



State of Oklahoma
Office of Management and Enterprise Services
Central Purchasing Division

Amendment of Solicitation

Date of Issuance: 5/08/2014

Solicitation No. 0900000135

Requisition No. 0900003232

Amendment No. 1

Hour and date specified for receipt of offers is changed: ☐ No ☒ Yes, to: 5/16/2014 3.00 PM CST/CDT

Pursuant to OAC 580:16-7-30(d), this document shall serve as official notice of amendment to the Solicitation identified above. Such notice is being provided to all suppliers to which the original solicitation was sent.

Suppliers submitting bids or quotations shall acknowledge receipt of this solicitation amendment prior to the hour and date specified in the solicitation as follows:

- (1) Sign and return a copy of this amendment with the solicitation response being submitted; or,
- (2) If the supplier has already submitted a response, this acknowledgement must be signed and returned prior to the solicitation deadline. All amendment acknowledgements submitted separately shall have the solicitation number and bid opening date printed clearly on the front of the envelope.

ISSUED BY and RETURN TO:

U.S. Postal Delivery:

Office of Management and Enterprise Services,
Central Purchasing Division
P.O. Box 528803
Oklahoma City, OK 73152-8803

Kathy Hallum

Contracting Officer

(405) - 521 - 3835

Phone Number

or

Personal or Common Carrier Delivery:

Office of Management and Enterprise Services,
Central Purchasing Division
Will Rogers Building
2401 N. Lincoln Blvd., Suite 116
Oklahoma City, OK 73105

kathy.hallum@omes.ok.gov

E-Mail Address

Description of Amendment:

a. This is to incorporate the following:

PLEASE SEE THE FOLLOWING QUESTIONS RECEIVED REGARDING THIS RFP AND THE ANSWERS

Q1. Incumbent Contractors (answers after each question)

- a. Who are the incumbent Contractors for these services? Gallagher Benefit Services
- b. How long have they been under contract for these services? Previous 5 years
- c. What specific office locations of the Contractors have performed the services? Denver
- d. If the incumbents have been under contract for less than 3 years, who were the Contractors prior to the current firm? N/A
- e. To what extent is past experience with the Office of Management & Enterprise Services/Employee Benefits Department considered in the evaluation criteria? Weight/percentage for items are not given out in the RFP.

Q2. Over each of the prior three contract years: (answers after each question)

- a. How many hours have been incurred by the Contractors? 300-400
- b. What have total fees been (separated into services and expenses, if possible)? They are mixed depending upon our requirements.
- c. What proportion of the total hours have been related to general consulting services as described in section C.3.4 in the RFP? They are mixed depending upon our requirements.

Q3. How many in-person meetings per typical year are anticipated?

A3. Approximately 20. See answer 31.

Description of Amendment - continuing

Q4. How many vendors currently provide medical benefits?

A4. http://www.ebc.state.ok.us/SiteCollectionDocuments/en/Benefits/Form/2014/2014_Guide.pdf

Q5. How many vendors currently provide pharmacy benefits?

A5. http://www.ebc.state.ok.us/SiteCollectionDocuments/en/Benefits/Form/2014/2014_Guide.pdf

Q6. How many vendors currently provide dental benefits?

A6. http://www.ebc.state.ok.us/SiteCollectionDocuments/en/Benefits/Form/2014/2014_Guide.pdf

Q7. How many vendors currently provide vision benefits?

A7. http://www.ebc.state.ok.us/SiteCollectionDocuments/en/Benefits/Form/2014/2014_Guide.pdf

Q8. Are retirees (either non-Medicare eligible, Medicare eligible, or both) included in this RFP?

A8. http://www.ebc.state.ok.us/SiteCollectionDocuments/en/Benefits/Form/2014/2014_Guide.pdf

Q9. Please define "excessive pricing criteria." Since it is not uncommon for different organizations to apply different definitions to the same words or phrases, we want to align our understanding to your term.

A9. See I.E.2 Best & Final Offer (BFO) Criteria

Q10. How have risk adjustment factors been developed in the past? (High-level answer is fine. We are not looking for a detailed methodology, just a broad description since there are several varied approaches to estimating risk adjustment factors.)

A10. This is confidential. The risk adjustment is reviewed each year and determined to be actuarial sound.

Q11. How have risk adjustment factors been used in the past?

A11. This is confidential. The risk adjustment is reviewed each year and determined to be actuarial sound.

Q12. How often in a typical year is the consultant/actuary called to testify before the legislature?

A12. Rarely, but it may occur

Q13. What scoring criteria is being used? In other words, are price and experience given equal weight in the proposal evaluation when determining which Contractor will be awarded the contract?

A13. Criteria is listed in Section D. Weight/percentage for items are not given out in the RFP.

Q14. Please clarify if a hard copy of the RFP response is required; Section A.2.4 references a hard copy submittal, while section E.4.1 indicates an original hard copy is not required with submission.

A14. Requirements in E.4.1 regarding submissions supersedes Section A.2.4. Hard copies are not required nor preferred.

Q15. Who is the EBD's current Benefits Consultant and how long have they served in this capacity?

A15. Gallagher Benefit Services Inc./for the previous 5 years.

Q16. Who is the EBD's current Benefits Actuary and how long have they served in this capacity?

A16. Gallagher Benefit Services Inc./for the previous 5 years.

Q17. Why is EBD out to bid for these services at this time?

A17. State procurement requirement

Q18. What is EBD's budget for Benefits Consultant services as outlined in the RFP?

A18. Budgets are not given when an RFP is out for solicitation.

Q19. What is EBD's budget for Benefits Actuary services as outlined in the RFP?

A19. Budgets are not given when an RFP is out for solicitation.

Q20. What amount did EBD spend for Benefits Consultant services and how many hours of Benefits Consultant services were provided in each of the last two complete plan years?

A20. \$150,000 was spent in a combination of events. Please provide hourly rate for these activities.

Q21. What amount did EBD spend for Benefits Actuary services and how many hours of Benefits Consultant services were provided in each of the last two complete plan years?

A21. \$150,000 was spent in a combination of events. Please provide hourly rate for these activities.

Q22. General Provisions Item A.25. Insurance: Are the modifications to this item noted below acceptable?

A.25. Insurance

The successful bidder(s) awarded the Contract shall obtain and retain insurance, including workers' compensation, automobile

Description of Amendment - continuing

- insurance, and general liability, as applicable, or as required by State or Federal law, prior to commencement of any work in connection with the Contract. The supplier awarded the Contract shall timely renew the policies to be carried pursuant to this section throughout the term of the Contract and shall provide the Central Purchasing Division and the procuring agency with Certificate of Insurance to evidence of such insurance and renewals. ****VENDOR DELETED MEDICAL MALPRACTICE.**
- A22. General Provisions are not to be changed and/or deleted by the vendor. If the vendor wishes to negotiate a particular provision, term or specification they are to state that in their proposal. During evaluation it will be looked at and if needed the State may negotiate that item. Negotiation is at the discretion of the State.
- Q23. Special Provisions Item B.3. Insurance: Are the modifications to this item noted below acceptable?
- B.3.1.** Before delivering services under the awarded contract, the successful vendor shall have coverage for general liability, professional liability, and worker's compensation insurance for personnel assigned to work with EBD. Limits for general liability and professional liability insurance shall be set at no less than \$1,000,000.00 per occurrence. All insurance must be in effect for the duration of the contract.
- **VENDOR DELETED EBD MUST BE NOTIFIED (10 DAYS) AND DELETED "PRIOR TO CANCELLATION OF ANY POLICY FOR THE AFOREMENTIONED INSURANCE.**
- A23. General Provisions are not to be changed and/or deleted by the vendor. If the vendor wishes to negotiate a particular Provision, term or specification they are to state that in their proposal. During evaluation it will be looked at and if needed the State may negotiate that item. Negotiation is at the discretion of the State.
- Q24. Are the General and Special Provisions contained in the RFP, and the terms and conditions of any contract awarded under the RFP, open to negotiation of reasonable changes requested by the Consultant?
- A24. If the vendor wishes to negotiate a particular provision, term or specification they are to state that in their proposal. During evaluation it will be looked at and if needed the State may negotiate that item. Negotiation is at the discretion of the State.
- Q25. Does submission of a proposal preclude the submitting firm from negotiating reasonable changes to the General and Special Provisions contained in the RFP, or the terms and conditions of any contract awarded under the RFP, including but not limited to a mutually agreeable limitation on liability for the Consultant and Actuary?
- A25. See Answer #24
- Q26. What were the three most significant challenges EBD faced in the last 2 years in delivery of services as outlined in section C.1.1.2. of the RFP?
- A26. ACA and ACA
- Q27. What were the three most significant accomplishments EBD achieved in the last 2 years in delivery of services as outlined in section C.1.1.2. of the RFP?
- A27. N/A
- Q28. What are the three most significant challenges EBD expects in the next 3 years in delivery of services as outlined in section C.1.1.2. of the RFP?
- A28. ACA implications
- Q29. What are the three most significant goals EBD has for the next 3 years in delivery of services as outlined in section C.1.1.2. of the RFP?
- A29. N/A
- Q30. Scope Item C.3.2.3.2: How many Board meetings or other meeting did the Benefits Consultant attend in Oklahoma, on average, during the last two complete plan years?
- A30. 20
- Q31. Scope Item C.3.2.3.2: How many Board meetings or other meeting did the Benefits Actuary attend in Oklahoma, on average, during the last two complete plan years?
- A31. 20
- Q32. Scope Item C.3.2.3.2: Do Board meetings or other meeting to be attended by the Benefits Consultant or Actuary take place in locations other than Oklahoma City? If yes, where?
- A32. No
- Q33. Scope Item C.3.3.1.2: How many RFP Team meetings or other meeting did the Benefits Consultant attend in Oklahoma, on average, during the last two complete plan years?
- A33. 20

Description of Amendment - continuing

- Q34. Scope Item C.3.3.1.2: How many RFP Team meetings or other meeting did the Benefits Actuary attend in Oklahoma, on average, during the last two complete plan years?
A34. 20
- Q35. Scope Item C.3.3.1.2: Do RFP Team meetings or other meeting to be attended by the Benefits Consultant or Actuary take place in locations other than Oklahoma City? If yes, where?
A35. No
- Q36. Scope Item C.3.3.1.3: How many "best and final offer" meetings or other meeting did the Benefits Consultant attend in Oklahoma, on average, during the last two complete plan years?
A36. 15+
- Q37. Scope Item C.3.3.1.3: How many "best and final offer" meetings or other meeting did the Benefits Actuary attend in Oklahoma, on average, during the last two complete plan years?
A37. 15+
- Q38. Scope Item C.3.3.1.3: How many pre-bid conference meetings or other meeting did the Benefits Consultant attend in Oklahoma, on average, during the last two complete plan years?
A38. 20
- Q39. Scope Item C.3.3.1.3: How many pre-bid conference meetings or other meeting did the Benefits Actuary attend in Oklahoma, on average, during the last two complete plan years?
A39. 20
- Q40. Scope Item C.3.3.1.3: Do "best and final offer" meetings, pre-bid conferences or other meeting to be attended by the Benefits Consultant or Actuary take place in locations other than Oklahoma City? If yes, where?
A40. 15 OKC and Teleconference
- Q41. Scope Item C.3.3.1.4: Please describe the most recent few instances of excessive pricing criteria or models the Benefits Consultant or Actuary have helped develop. What actions were taken as regards excessive pricing in these instances?
A41. To be discussed in closed session with vendor.
- Q42. Scope Item C.3.3.1.4: How many on-site meetings did the Benefits Consultant attend in support of the most recent few instances of excessive pricing actions? When did these occur?
A42. To be discussed in closed session with vendor.
- Q43. Scope Item C.3.3.1.4: How many on-site meetings did the Benefits Actuary attend in support of the most recent few instances of excessive pricing actions? When did these occur?
A43. To be discussed in closed session with vendor.
- Q44. Scope Item C.3.3.1.7: Please describe and provide examples of the most recent few risk adjustment factors developed by EBD, including a description of the Benefits Consultant and Actuary's input.
A44. We consider these to be internal items of discussion.
- Q45. Scope Item C.3.4.6: Please describe and provide examples of the most recent few surveys developed and coordinated by the Benefits Consultant and Actuary, including a description of EBD's role in each.
A45. N/A
- Q46. Scope Item C.3.4.8: Please describe and provide examples of what is meant by "performance audits" – especially to the extent that such audits differ from claims audits.
A46. This would be the same as a claim and if requested to do so, further requirements would be discussed.
- Q47. Appendix A Questionnaire: Will EBD / Procurement please post a Word document version of the RFP?
A47. OMES/CP will post Appendix A and Appendix B in Word format.
- Q48. Appendix A Question B.2.: Does EBD require that the list of two references requested be limited to our two largest public sector benefit consulting and actuarial service accounts?
A48. Yes, public service clients

Description of Amendment - continuing

- Q49. Appendix A Question B.2.: We consult with hundreds of clients on Section 125 plan matters, from design and operation through compliance and communication. Will a sample listing of Section 125 clients be an acceptable response instead of a listing of all current Section 125 clients?
- A49. No, what are your public sector clients?
- Q50. Appendix A Question B.3.: We consult with thousands of private and public sector clients across all phases of human resources management and administration, including benefits and actuarial consulting. Will a sample listing of private and public sector clients be an acceptable response instead of a listing of all private and public sector clients?
- A50. No, what are your public sector clients and private sector clients?
- Q51. Appendix A Question B.3.: What is meant by EBD's request to illustrate the number of private and public sector clients, in addition to name? Is the total number of clients of the firm requested or is a phone number requested for each?
- A51. Name and phone number of each separated by public and private sector.
- Q52. Please provide copies of your current enrollments, benefits, costs and employee contributions (SBDs, open enrollment materials, rate structure exhibit - including health, dental and vision). Please provide for all benefits.
- A52. 34,000 state employees, 80,000 education employees, 30,000 retirees. Benefit material may be found at <http://www.ebc.state.ok.us/Benefits/py2014/Pages/Plan-Year-2014.aspx>
- Q53. What benefit programs are self-funded and fully-insured? Are the latest open enrollment documents available?
- A53. Benefit material may be found at <http://www.ebc.state.ok.us/Benefits/py2014/Pages/Plan-Year-2014.aspx>
- Q54. Item 8, vendors are to explain actuarial models for active and retiree cost. This is the only time "retirees" are mentioned in the RFP. Does the scope of services include actives and retirees? And, if so, are there any services specific to one group and not the other?
- A54. Section 125 administration is offered only to 34,000 actives.
- Q55. Please describe the EBD wellness program and any onsite health promotion resources already available to employees and/or dependents. Are there any incentives or disincentives for wellness/disease management?
- A55. Benefit material may be found at <http://www.ebc.state.ok.us/Benefits/py2014/Pages/Plan-Year-2014.aspx>
- Q56. Is the EBD budget cycle annual?
- A56. State fiscal is July to June. Benefits are on the calendar year.
- Q57. Please describe the consultant's role the EBD would like to see in the procuring of partners/vendors for the EBD. In particular, please describe the type of coordination between benefits/HR staff, procurement staff and the consultant/broker.
- A57. See specifications
- Q58. How is claims data provided, and made available, to the EBD? Is the claims data housed in a data warehouse or does the claims data come directly from the vendors?
- A58. From the vendors
- Q59. Who maintains the detailed claims and eligibility files and what access would the selected vendor have to these data on a regular basis?
- A59. Maintained by carriers. Consultant will have access.
- Q60. Can you describe the interface or integration of data between the different vendors? What would the consultant's role be with the data exchange?
- A60. No exchange between vendors
- Q61. When is the legislative session and when should we expect most of the new legislation?
- A61. February through May of each year.
- Q62. Please provide a contribution and funding/full rate schedule, by plan option, benefit program and coverage tier.
- A62. Benefit material may be found at <http://www.ebc.state.ok.us/Benefits/py2014/Pages/Plan-Year-2014.aspx>
- Q63. Can a sample of the actuary's rate development reports for 2013 and 2014 be made available?
- A63. No, this is confidential.
- Q64. What is the current risk adjustment methodology? When was the last time the methodology was updated?
- A64. This is confidential. The risk adjustment is reviewed each year and determined to actuarial sound.

Description of Amendment - continuing

- Q65. Under E.4, Submission/Copies, the contractor is to submit responses on a CD that include scanned copies of signed OMES signed forms. If it is company policy that electronic signatures, unsecured, not be provided outside the company. In addition, can vendors submit electronic proposal copies without signatures if in Microsoft Word? Would the EBD be willing to accept one (1) PDF copy (with signatures) while the remaining copies be in Microsoft Word (without signatures)?
- Q66. Who is the State of Oklahoma's EBD current actuarial consultant and how long have they worked for you? What other consultants or brokers (if any) are under contract with EBD?
- A66. Gallagher Benefit Services. Previous 5 years.
- Q67. Why is EBD going out to bid for these services?
- A67. State procurement requirement
- Q68. Will preference be given to a firm or lead consultant based in Oklahoma?
- A68. Award will be based on the best value submission based on the criteria in Section D.
- Q69. Given the size of your program, we would recommend using our national resources. Would there be any issues in using consultants in other parts of the country, as long as all the availability requirements are met?
- A69. There would be an issue with using a large number of consultants.
- Q70. What are the predominant collective bargaining units that participate in the health insurance program?
- A70. None
- Q71. Can you please make available the contract for the incumbent actuary? Please indicate the fees paid for similar services and the associated hours for the last three years. Do these fees include commissions or are they strictly fee for service based? If the incumbent received commissions, please provide annual figures for those as well.
- A71. This is considered an Open Records Request. Attached please find the Open Records Request form to submit to request this information.

b. All other terms and conditions remain unchanged.

Supplier Company Name (**PRINT**)

Date

Authorized Representative Name (**PRINT**)

Title

Authorized Representative Signature



**State of Oklahoma
Department of Central Services**

Records Request Form

Department of Central Services • P.O. Box 53218 • Oklahoma City, OK 73152

The Department of Central Services (DCS) complies with the Oklahoma Open Records Act. DCS records are available for public inspection and copying, except for records which are confidential under state or federal law. In accordance with DCS administrative rules, records related to an open solicitation are made available to the public after the contract is awarded.

NOTE: DCS records may not be removed or rearranged during inspection. Records must be kept in the order in which they were provided. Use of writing instruments while viewing agency records is prohibited. The requestor must designate the records to be copied with use of paper markers, self stick notes or other non-destructive means.

REQUESTOR INFORMATION:

Date of Request: _____

Name: _____ Business: _____
Street Address: _____ City: _____ State: _____ Zip Code: _____
Telephone: _____ E-mail: _____ Fax: _____

FEE SCHEDULE:

- a. \$ 0.25 per page for photocopies of records up to 8 1/2" x 14" or smaller.
- b. Copies of other media shall be actual cost of reproduction including labor.
- c. \$ 1.00 per page for certified copies.

DCS reserves the right to charge the actual cost of reproduction including labor if the information requested is not readily available or requires an extended amount of time to retrieve. DCS will provide an estimated charge to copy and produce the records requested. All fees for copies, including delivery fees, if any, must be paid before the documents are provided.

RECORDS REQUESTED:

Description and dates of records desired: _____

If possible, provide following information when requesting Central Purchasing records:

Requisition #: _____ RFP #: _____ Purchase Order #: _____
Dept/Division, if applicable: ☐ Central Purchasing (405) 521-2115 ☐ Construction & Properties (405) 521-2112
☐ Risk Management (405) 521-4999 ☐ Other: _____
See other Divisions at ["DCS Detailed Contact List"](#)

Dept/Division Contact, if known: _____

Signature of Requestor

Printed Name

FOR OFFICE USE ONLY:

Date Received:		Request Processed By:	
Number of Copies:		Amount Due:	Date of Notification:
Date Payment Received:		Date Documents Mailed/Picked-up:	
Person Monitoring Review:		Date of File Review:	
Other:			

