

**IT IS THE VENDOR'S RESPONSIBILITY TO CHECK
FOR ADDENDUMS PRIOR TO SUBMITTING PROPOSALS**

**REQUEST FOR PROPOSALS
SPECIFICATION NO. 07-235**

The City of Lincoln/Lancaster County intend to enter into a contract and invite you to submit a sealed proposal for:

VOLUNTARY LONG TERM CARE COVERAGE

MEETING OR EXCEEDING THE CITY OF LINCOLN AND LANCASTER COUNTY'S
SPECIFICATIONS

Seven (7) sealed proposals should be sent to the Purchasing Agent, on or before 12 noon on **Wednesday, August 1, 2007** in the office of the Purchasing Agent, 440 South 8th Street, Room 200, K Street Complex, Lincoln, Nebraska 68508. Proposals will be publicly opened, reading only the names, in the Purchasing Conference Room.

Bid specification may be downloaded from the City's website at www.lincoln.ne.gov Keyword: Bid, select current year, select bid specification. Prospective submitters must monitor the bid listing for any addendums

Submitters should take caution if U.S. Mail, or if mail delivery services are used for the submission of proposals. Mailing should be made in sufficient time for proposals to arrive in Purchasing, prior to the date specified above.

SPECIFICATIONS FOR VOLUNTARY LONG TERM CARE COVERAGE

1 GENERAL INFORMATION

- 1.1 The City of Lincoln and Lancaster County invite you to submit a response to this Group Long Term Care coverage Request for Proposal (RFP) for active employees, their spouses and family members.
- 1.2 The objective of this plan is to meet the potential catastrophic costs of Long Term Care as these costs are not covered by the City of Lincoln and Lancaster County's current medical plan or most government programs.
- 1.3 Employees may enroll on behalf of themselves, spouses and family members.
- 1.4 Long Term Care premiums will be paid by the Employee with no contribution or subsidization by the City of Lincoln or Lancaster County.
- 1.5 The insurer must provide marketing support during enrollment and total program management thereafter. The City of Lincoln/Lancaster County will assist the insurer with administrative support.
- 1.6 Finalists may be asked to make a presentation to representatives of the City of Lincoln/Lancaster County.
 - 1.6.1 References will also be checked.
- 1.7 **Seven (7)** copies of your proposal should be submitted to City/County Purchasing, 440 South 8th Street, Room 200, K Street Complex, Lincoln, NE 68508.
 - 1.7.1 All proposals become the property of the City of Lincoln/Lancaster County and will not be returned.
 - 1.7.2 Upon opening the proposals, the information in the proposals will be a part of the public record.

2 QUESTIONS

- 2.1 If any part of this RFP is unclear to you, please contact Vince M. Mejer in writing, fax (402) 441-6513 or vmejer@lincoln.ne.gov for clarification.
- 2.2 No interpretation of this RFP shall be made orally to any proposer by the City.
- 2.3 In order to be given consideration, requests for interpretation must be received by the City/County by July 26, 2007 and submitted as per instructions under 2.1. The City/County will determine at its sole discretion whether any request for interpretation shall prompt an explanatory addendum.
- 2.4 Any change or modification to specifications or the process in this RFP will be in the form of a written addendum and will be made available to proposers via the City Purchasing web site.
 - 2.4.1 It will be the responsibility of the proposers to keep informed of the release of any addenda.

3 TYPE OF PROGRAM

- 3.1 All participation in the Long Term Care program should be issued on an individual basis.
- 3.2 The Long Term Care premium for an active employee working 30 hours or more (City) or 20 hours or more (County) will be withheld via payroll deduction. Employees who leave City or County employment should be allowed the portability to continue coverage on a direct bill basis.

4 CURRENT PROGRAM

- 4.1 The current voluntary long term care program is with Aetna Life & Health Insurance Company.

- 4.2 They are withdrawing from the Long Term Care market.
 - 4.2.1 We are looking for a “takeover” plan to include the following:
- 4.3 Replacement Coverage with funds transfer.
 - 4.3.1 Aetna will transfer funds to the replacement carrier if the available replacement coverage is equal to or better than the current coverage.
 - 4.3.2 A copy of the current coverage/pricing is available at your request.
 - 4.3.3 Eligible members* may choose one and only one of the following three options:
 - 4.3.3.1 Continue coverage with Aetna
 - 4.3.3.2 Surrender their coverage
 - 4.3.3.3 Transfer to the new carrier
- *Not eligible: claimants, non-forfeiture status
- 4.4 All certificates should be guaranteed renewable, except for nonpayment of premiums.
- 4.5 In the event the City/County discontinues its sponsorship or the program, all participants will be allowed to continue coverage on a direct bill basis.

5 EVALUATION OF PROPOSALS

- 5.1 Proposals will be evaluated by a selection committee of representatives from the City of Lincoln/County of Lancaster.
- 5.2 The committee will determine which, if any, proposal/s best meet the requirements of this RFP and make a recommendation to award the rights to that proposer most likely to result in the successful negotiation of a contract that best meets the needs of the City of Lincoln and County of Lancaster.
- 5.3 Proposals must be complete. Incomplete proposals will not be considered and cannot be supplemented, modified or amended by submissions delivered after the closing time and date of the RFP.
- 5.4 Proposals must be submitted in sealed packages or envelopes, bearing clear identification of the proposer, the date and the words, “Long Term Care Proposal”.
- 5.5 Responses may be withdrawn or modified by written request from the proposer prior to the date and time of the opening of the responses.
 - 5.5.1 The proposer may not withdraw the proposal during any time prior to the notice of award, which shall in no case extend beyond 180 days from the date the proposals are opened.
- 5.6 The City/County reserves the right to negotiate a final contract with any or all respondents, based solely on the exercise of the City/County discretion and judgement.
- 5.7 The City and County also reserve the right to rebid proposals or to contract separately with different proposers.
- 5.8 Any proposer entering into a contract pursuant to this RFP must be qualified and licensed to engage in the business required by the contract under the laws of the State of Nebraska and comply with any and all federal, state and local laws and regulations necessary to the initiation of the proposal.
- 5.9 Proposals considered complete will be evaluated to determine if they comply with the administrative, contractual, technical and financial requirements of the RFP.
 - 5.9.1 Those proposals considered incomplete may be rejected.
 - 5.9.2 If the proposal is unclear, proposers may be asked to provide written clarification.
- 5.10 Upon completion of the evaluation process, the successful proposer, if any, will be notified in writing.
- 5.11 The City of Lincoln/County of Lancaster and the notified proposer will use their best efforts to negotiate a contract.
 - 5.11.1 In the event that negotiations with a selected proposer are unsuccessful, the City/County reserves the right to discontinue such negotiations.

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CRITERIA FOR EVALUATION

- 6.1 Elements that may be considered by the committee include, but are not limited to:
 - 6.1.1 Number of existing LTC policies
 - 6.1.2 Ability to meet and satisfy the City/County specifications
 - 6.1.3 Competitiveness of premium assumptions
 - 6.1.4 Degree of underwriting restrictions
 - 6.1.5 Financial strengths and stability of the insurer as reflected by a rating service
 - 6.1.6 Reputation and historical experience in the Long Term Care market
 - 6.1.7 Quality of customer service
 - 6.1.8 Scope of coverage
 - 6.1.9 Number of years in the LTC marketplace
- 6.2 The importance of a strong account management team cannot be overemphasized.
- 6.3 The experience, reputation and integrity of the individual members of the account team you assign is vital to the success of your proposal.
- 6.4 The City/County reserves the right to award the rights to a proposer other than the one with the lowest premium proposal.
- 6.5 The City/County reserves the right to accept or reject any or all proposals to this RFP and to discontinue the selection process at any time.
- 6.6 Further, the City/County may waive any formality, irregularity or other requirements, which it deems does not materially affect the selection process.

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BROKER/INSURER INFORMATION

- 7.1 Proposer must provide the following information regarding your company.
 - 7.1.1 Company name
 - 7.1.2 Person responsible for this proposal
 - 7.1.3 Title
 - 7.1.4 Address
 - 7.1.5 Telephone
 - 7.1.6 Fax Number
 - 7.1.7 Specify the location of the office which would administer this program if different from above along with any national offer.
 - 7.1.8 E-mail address
- 7.2 Financial Ratings:
 - 7.2.1 A.M. Best
 - 7.2.2 Moody's
 - 7.2.3 Standard & Poor's
- 7.3 How long has your company been writing Long Term Care coverage?
- 7.4 Provide the following information related to your Long Term Care program from a corporate perspective?
 - 7.4.1 Number of employer plans (if any)
 - 7.4.2 Individual enrolled lives
 - 7.4.3 Average issue age
 - 7.4.4 Age distribution (% book of business)
 - 7.4.4.1 Under 30
 - 7.4.4.2 30-39
 - 7.4.4.3 40-49
 - 7.4.4.4 50-59
 - 7.4.4.5 60-69
 - 7.4.4.6 70-79
 - 7.4.4.7 Over 79
 - 7.4.5 Long Term Care 2006 (or last available) annual premium figure
- 7.5 What is the total number of full-time employees who are directly employed by your organization who are associated with the Long Term Care program (excluding field sales)?

- 7.6 Is there a national sales force capable of offering Long Term Care insurance to relatives and retirees outside of Nebraska?
- 7.7 Has your firm ever been involved with a "take over" as listed in section 4.

8 **ELIGIBILITY/ENROLLMENT**

- 8.1 What is the procedure for individuals to enroll?
- 8.2 What are your minimum and maximum issue ages?
- 8.3 How long does it take to process an applicant's initial application?
- 8.4 Please submit a sample of your application forms, including any health statement forms that you will use, for each of the classes of participants.
- 8.5 Discuss the procedures you use to process these forms, including the extent to which you call the applicant or contact an attending physician for additional information.
 - 8.5.1 Give examples of medical conditions which would result in the rejection of an application and examples of those which will permit acceptance.
- 8.6 Can those who were rejected in the past apply again in the future?
- 8.7 Provide your definition of each of the Activities of Daily Living including your definition of when a participant would be considered unable to perform each one.
- 8.8 Would a mental illness such as Alzheimer's Disease be covered under your program?
 - 8.8.1 Are other mental and nervous disorders excluded?
- 8.9 Describe what proof is required to certify the disability as eligible for benefits under the Long Term Care policy.
- 8.10 In this description please also address the following points:
 - 8.10.1 Information required from the attending physician.
 - 8.10.2 Assessments required by you and at whose expense.
 - 8.10.3 Who performs the assessments (i.e. a geriatrician)?
 - 8.10.4 If benefits are approved, is re-certification necessary, and at what intervals?
 - 8.10.5 If benefits are denied, can re-application be made, and when?
- 8.11 Please describe your appeals process for applicants who are denied benefits.
- 8.12 Do you exclude coverage of work related injuries?
- 8.13 Is there coverage for care received outside of Nebraska? Outside the United States?

9 **COVERED SERVICES**

- 9.1 Define and explain the extent of coverage for the following services:
 - 9.1.1 Licensed nursing homes
 - 9.1.2 Home healthcare
 - 9.1.2.1 Physical or occupational therapist
 - 9.1.2.2 Medical social worker
 - 9.1.2.3 Home health aide
 - 9.1.2.4 Homemaker/family member
 - 9.1.3 Adult daycare
 - 9.1.4 Respite care
 - 9.1.5 Continuing care/life care retirement community
 - 9.1.6 Assisted living care
 - 9.1.7 Adult foster care
 - 9.1.8 Covered equipment in the home or other location
 - 9.1.9 Necessary remodeling in the home
 - 9.1.10 Other covered services

- 10** **BENEFIT WAITING PERIOD**
- 10.1 Usually a benefit waiting period must be satisfied before benefit payments can begin.
- 10.1.1 Does your Long Term Care plan offer participants a choice of two or more benefit waiting periods?
- 10.1.1.1 If so, what are these?
- 10.2 Is the waiting period applied more than once in a person's lifetime?
- 11** **LIFETIME BENEFIT MAXIMUM**
- 11.1 Does your plan offer participants a choice of lifetime benefit maximum options? 11.1.1 If so, what are these?
- 11.2 Provide an example of how your lifetime benefit maximum is calculated, especially when the policy includes an inflation protector.
- 11.3 Identify any time constraints on a participant's lifetime benefit maximum.
- 11.4 Does the plan include provisions for shared benefits between a husband and wife?
- 11.5 If there is a spouse shared benefit, how are premiums and coverage handled in the event of a death of one of the parties.
- 12** **INFLATION PROTECTION**
- 12.1 Inflation is likely to make the current daily benefit inadequate in the future, especially for younger employees. Some Long Term Care plans include an automatic cost-of- living adjustment.
- 12.1.1 Describe your inflation protection options.
- 12.2 Must the inflation protector be elected upon initial enrollment, or can it be added after the policy is in force?
- 13** **PREMIUM WAIVER**
- 13.1 Describe your premium waiver provision and the criteria and process for waiving premiums.
- 14** **PORTABILITY**
- 14.1 Describe your process for transferring an insured from the City/County payroll deduction plan to a direct bill individual plan.
- 14.1.1 Detail any and all differences with the plan you are proposing.
- 14.2 Are there any circumstances in which a participant who is no longer a current employee or who is no longer a spouse of a current or former employee, would not be able to retain coverage?
- 15** **PRE-EXISTING CONDITION PROVISION**
- 15.1 Define and describe your pre-existing condition provision and can pre-existing conditions be covered at any time?
- 16** **COORDINATION OF BENEFITS**
- 16.1 Please describe any Coordination of Benefits provisions that your policy may have.
- 16.1.1 If included in the policy, please indicate what plans will be coordinated with the Long Term Care policy.
- 17** **NON-FORFEITURE OF PREMIUM PROVISION**
- 17.1 Describe any provision which provides for a full or partial refund of premium upon either death or withdrawal from the plan?
- 17.1.1 Describe your method for calculating non-forfeiture of premium values. Identify the additional premium cost, if any.

18 **PREMIUMS, FINANCIAL AND RESERVES**

- 18.1 Will rate adjustments be applied identically to both current and new participants?
- 18.2 Please list rate increases over the last ten years.
- 18.3 Please explain how future rate increases will be developed.
 - 18.3.1 Will subsequent rate adjustments be based on the City/County Long Term Care experience separately or together, or on your total book of business?
- 18.4 Is your plan intended to be a federally approved, tax qualified plan?
- 18.5 Please provide a copy of your company's most recently audited financial statements.

19 **CUSTOMER SERVICE**

- 19.1 Describe your Long Term Care customer service organization.

20 **CLAIMS PROCESSING**

- 20.1 The selected insurer will be expected to run an organized and efficient claim service.
- 20.2 Provide the address, phone number and fax number of the office(s) that will process claims.
- 20.3 When would any ongoing proof of continuing loss be required?
- 20.4 Describe how an insured applies for benefits.
 - 20.4.1 Include copies of all forms that a patient, physician or facility must complete.
 - 20.4.2 Are physical exams or interviews normally required?
 - 20.4.3 If so, who conducts the exam or interview and at whose expense?
- 20.5 If benefits are approved, how is the patient, family, physician, and facility notified?
 - 20.5.1 How long does it take for the first payment to be made?
 - 20.5.2 Is payment made directly to the patient or can it be assigned to the facility?

21 **BILLING**

- 21.1 Describe the payroll deduction requirements for the City/County.
- 21.2 How frequently do you propose to invoice or direct bill participants, monthly?
- 21.3 Once an individual's coverage is lapsed due to late payment, is it possible for the coverage to be reinstated at a later date?

22 **EMPLOYEE COMMUNICATIONS**

- 22.1 What is your plan for Employee and Retiree Long Term Care meetings and communications?

23 **ACCOUNT MANAGEMENT TEAM**

- 23.1 Provide a table of organization and include each team member's responsibilities and reporting relationships.
- 23.2 Will a dedicated customer service representative be assigned to the City/County?

24 **REFERENCES**

- 24.1 Provide names of four current Long Term Care company clients as references, including the principal contact's name, title, address and telephone number.

25 **MISCELLANEOUS**

- 25.1 Please identify any other critical or important issues which may have been overlooked.
- 25.2 What distinguishes your company and product from the competition?
- 25.3 The requested term of this agreement for the City of Lincoln is a one year term, renewable for two additional consecutive 1 year terms.
 - 25.3.1 However, the County of Lancaster, requests a 24-36 month term, both with the right to cancel this agreement with 60 days advance notice, if it is dissatisfied with the insurer's performance, for any reason.

HOLD HARMLESS CLAUSE

- 26.1 The insurer shall use reasonable care and diligence in the exercise of its power and the performance of its duties as specified thereunder.
- 26.2 The insurer will be financially liable for errors relating to a failure to correct deficiencies uncovered by audits in a prompt manner.
- 26.3 The insurer agrees to indemnify the City of Lincoln and Lancaster County and hold harmless its involvement in the administration of the plan from and against any and all loss, liability, damage, expense, or other cost or against the City of Lincoln/Lancaster County with respect to the agreement if and to the extent that such loss, liability, damage, expense, cost, or obligation was the consequence of the dishonest, fraudulent, criminal, or negligent acts of the insurer's employees or agents acting alone or in collusion with others.
- 26.4 Please include a copy of a sample Long Term Care policy with your response.
- 26.5 Please include a sample contract, if available, between the proposer and the City of Lincoln and Lancaster County, with your response.

INSTRUCTIONS TO PROPOSERS
CITY OF LINCOLN/LANCASTER COUNTY & BUILDING COMMISSION, NEBRASKA
PURCHASING DIVISION

1. PROPOSAL PROCEDURE

- 1.1 Each RFP must be legibly printed in ink or typed, include full name, business address, telephone number, fax number and email address of the Proposer; and be signed in ink by the Proposer.
- 1.2 Response by a firm/organization other than a corporation must include the name and address of each member.
- 1.3 A response by a corporation must be signed in the name of such corporation by a duly authorized official thereof.
- 1.4 Any person signing a response for a firm, corporation, or other organization must show evidence of his authority so to bind such firm, corporation, or organization.
- 1.5 Proposals received after the time and date established for receiving offers will be rejected.

2. EQUAL OPPORTUNITY

- 2.1 Each proposer agrees that it shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, disability, national origin, age, or marital status. In the employment of persons, proposer shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to race, color, religion, sex, disability, national origin, age, or marital status.

3. DATA PRIVACY

- 3.1 Proposer agrees to abide by all applicable State and Federal laws and regulations concerning the handling and disclosure of private and confidential information concerning individuals and corporations as to inventions, copyrights, patents and patent rights.
- 3.2 The proposer agrees to hold the City harmless from any claims resulting from the proposer's unlawful disclosure or use of private or confidential information.

4. PROPOSER'S REPRESENTATION

- 4.1 Each proposer by signing and submitting an offer, represents that he/she has read and understands the specification documents, and the offer has been made in accordance therewith.
- 4.2 Each offer for services further represents that the proposer is familiar with the local conditions under which the work and has correlated the observations with the requirements of the RFP.

5. SPECIFICATION CLARIFICATION

- 5.1 Proposers shall promptly notify the Purchasing Agent of any ambiguity, inconsistency or error which they may discover upon examination of specification documents.

- 5.2 Proposers desiring clarification or interpretation of the specification documents shall make a written request which must reach the Purchasing Agent at least seven (7) calendar days prior to date and time for response receipt, unless otherwise noted in RFP.
- 5.3 Interpretations, corrections and changes made to the specification documents will be made by written addenda.
- 5.4 Oral interpretations/changes to Specification Documents made in any other manner, will not be binding on the City; proposers shall not rely upon oral interpretations.

6. ADDENDA

- 6.1 Addenda are written documents issued by the City prior to the date for receipt of offers which modify or interpret the specification document by addition, deletion, clarification or correction.
- 6.2 Addenda will be mailed or delivered to all who are known by the City to have received a complete set of specification documents.
- 6.3 Copies of addenda will be made available for inspection at the office of the Purchasing Agent.
- 6.4 No addendum will be issued later than forty-eight (48) hours prior to the date and time for receipt of offers, except an addendum withdrawing the RFP, or addendum including postponement.
- 6.5 Proposers shall ascertain prior to submitting their offer that they have received all addenda issued, and they shall acknowledge receipt of addenda in their proposal.

7. ANTI-LOBBYING PROVISION

- 7.1 During the period between the proposal advertisement date and the contract award, proposers, including their agents and representatives, shall not lobby or promote their proposal with any member of the City Council or City Staff.

8. EVALUATION AND AWARD

- 8.1 The signed proposal shall be considered an offer on the part of the proposer. Such offer shall be deemed accepted upon issuance by the City of purchase orders, contract award notifications, or other contract documents appropriate to the work.
- 8.2 No offer shall be withdrawn for a period of ninety (90) calendar days after the time and date established for receiving offers, and each proposer agrees in submitting an offer.
- 8.3 In case of a discrepancy between the unit prices and their extensions, the unit prices shall govern.
- 8.4 The RFP process is designed to be a competitive negotiation platform, where price is not required to be the sole determinative factor; also the City has the flexibility to negotiate with a select firm or selected firms to arrive at a mutually agreeable relationship.
- 8.5 A committee will be assigned the task of reviewing the proposals received.

8.5.1 The committee may request documentation from Proposer(s) of any information provided in their proposal response, or require the Proposer to clarify or expand qualification statements.

8.5.2 The committee may also require a site visit and/or verbal interview with a Proposer or select group of Proposers to clarify and expand upon the proposal response.

8.6 The offer will be awarded to the lowest responsive, responsible proposer whose proposal will be most advantageous to the City, and as the City deem will best serve their requirements.

8.7 The City reserves the right to accept or reject any or all offers, parts of offers; request new proposals, waive irregularities and technicalities in offers; or to award the RFP on a split-order basis, or lump-sum basis; such as shall best serve the requirements and interests of the City.

9. INDEMNIFICATION

9.1 The proposer shall indemnify and save harmless the City of Lincoln, Nebraska from and against all losses, claims, damages, and expenses, including, attorney's fees arising out of or resulting from the performance of the contract that results in bodily injury, sickness, disease, death, or to injury to or destruction of tangible property, including the loss of use resulting therefrom and is caused in whole or in part by the proposer, any subcontractor, any directly or indirectly employed by any of them or anyone for whose acts any of them may be liable. This section will not require the proposer to indemnify or hold harmless the City of Lincoln for any losses, claims damages, and expenses arising out of or resulting from the sole negligence of the City of Lincoln, Nebraska.

9.2 In any and all claims against the City or any of its members, officers or employees by an employee of the proposer, any subcontractor, anyone directly or indirectly employed by any of them or by anyone for whose acts made by any of them may be liable, the indemnification obligation under paragraph 9.1 shall not be limited in any way by any limitation of the amount or type of damages, compensation or benefits payable by or for the bidder or any subcontractor under worker's or workmen's compensation acts, disability benefit acts or other employee benefit acts.

10. LAWS

10.1 The Laws of the State of Nebraska shall govern the rights, obligations, and remedies of the Parties under this proposal and any agreement reached as a result of this process.

10.2 Proposer agrees to abide by all applicable State and Federal laws and regulations concerning the handling and disclosure of private and confidential information concerning individuals and corporations as to inventions, copyrights, patents and patent rights.

11. AWARD

11.1 The RFP process is designed to be a competitive negotiation platform, where price is not required to be the sole determinative factor; also the City has the flexibility to negotiate with a selected firm or firms to arrive at a mutually agreeable relationship.

11.2 The City shall be the sole judge as to merits of the proposal, and the City's decision will be final.

11.3 A committee will be assigned by the Mayor with the task of reviewing the proposals received.

11.3.1 The committee may request documentation from

Proposer(s) of any information provided in their proposal response, or require the proposer to clarify or expand qualification statements.

11.3.2 A short list of firms from proposals submitted may be selected for a presentation to the committee and ranked by committee members.

11.4 Final approval to enter into contract negotiations with the top ranked firm will be by the Mayor of the City of Lincoln.

11.5 The City shall not be liable for any expense incurred in connection with preparation of a response to this RFP.

11.6 The contract document shall incorporate by reference all requirements, terms and conditions of the solicitation, proposal received and all negotiated details.

12. LIVING WAGE

12.1 The bidders agree to pay all employees employed in the performance of this contract, a base wage of not less than the City Living Wage per Section 2.81 of the Lincoln Municipal Code. This wage is subject to change every July.

Whereas stated City or City of Lincoln, also refers to Building Commission and Lancaster County.