may appear to give County the right to direct the Provider as to the details of the performance of its obligations under this Contract or to exercise a measure of control over the Provider is solely for purposes of compliance with local, state and federal regulations and means that the Provider will follow the desires of the County only as to the intended results of the scope of this Contract.

(b) It is further expressly agreed and understood by Provider that neither it nor its employees or agents are entitled to any benefits which normally accrue to employees of the County; that the Provider has been retained by the County to perform the services specified herein (not hired) and that the remuneration specified herein is considered fees for services performed (not wages) and that invoices submitted to the County by the Provider for services performed shall be on the Provider's letterhead.

4. Termination Or Abandonment. (a) It shall be cause for the immediate termination of this Contract if, after its execution, the County determines that either:

- (i) The Provider or any of its principals, partners or corporate officers, if a corporation, including the corporation itself, has plead nolo contendere, or has plead or been found guilty of a criminal violation, whether state or federal, involving, but not limited to, governmental sales or purchases, including but not limited to the rigging of bids, price fixing, or any other collusive and illegal activity pertaining to bidding and governmental contracting.
- (ii) The Provider has subcontracted, assigned, delegated, or transferred its rights, obligations or interests under this Contract without the County's consent or approval.
- (iii) The Provider has filed bankruptcy, become insolvent or made an assignment for the benefit of creditors, or a receiver, or similar officer is appointed to take charge of all or part of Provider's assets.

(b) The County may terminate the Contract upon five (5) days written notice by the County or its authorized agent to the Provider for Provider's failure to provide the services specified under this Contract.

(c) This Contract may be terminated by the County by giving thirty (30) days written notice to the Provider, however, the Provider will be required to provide ninety (90) days written notice to the County, before the effective date of termination. In the event of such termination, the Provider shall be entitled to receive just and equitable compensation for any satisfactory work performed as of the termination date; however, the Provider shall not be reimbursed for any anticipatory profits that have not been earned as of the date of termination.

(d) All work accomplished by Provider prior to the date of such termination shall be recorded and tangible work documents shall be transferred to and become the sole property of the County prior to payment for services rendered.

(e) Notwithstanding the above, the Provider shall not be relieved of liability to the County for damages sustained by the County by virtue of any breach of the Contract by the Provider and the County may withhold any payments to Provider for the purpose of setoff until such time as the exact amount of damages due the County from the Provider is determined.

5. Subcontracting, Assignment Or Transfer. Any subcontracting, assignment, delegation or transfer of all or part of the rights, responsibilities, or interest of either party to this Contract is prohibited unless by written consent of the other party. No subcontracting, assignment, delegation or transfer shall relieve the Provider from performance of its duties under this contract. The County shall not be responsible for the fulfillment of the Provider's obligations to its transferors or sub-contractors. Upon the request of the other party, the subcontracting, assigning, delegating or transferring party shall provide all documents evidencing the assignment.

6. Conflict Of Interest. The Provider covenants that it has no public or private interest, and will not acquire directly or indirectly any interest which would conflict in any manner with the performance of its services. The Provider warrants that no part of the total contract amount provided herein shall be paid directly or indirectly to any officer or employee of the County as wages, compensation, or gifts in exchange for acting as officer, agent, employee, sub-contractor to the Provider in connection with any work contemplated or performed relative to this Contract.

7. Covenant Against Contingent Fees. The Provider warrants that it has not employed or retained any company or person other than a bona fide employee working solely for the Provider, to solicit or secure this Contract, and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for the Provider any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, the County will have the right to recover the full amount of such fee, commission, percentage, brokerage fee, gift, or other consideration.

8. Employment Of County Workers. The Provider will not engage on a full or part-time or other basis during the period of the Contract, any professional or technical personnel who are in the current employment of the County.

(b) Notwithstanding the foregoing, no prior County official or employee may be employed by or receive compensation, wages or benefits from the Provider for a period of one year from employment separation from the County if during the period of employment with the County the employee or official had any direct or indirect involvement with the Provider's services or operations provided to the County.

9. Arbitration. Any dispute concerning a question of fact in connection with the work not disposed of by agreement between the Provider and the County will be referred to the Shelby County Contract Administrator or his/her duly authorized representative, whose decision regarding same will be final.

10. General Compliance With Laws. (a) If required, the Provider shall certify that it is qualified and duly licensed to do business in the State of Tennessee and that it will take such action as, from time to time, may be necessary to remain so qualified and it shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

(b) The Provider is assumed to be familiar with and agrees that at all times it will observe and comply with all federal, state, and local laws, ordinances, and regulations in any manner affecting the conduct of the work. The preceding shall include, but is not limited to, compliance with all Equal Employment Opportunity laws, the Fair Labor Standards Act, Occupational Safety and Health Administration (OSHA) requirements, the Americans with Disabilities Act (ADA).

(c) This Contract will be interpreted in accordance with the laws of the State of Tennessee. By execution of this contract the Provider agrees that all actions, whether sounding in contract or in tort, relating to the validity, construction, interpretation and enforcement of this contract will be instituted and litigated in the courts of the State of Tennessee, located in Shelby County, Tennessee, and in no other. In accordance herewith, the parties to this contract submit to the jurisdiction of the courts of the State of Tennessee located in Shelby County, Tennessee.

11. Nondiscrimination. The Provider hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Provider on the grounds of handicap and/or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Provider shall upon request show proof of such nondiscrimination, and shall post in conspicuous places available to all employees and applicants notices of nondiscrimination.

12. Entire Agreement. This Contract contains the entire Contract of the parties and there are no other promises or conditions in any other Contract whether oral or written. This Contract supersedes any prior written or oral Contracts between the parties.

13. Amendment. This Contract may be modified or amended, only if the amendment is made in writing and is signed by both parties.

14. Severability. If any provision of this Contract is held to be unlawful, invalid or unenforceable under any present or future laws, such provision shall be fully severable; and this Contract shall then be construed and enforced as if such unlawful, invalid or unenforceable provision had not been a part hereof. The remaining provisions of this Contract shall remain in full force and effect and shall not be affected by such unlawful, invalid or unenforceable provision or by its severance here from. Furthermore, in lieu of such unlawful, invalid, or unenforceable provision, there shall be added automatically as a part of this Contract a provision as similar in terms to such unlawful, invalid or unenforceable provision as may be possible, and be legal, valid and enforceable.

15. No Waiver Of Contractual Right. No waiver of any term, condition, default, or breach of this Contract, or of any document executed pursuant hereto, shall be effective unless in writing and executed by the party making such waiver; and no such waiver shall operate as a waiver of either (a) such term, condition, default, or breach on any other occasion or (b) any other term, condition, default, or breach of this Contract or of such document. No delay or failure to enforce any provision in this Contract or in any document executed pursuant hereto shall operate as a waiver of such provision or any other provision herein or in any document related hereto. The enforcement by any party of any right or remedy it may have under this Contract or applicable law shall not be deemed an election of remedies or otherwise prevent such party from enforcement of one or more other remedies at any time.

16. Matters To Be Disregarded. The titles of the several sections, subsections, and paragraphs set forth in this contract are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions of this contract.

17. Subject To Funding. This Contract is subject to annual appropriations of funds by the Shelby County Government. In the event sufficient funds for this Contract are not appropriated by Shelby County Government for any of its fiscal period during the term hereof, then this Contract will be terminated. In the event of such termination, the Provider shall be entitled to receive just and equitable compensation for any satisfactory work performed as of the termination date.

18. Travel Expenses. All travel expenses payable under this Contract shall be in accordance with the County Travel Policy and Procedures. This includes advance written travel authorization, submission of travel claims, documentation requirements, and reimbursement rates. No travel advances will be made by the County.

19. Incorporation Of Other Documents. (a) Provider shall provide services pursuant to this Contract in accordance with the terms and conditions set forth within the Shelby County Request for Proposals/Bids as well as the response of the Provider, thereto, all of which are maintained on file within the Shelby County Purchasing Department and incorporated herein by reference.

(b) It is understood and agreed between the parties that in the event of a variance between the terms and conditions of this Contract and any amendment thereto and the terms and conditions contained either within the Request for Proposals/Bids or the Response thereto, the terms and conditions of this Contract as well as any amendment shall take precedence and control the relationship and understanding of the parties.

20. Contracting With Locally Owned Small Businesses. The Provider shall take affirmative action to utilized Locally Owned Small Businesses when possible as sources of supplies, equipment, construction and services.

21. Incorporation Of Whereas Clauses. The foregoing whereas clauses are hereby incorporated into this Contract and made a part hereof.

22. Waiver Of Proprietary Interest. Notwithstanding anything to the contrary contained herein or within any other document supplied to County by the Provider, Provider understands and acknowledges that County is a governmental entity subject to the laws of the State of Tennessee and that any reports, data or other information supplied to County by Provider due to services performed pursuant to this Contract is subject to being disclosed as a public record in accordance with the laws of the State of Tennessee.

23. Organization Status And Authority. (a) Provider represents and warrants that it is a corporation, limited liability company, partnership, or other entity duly organized, validly existing and in good standing under the laws of the state of Tennessee; it has the power and authority to own its

properties and assets and is duly qualified to carry on its business in every jurisdiction wherein such qualification is necessary.

(b) The execution, delivery and performance of this Contract by the Provider has been duly authorized by all requisite action and will not violate any provision of law, any order of any court or other agency of government, the organizational documents of the Provider, any provision of any indenture, agreement or other instrument to which the Provider is a party, or by which the Provider's respective properties or assets are bound, or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets.

24. Warranty. The Provider warrants to the County that all Services shall be performed in accordance with acceptable standards in the industry applicable to the Services. The Provider shall correct, at its sole cost and expense, any work reasonably deemed to be unsatisfactory by the County. The Provider warrants to the County that all Services shall be in strict compliance with the terms of this Contract, and all applicable governmental laws, rules and regulations.

25. Rights in Data. The County shall become the owner, and the Provider shall be required to grant to the County, or its successors, a perpetual, non-exclusive, non-transferable, royalty-free right, in the County's name, to use any deliverables provided by the Provider under this Contract, regardless of whether they are proprietary to the Provider or to any third parties.

#### **A. INDEMNIFICATION AND INSURANCE REQUIREMENTS**

1. Responsibilities For Claims And Liabilities. (a) Provider shall indemnify, defend, save and hold harmless the County, and its elected officials, officers, employees, agents, assigns, and instrumentalities from and against any and all claims, liability, losses or damages—including but not limited to Title VII and 42 USC 1983 prohibited acts—arising out of or resulting from any conduct; whether actions or omissions; whether intentional, unintentional, or negligent; whether legal or illegal; or otherwise that occur in connection with or in breach of this Contract or in the performance of the duties hereunder, whether performed by the Provider its sub-contractors, agents, employees or assigns. This indemnification shall survive the termination or conclusion of this Contract.

(b) The Provider expressly understands and agrees that any insurance protection required by this Contract or otherwise provided by the Provider shall in no way limit the responsibility to indemnify, defend, save and hold harmless the County or its elected officials, officers, employees, agents, assigns, and instrumentalities as herein provided.

(c) The County has no obligation to provide legal counsel or defense to the Provider or its sub-contractors in the event that a suit, claim or action of any character is brought by any person not party to this Contract against the Provider as a result of or relating to obligations under this Contract.

(d) Except as expressly provided herein, the County has no obligation for the payment of any judgment or the settlement of any claims against the Provider as a result of or relating to obligations under this Contract.

(e) The Provider shall immediately notify the County, c/o Shelby County Government, Contracts Administration, 160 N. Main Street, Suite 550, Memphis, TN 38103, of any claim or suit made or filed against the Provider or its sub-contractors regarding any matter resulting from or relating to Provider's obligations under this Contract and will cooperate, assist and consult with the County in the defense or investigation thereof.

(f) The Provider shall immediately notify Shelby County Government, Contracts Administration, 160 N. Main Street, Suite 550, Memphis, TN 38103, of cancellation or changes in any of the insurance coverage required.

2. Insurance Requirements. The Provider will provide evidence of the following insurance coverage:

**PROFESSIONAL SERVICES/CONSULTANT/PROVIDER PROJECTS LESS THAN  
\$1,000,000**

***Minimum Limits of Insurance***

Consultant/Provider shall maintain coverage with limits of no less than:

- 1) *Commercial General Liability Insurance* \$1,000,000 limit per occurrence bodily injury and property damage/\$1,000,000 personal and advertising injury/\$2,000,000 General Aggregate/\$2,000,000 Products-Completed Operations Aggregate. Shelby County Government, its elected officials, appointees, employees and members of boards, agencies, and commissions shall be named as additional insureds. The insurance shall include coverage for the following:
  - a) Premises/Operations
  - b) Explosion, Collapse, & Underground Property Coverage, if applicable
  - c) Products/Completed Operations
  - d) Contractual
  - e) Independent Contractors
  - f) Broad Form Property Damage, if applicable
  - g) Personal Injury and Advertising Liability
  
- 2) *Business Automobile Liability Insurance* - \$1,000,000 each accident for property damage and personal injury. Coverage is to be provided on all:
  - a) Owned/Leased Autos
  - b) Non-owned Autos
  - c) Hired Autos

- 3) *Workers Compensation and Employers' Liability Insurance* – Including coverage for sole proprietors, partners, and officers, regardless of requirement by Tennessee State Statute. Policy is to be specifically endorsed to include these individuals for coverage. Employers Liability Coverage is \$1,000,000 per accident. Consultant/Provider waives its right of subrogation against Shelby County for any and all worker's compensation claims.
- 4) *Professional Liability Errors & Omissions Insurance* - \$1,000,000 per claim or occurrence/\$3,000,000 annual aggregate.

All policies will provide for 30 days written notice to Shelby County of cancellation of coverage provided. Ten (10) days notice applicable to non-payment of premium. If insurer is not required by the policy terms and conditions to provide written notice of cancellation to Shelby County, the Provider will provide immediate notice to Shelby County.

All insurance policies maintained by the Provider shall provide that insurance as applying to Shelby County shall be primary and non-contributing irrespective of such insurance or self-insurance as Shelby County may maintain in its own name and on its own behalf.

## **B. Right to Monitor and Audit**

Access To Records. During all phases of the work and services to be provided hereunder the Provider agrees to permit duly authorized agents and employees of the County, to enter the Provider's offices for the purpose of inspections, reviews and audits during normal working hours. Reviews may also be accomplished at meetings that are arranged at mutually agreeable times and places. The Provider will maintain all books, documents, papers, accounting records, and other evidence pertaining to the fee paid under this Contract and make such materials available at their offices at all reasonable times during the period of this Contract and for three (3) years from the date of payment under this Contract for inspection by the County or by any other governmental entity or agency participating in the funding of this Contract, or any authorized agents thereof; copies of said records to be furnished if requested.

## **XI. PROPOSAL SUBMISSION (HARD COPY VERSION)**

### **A. GENERAL**

1. All interested and qualified proposers are invited to submit a proposal for consideration. Submission of a proposal indicates that the proposer has read and understands this entire RFP, including all attachments, exhibits, schedules, and addenda (as applicable) and all concerns regarding this RFP have been satisfied.

2. Hard copy proposals must be submitted in the format described below. Proposals are to be prepared in such a way as to provide a straightforward, concise description of capabilities to satisfy the requirements of this RFP. Expensive bindings, colored displays, promotional materials, etc. are neither necessary nor desired. Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to the RFP requirements, and on completeness and clarity of content.
3. Proposals must be complete in all respects as required in this section. A proposal may not be considered if it is conditional or incomplete.
4. **Hard copy proposals must be received by no later than 3:00 pm (CST) on March 28, 2012, at Shelby County Government Purchasing Department, 160 N. Main St., Suite 550, Memphis, TN 38103.**
5. Proposer agrees to provide the County with any additional information it deems necessary to accurately determine ability to perform the services proposed. Furthermore, submission of this proposal constitutes permission by this organization for the County to verify all information contained in the proposal. Failure to comply with any request for additional information may disqualify this organization from further consideration. Such additional information may include evidence of financial ability to perform.

#### **B. PROPOSAL PRESENTATION**

1. Three (3) original hard copies (with signatures) of the proposal are required.
2. The package containing the original hard copies must be sealed and marked with the proposer's name and **"CONFIDENTIAL, EMPLOYEE HEALTHCARE AND PHARMACY BENEFIT PROGRAMS – ADMINISTRATIVE SERVICES, RFP #12-002-35"** with due date and time indicated.
3. Proposals must be typed. Erasures and "white-out" are not permitted. Mistakes may be crossed out, corrections typed adjacent and initialed in ink by the person signing the proposal. Please identify all attachments, literature and samples, etc., with your firm name and our RFP number.
4. Proposals must be verified before submission as they cannot be withdrawn or corrected after the due date and time. The County will not be responsible for errors or omissions on the part of the proposers in preparing their proposals. A responsible officer or employee must sign proposals.

## C. PROPOSAL FORMAT

Response to this RFP must be in the form of a proposal package that must be submitted in the following format: **Please download the attachment to this document.** The Proposal Response Sheet (***required document***) should be the first page of your written response.

1. Cover Page/Proposal Response Sheet – Submit on letterhead stationary, signed by a duly authorized officer, employee, or agent of the organization/firm.
  - a. Name and address of the proposer;
  - b. Name, title and telephone number of the contact person for the proposer;
  - c. A statement that the proposal is in response to this RFP; and
  - d. The signature, typed name and title of the individual who is authorized to commit the proposer to the proposal.
2. Comprehensive Response (Minimum Requirements and Services Required)
  - a. A copy of the information provided and submitted electronically through [www.proposaltech.com](http://www.proposaltech.com) with the exception of Exhibits 7a and 7b and the claim by claim repricing response to Appendix B.
  - b. You have the option of submitting a quotation for:
    - The Pharmacy Benefit Management (PBM) services only,
    - The Medical ASO/Network Access services only, or
    - A quotation for both the PBM services and the Medical ASO/Network Access services.
  - c. If you are quoting on the medical plan benefits, your proposal must include all three (3) of the health plans. If you are quoting on the PBM services, only the HMO and PPO plans should be included in your quotation since the HRA plan (high deductible plan) includes the drug benefits subject to the deductible and are to be processed by the Medical ASO vendor.

***The fees and rates in your proposal should exclude any charge for commissions and broker fees. This is applicable to healthcare and pharmacy services.***

3. Experience of the Respondent.

A sufficient description of the experience and knowledge base of the proposer to show the proposer's capabilities should be included in the proposal. At a minimum, the description of the experience and knowledge base of the proposer included in the proposal should include, but not necessarily be limited to, the following:

- a. A brief description of the history and mission of the proposer, including the respondent's background and mission statement, the length of time the proposer has been in business, a description of the proposer's organizational structure and a description of the proposer's customer make-up;
- b. A statement of how long the proposer has provided services similar to the Services requested herein;
- c. A general description of the proposer's experience and background in providing services similar to the Services requested herein;
- d. Any other relevant information about the experience and knowledge base of the proposer which is deemed to be material.
- e. Resume of each employee engaged in the services, including the role of each and an overview of their previous experience with similar projects.

4. References

- a. References of the Proposer, including at least three (3) other clients for whom the Proposer has provided services similar to the Services (with preference given to clients comparable to Shelby County Government) and, for each such reference, the business name, the identification of a contact person, the title of the contact person and a telephone number.
- b. Information detailing similar projects completed by the bidder within the past three (3) years.
- c. List all relevant experience with Employee Healthcare and Pharmacy Benefit Programs – Administrative Services.

5. Additional Information

- a. A description of any other resources available to the proposer that will be useful in providing the Services;

- b. A description of the methods used by the proposer to measure the satisfaction of its client.
- c. Any other relevant information about the capabilities of the proposer deemed to be material.

## **XII. PROPOSAL EVALUATION AND SELECTION**

### **A. EVALUATION PROCESS**

- 1. Initial Review – All proposals will be initially evaluated to determine if they meet the following minimum requirements:
  - a. The proposal must be complete, in the required format, and be in compliance with all the requirements of the RFP.
  - b. Proposers must meet the Minimum Proposer Requirements outlined in Section II of this RFP.
- 2. Technical Review- Proposals meeting the above requirements will be evaluated on the basis of the following criteria:
  - a. Shelby County has retained The Segal Company to assist in the evaluation of the proposals for completeness and responsiveness to the RFP and to review such proposals with them. Each proposal shall be evaluated in accordance with the County's selection criteria and other pertinent factors.
  - b. All proposals submitted in response to this RFP will be evaluated based on the following criteria:
    - i. Qualifications and experience of specific personnel assigned to this project;
    - ii. Quality and responsiveness of the proposal and the ability to present a clear understanding of the nature and scope of the project;
    - iii. Project methodology;
    - iv. Previous experience in performing similar Services;
    - v. References;
    - vi. Proposed cost to Shelby County Government;
    - vii. Time frame for completion.

### 3. Oral Presentation.

The Shelby County Government reserves the right to interview, or require an oral presentation from, any respondent for clarification of information set forth in the proposer's response. In this regard, at the discretion of the evaluation committee, some or all proposers who submit a proposal in response to this RFP may be asked submit to an interview or give an oral presentation of their respective proposals to the evaluation committee. If so, this is not to be a presentation restating the proposal, but rather an in-depth analysis of certain qualifications of the proposer. The interview or oral presentation, if utilized, is intended to provide an opportunity for the proposer to clarify or elaborate on its qualifications without restating the proposal. The interview or oral presentation is to be a fact finding and explanation session only and is not to be used to negotiate any terms of contract. If required, the time and location of such interview or oral presentation will be scheduled by the Administrator of Purchasing or his designee. Interviews and oral presentations are strictly an option of the Shelby County Government or its evaluation committee and, consequently, may or may not be conducted. All travel expenses to and from the interview or oral presentation shall be the responsibility of the proposer. Selection will be based on determination of which proposal best meets the needs of the County and the requirements of this RFP.

*Shelby County Government reserves the right to consider the vendor's EOC rating in all evaluations.*

### **B. CONTRACT AWARD**

Contract(s) will be awarded based on a competitive selection of proposals received. Providers are advised that the lowest cost proposal will not necessarily be awarded the contract, as the selection will be based upon qualification criteria as deemed by the County and as determined by the selection committee and the County Mayor. The proposals submitted will be evaluated by the County. All decisions are made at the discretion of the County.

The contents of the proposal of the successful Provider will become contractual obligations and failure to accept these obligations in a contractual agreement may result in cancellation of the award.

The County reserves the right to negotiate any portions of the successful Provider's fees and scope of work or utilize their own resources for such work.