



ADDENDUM # 1
RFP # 08-13 - EMPLOYEE BENEFITS
CONSULTANT/BROKER
CITY OF HOPEWELL

AUGUST 26, 2013

The City of Hopewell has received and reviewed the below questions related to RFP #08-13 – Employee Benefits Consultant/Broker, and offers the following responses as Addendum #1:

- 1. How many employees does the City of Hopewell currently have? What is the number of FTEs and the number of PTEs?**

Total Number of Employees: 433

Full-Time Employees: 329

Regular Part-Time Employees: 72

Temporary Part-Time Employees: 32

- 2. How many benefit eligible employees do you have and how many are enrolled in medical currently?**

Number of Benefit Eligible Employees: 401

Number of Employees enrolled in Medical: 261 (Full-Time Employees)

Number of Employees enrolled in Dental: 243 (Full-Time and Part-Time Employees)

- 3. What is the effective date of the programs listed?**

The effective date is July 1.

- 4. Who are the current carriers/vendors for the programs listed?**

The current carriers are as follows: Health Insurance—Cigna

Dental Insurance—Delta Dental

Flex Spending—CBIZ

Retiree Coverage for 65+—AARP

Short and Long Term Disability—Cigna

457 Plan—ICMA

Life/Cancer Insurance—AFLAC

- 5. Do you currently utilize expertise of an advisor? If so, who is it?**

Yes, the current employee benefits consultant is Willis of Virginia.

6. Do they receive commissions or fees or combination of both?

The City of Hopewell pays a monthly fee to the current consultant.

7. Do you require full disclosure of commissions received by your current advisor on voluntary programs?

Yes.

8. Section I. A-Executive Summary-Company Information #8-Financial Statements-Will a Balance Sheet suffice in place of the entire financial statement?

No. As per the RFP, the City is requesting financial statements.

9. Section III. D-Reports-What type of reports? Are you interested in reports showing paid claims vs. targets/budgeting type reports? Utilization? All of the above?

The City is interested in these reports and any others that the Offeror can provide.

10. Section IV. A-Government rates-What do you mean by “government rate” or “most favorable comparable rates?”

The City is seeking the most competitive rate. Usually a “government rate” is considered a discounted rate.

11. What is your expectation regarding renewal years’ fees?

The City expects future price increases to be minimized and capped. The City is requesting a guarantee on renewal rates.

12. What is the effective date of the Consulting Contract?

The effective date will be October 1, 2013.

13. Want to confirm the City of Hopewell is asking these questions relative to how the Offeror bills the City:

- 1. Describe offeror’s billing system for billing**
- 2. Availability of consolidated billing and process for consolidated billing**
- 3. Frequency of billing-Monthly or Quarterly**
- 4. Example of invoice currently in use**

If the Offeror’s fee is all inclusive and the Offeror does not generally charge an hourly fee will estimates suffice if this is a requirement?

Yes, estimates will be accepted. The City is asking these questions to find out how the Offeror will be invoicing the City.

14. What is the current contribution structure for the City employees?

The City of Hopewell offers a varying contribution allowance depending on plan selection. The contributions for each plan are outlined below:

	Open Access Low Plan	Open Access High Plan	Choice Fund with Health Savings Account
EE	87%	82%	85%
EE+Child(ren)	84%	79%	81%
EE & Spouse	80%	76%	78%
EE & Family	77%	73%	75%

15. What are the current annual fees that are being received by the current consultant?

The current fee paid by the City is \$15,000 per year.

16. Are the current fees based on commission off of the insured products, are they fee-based or a combination of both?

All services are fee based.

17. Are any of the insured products purchased by the City NET of commissions currently? If so, which ones?

All programs are net of commissions.

18. Does the City currently fund their Medical and Rx programs through a fully-insured or self-funded product?

These programs are funded through a fully-insured product.

19. What are the Annual Medical and Rx Plan Cost on a per employee basis?

This information is confidential carrier information; therefore, a response cannot be provided.

20. What is the current Medical Retention percentage? This is the fixed costs associated with your Plans (typically it is around 15%).

This information is confidential carrier information; therefore, a response cannot be provided.

21. Based on your annual Medical and Rx claim spend, can you provide the following:

- i. Physician Claims as a % of Claims
- ii. Inpatient Claims as a % of Claims
- iii. Outpatient Claims as a % of Claims
- iv. Pharmacy Claims as a % of Claims
- v. Radiology Claims as a % of Claims

This information is confidential carrier information; therefore, a response cannot be provided.

Please sign and include this form as part of your bid response to verify receipt of Addendum # 1.
For further information, please contact April Cone, Purchasing Agent at acone@hopewellva.gov
or (804) 541-2205.



April Cone
Purchasing Agent

Signature of Receipt of Addendum # 1

Date

Company Name