**Request for Proposals for the State of Wisconsin**

**ETI0047**

**Third Party Administration of the Wisconsin Public Employers Group Life Insurance Program**

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Issued by the State of Wisconsin

Department of Employee Trust Funds

On behalf of the Group Insurance Board

Release Date: January 31, 2020

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# General Information

## Introduction

The purpose of this Request for Proposals (RFP) is to solicit proposals from interested and qualified group life insurance providers that possess the resources and expertise to insure and administer the Wisconsin Public Employers Group Life Insurance Program (Program). Proposals from brokers will not be considered.

The State of Wisconsin Department of Employee Trust Funds (Department) intends to use the results of this solicitation to award a Contract for the administration of the Program. The Contract will be administered and managed by the Department, with oversight by the State of Wisconsin Group Insurance Board (Board). This RFP document, its attachments, and the awarded Proposal will be incorporated into the Contract.

## Program Overview - Background Information

The Department administers the Wisconsin Retirement System (WRS), the group health insurance program for State Employees and many local governments, and a variety of other public employee benefit programs. The WRS is the 8th largest public pension fund in the nation and the Department’s largest program, providing retirement benefits for more than 630,000 current and former State and local government Employees on behalf of approximately 1,500 employers. Participants include public school teachers, current and former Employees of State agencies, and Employees of most local governments. The Department is overseen by independent governing boards and funds are held on behalf of the benefit program beneficiaries in the Public Employee Trust Fund created and regulated under Chapter 40 of the Wisconsin State Statutes.

The Program offers group life insurance and Accidental Death and Dismemberment Insurance to current and retired State Employees and Employees of participating local public employers. All public Employers in the State are eligible to participate. Other current Program offerings are included in Appendix 5 – Schedule of Benefits.

State Employee participation in the Program began in 1958, while local governmental Employee participation began in 1960. Approximately 55 separate State agencies, including the University of Wisconsin System, and 743 local Employers currently participate in the Program. As of December 31, 2018 the Program insured approximately 51,000 State Employees and 76,000 local governmental Employees. Of those insured, approximately 56,000 elected Spouse and Dependent coverage. The Program also insures approximately 79,000 Retirees.

The Program is currently insured through a policy issued by the current Program insurer, Minnesota Life Insurance Company d.b.a. Securian Financial, to the Board. Administration of the Program is currently shared between the Department and the current Program insurer. Administration of the Program under the Contract will be shared between the Department and the Contractor.

The current Program insurer maintains separate and independent financial records for the Assets related to the State Plan and the Local Government Employee Plan, for Actives and both pre-age 65 and post-age 65 Retirees. Separate financial records are kept for Spouse and Dependent coverage as well. Based on the valuation performed by the current Program insurer the ratio of Assets to liabilities as of December 31, 2018 was 74.3% for the State Plan and 115% for the Local Plan. The ratio of Assets to liabilities for the Spouse and Dependent Plan is 93% for the State Plan and 123% for the Local Plan.

In August 2019, the Board authorized an annual 5% premium increase for the State Plan through the year 2029 with the goal of increasing the State Plan’s asset-to-liability ratio of 100%. The Board also authorized a decrease in the State Plan Spouse and Dependent premium effective April 1, 2020. The rate will decrease from $2.50 per unit to $2.26 per unit. No action was taken to change premiums for the Local Plan.

Assets for the Program are held and invested by the current Program insurer. In accordance with the administrative agreement between the Board and the current Program insurer, interested earnings are calculated and credited to the State Plan and Local Plan based on the rate of return for a segment of the current contractor’s general fund and not tied to any specific investments. The plans for Active Employees and pre-age 65 Retirees are fully insured by the current Program insurer and funded through Employee and Employer premiums. The Retiree life program is supported by a portion of contributions from Employers and from pre-age 65 Retirees. Contributions are made through age 65 and are intended to pre-fund the cost of post-65 Retiree life benefits. The Retiree funds are held by the current Program insurer in a Premium Deposit Fund (PDF), but a separate financing agreement stipulates that the current Program insurer does not guarantee that the funds in the PDF will be sufficient to fund future post-65 Retiree benefits.

The current Program for Active Employees and pre-age 65 Retirees is retrospectively experience rated through an Active Employee Stabilization Reserve. The Stabilization Reserve is credited for premiums and interest credits and debited for claims and expenses. The current Program insurer guarantees that funds in the Active Stabilization Reserve fund will be sufficient to fund claims.

If the Board were to terminate the contract with the current Program insurer, the current Program insurer would keep the funds that it determines are necessary for paying future benefits for then-current Retirees as of the contract termination date, including some or all of the funds in the Stabilization Reserve and Premium Deposit Fund (PDF) for Active Employees if necessary.

## Additional Background Information

Appendix 3 – Background Information provides additional background information on the Program. Table 1 below provides links to additional resources. This information is provided to assist Proposers in completing an RFP response.

Table 1. Resources

|  |  |
| --- | --- |
| **Title** | **Web Address** |
| Employee Trust Funds Website | [http://etf.wi.gov](http://etf.wi.gov/) |
| Wisconsin Administrative Code: Chapter ETF 11 Appeals | <http://docs.legis.wisconsin.gov/code/admin_code/etf/11> |
| Wisconsin State Statutes: Chapter 40 | <http://www.legis.state.wi.us/statutes/Stat0040.pdf> |
| Wisconsin Administrative Code: Chapter ETF 60 – Survivor Benefits | <http://docs.legis.wisconsin.gov/code/admin_code/etf/60> |
| The Wisconsin Public Employers Group Life Insurance Program booklet | <https://etf.wi.gov/publications/et2101/direct> |

## Procuring and Contracting Agency

This RFP is issued by the Department on behalf of the Board. The Department is the sole point of contact for the State in the selection process. The terms “State,” “ETF,” and “Department” may be used interchangeably in this RFP and its attachments.

Prospective Proposers are prohibited from contacting any person other than the individual listed below regarding this RFP. Violation of this requirement may result in the Proposer being disqualified from further consideration.

|  |  |
| --- | --- |
| **Express delivery** | **United States Postal Service delivery** |
| Dept. of Employee Trust Funds  Beth Bucaida  **RFP ETI0047**  Supply & Mail Services  7th Floor North Tower  4822 Madison Yards Way  Madison, WI 53705-9100 | Dept. of Employee Trust Funds  Beth Bucaida  **RFP ETI0047**  P.O. Box 7931  Madison, WI 53707-7931 |

Telephone: 608-267-3933

E-mail: [ETFSMBProcurement@etf.wi.gov](mailto:ETFProcurement@etf.wi.gov)

**NOTE:** Deliveries are accepted from 8:00 a.m. – 4:00 p.m. central time Monday through Friday. No deliveries may be made to the Department on Saturdays, Sundays, and State holidays as the office is closed on those days. The Department is not responsible for picking up Proposals at the post office or any courier office.

**If Proposers are dropping off Proposals:** The street address for the Hill Farms State Office Building parking garage is 4846 Sheboygan Avenue, Madison, Wisconsin. A visitor pass from the security desk on the 1st floor of 4822 Madison Yards Way is required for access to the Department of Employee Trust Funds’ reception area on the 8th Floor of the North Tower. Proposers must check in and wait until the boxes containing the Proposals have been dated and time stamped by Department personnel.

## Definitions and Acronyms

Words and terms shall be given their ordinary and usual meanings. Words and terms not defined below shall have the meanings provided by Wis. Stat. § 40.02 and Wis. Admin. Code § ETF 10.01 unless otherwise clearly and unambiguously defined by the context of their usage in this RFP. Where capitalized in this RFP, the following definitions and acronyms shall have the meanings indicated unless otherwise noted. The meanings shall be applicable to the singular, plural, masculine, feminine, and neutral forms of the words and terms.

**Accidental Death and Dismemberment Insurance** or **AD&D Insurance** means the accidental death and dismemberment insurance coverage described in The Wisconsin Public Employers Group Life Insurance Program brochure available at <https://etf.wi.gov/publications/et2101/direct>.

**Active Employee** or **Active** means a full or part-time Employee whose Employer participates in the Program, and who is under the age of seventy (70).

**Additional Insurance Plan** provides life insurance in addition to the Basic Plan at up to three times the Participant’s prior year’s earnings. To be eligible, the Participant must have Basic Plan coverage and the Participant’s Employer must participate in the Additional Insurance Plan. See the Wisconsin Public Employers Group Life Insurance Program brochure available at <https://etf.wi.gov/publications/et2101/direct>.

**Assets** means all the funds of any nature that arise out of the policy which the Contractor receives, holds, and disburses under the policy including, but not limited to, any and all premiums, experience credits, principal, and interest.

**Aviation AD&D Insurance** meansthe accidental death and dismemberment insurance coverage for an Employee who is a pilot, crew member or passenger on an aircraft owned, operated or leased by a State or local government Employer and being used for business of that Employer. See the Wisconsin Public Employers Group Life Insurance Program brochure available at <https://etf.wi.gov/publications/et2101/direct>.

**Basic Plan** or **Basic Insurance** is governed by Wis. Stat. § 40.72(1) and equals earnings paid to the Employee by the Employer during the previous calendar year rounded to the next highest one thousand dollars ($1,000). See the Wisconsin Public Employers Group Life Insurance Program brochure available at <https://etf.wi.gov/publications/et2101/direct>.

**Board** means State of Wisconsin Group Insurance Board.

**Business Day** means each Calendar Day except Saturday, Sunday, and official State of Wisconsin holidays (see also: Calendar Day, Day).

**Calendar Day** refers to a period of twenty-four hours starting at midnight.

**Calendar Year** means the time period from January 1 to December 31.

**Confidential Information** means all tangible and intangible information and materials being disclosed in connection with the Contract, in any form or medium without regard to whether the information is owned by the State of Wisconsin or by a third party, which satisfies at least one of the following criteria: (i) Individual Personal Information; (ii) Personally Identifiable Information under Wis. Stat. § 19.62(5); (iii) Protected Health Information under HIPAA, 45 CFR 160.103; (iv) proprietary information; (v) non-public information related to the State of Wisconsin’s employees, customers, technology (including data bases, data processing and communications networking systems), schematics, specifications, and all information or materials derived therefrom or based thereon; (vi) information expressly designated as confidential in writing by the State of Wisconsin; (vii) all information that is restricted or prohibited from disclosure by State or federal law, including Individual Personal Information and Medical Records as governed by Wis. Stat. § 40.07, Wis. Admin. Code ETF 10.70(1) and 10.01(3m); or (viii) any material submitted by the Proposer in response to this RFP that the Proposer designates confidential and proprietary information and which qualifies as a trade secret, as provided in Wis. Stat. § 19.36 (5) or material which can be kept confidential under the Wisconsin public records law.

**Contingent Liability Reserve** means the experience credits accumulated under the Program on the Program, which are held by the Contractor to the credit of the State for the purpose of funding future claims and expenses under the Program.

**Contract** means the written agreement resulting from the successful Proposal and subsequent negotiations that shall incorporate, among other things, this RFP and all Exhibits and Forms, the successful Proposer's Proposal as accepted by the Department, an updated and executed Appendix 1 – Pro Forma Contract, its exhibits, subsequent amendments and other documents as agreed upon by the Department and the Contractor.

**Contractor** means a Proposer who is awarded a Contract.

**Cost Proposal** means the document submitted by a Proposer that includes Proposer’s costs to provide the Services. FORM I – Cost Proposal Workbook is one of the required documents all Proposers must submit. The Cost Proposal is described in Section 8 and elsewhere in this RFP.

**Day** means Calendar Day unless otherwise indicated.

**Department** or **ETF** means the State of Wisconsin Department of Employee Trust Funds.

**Dependent** means children, including natural children, stepchildren, adopted children, legal wards, and children in adoptive placement under Wis. Stat. § 48.837(1). Children from live birth (stillborn and unborn children are not eligible) to the attainment of age 26 are eligible for insurance coverage under the Program. A child who is age 26 or older is also eligible if he or she is incapable of self-support because of a physical or mental disability, which is expected to be of a long-continued and indefinite duration.

**Employee** means an eligible employee of the State of Wisconsin as defined under [Wis. Stat. § 40.02 (25) (a), 1., 2., or (b), 1m., 2., 2g., or 8](https://docs.legis.wisconsin.gov/statutes/statutes/40/I/02/25). As used herein, a State Employee is an Employee of a State Employer and a local government Employee is an Employee of a local State government.

**Employer** means the State, including each State agency, any county, city, village, town, school district, other governmental unit or instrumentality of two or more units of government as defined in [Wis. Stat. § 40.02 (28)](https://docs.legis.wisconsin.gov/statutes/statutes/40/I/02/54).

**Extended Insurance** means insurance that is being continued for a disabled Employee without payment of premium according to the waiver of premium provision.

**HIPAA** means the Health Insurance Portability and Accountability Act of 1996. See Appendix 2 – Department Terms and Conditions.

**Individual Personal Information** or **IPI** has the meaning ascribed to it at Wis. Admin. Code ETF § 10.70 (1). See Appendix 2 – Department Terms and Conditions.

**Insurance Reduction Age** means the later of an Employee’s 65th birthday or termination of employment but in no event beyond the Employee’s 70th birthday.

**Local Government** means a State of Wisconsin government entity, other than a State agency or the University of Wisconsin System, that is eligible to participate in the Program.

**Local Government Employee Plan or Local Plan** means all insurance coverages on the lives of Employees and retired Employees of participating Local Government public Employers.

**Local Government Spouse and Dependent Plan** means all insurance coverages on the lives of Spouses and Dependents of Employees of participating public Employers other than the State, as described in The Wisconsin Public Employers Group Life Insurance Program brochure available at <https://etf.wi.gov/publications/et2101/direct>.

**Mandatory** means the least possible threshold, functionality, degree, performance, etc. needed to meet a compulsory requirement.

**Participant(s)** means the Employee, the Employee’s Spouse or any of the Employee’s Dependent(s) who have been specified by the Department for enrollment in the Program and are entitled to participate in the Program.

**Payroll Center** means thebenefits department of a participating State agency that is responsible for completing business processes associated with Program enrollment and changes, payroll deductions*,* leave benefit administration, and terminations. See Appendix 4 – State Employer Overview.

**Personally Identifiable Information** or **PII** means information that is capable of identifying a particular individual through one or more identifiers or other information or circumstances. See Appendix 2 – Department Terms and Conditions.

**Policy Year** means the period of time from one policy anniversary date to the next policy anniversary date.

**Policy Year Premium** means all Employee, Retired Employee, and Employer premium contributions attributable to the Policy Year.

**Pre-Retirement Insurance** means the insurance an Employee may obtain under the Program prior to becoming a Retiree.

**Post-Retirement Insurance** means the Basic Plan insurance coverage provided to an insured Employee or Retired Employee after he or she attains the Insurance Reduction Age.

**Premium Deposit Fund** means Employer and Employee premium contributions that are intended to pay for post-retirement claims under the Program, which are deposited and held by the Contractor to the credit of the State for the purpose of funding future claims and expenses under the Program.

**Program** means the Wisconsin Public Employers Group Life Insurance Program created and regulated under Chapter 40 of the Wisconsin State Statutes. The Program includes the Local Plan and the State Plan.

**Proposal** means the complete response of a Proposer submitted in the format specified in this RFP, which sets forth the Services offered by a Proposer and Proposer’s pricing for providing the Services described in this RFP.

**Proposer** means any individual, firm, company, corporation, or other entity that submits a Proposal in response to this RFP.

**Protected Health Information** or **PHI** has the meaning ascribed to it under 45 CFR 160.103. See Appendix 2 – Department Terms and Conditions.

**Quarterly** means a period consisting of every consecutive three (3) months beginning in January.

**Retiree/Retired Employee/Annuitant** means a State or local WRS participant who is retired and receives an annuity or lump sum benefit from the Wisconsin Retirement System. See [Wis. Stat. § 40.02 (49)](https://docs.legis.wisconsin.gov/statutes/statutes/40/I/02/49).

**RFP** means this Request for Proposals ETI0047.

**Services** means all work performed, and labor, actions, recommendations, plans, research, and documentation provided by the Contractor necessary to fulfill that which the Contractor is obligated to provide under the Contract.

**Spouse** means lawful husband or wife.

**Spouse and Dependent Plan** means the insurance coverage elected by an Employee for a Spouse or Dependent. The Employee must elect Basic Plan insurance coverage before they can buy Spouse and Dependent Plan insurance. See the Wisconsin Public Employers Group Life Insurance Program brochure available at <https://etf.wi.gov/publications/et2101/direct>.

**Stabilization Reserve** means premiums in excess of charges held by the Contractor intended to minimize the impact on plan fluctuations in claims experience and to stabilize premium rates.

**State** means the State of Wisconsin.

**State Employee Plan or State Plan** means the coverage available under the Program offered to Employees and qualified Retired Employees of the State.

**State Spouse and Dependent Plan** means all insurance coverages on the lives of Spouses and Dependents of Employees of the State.

**State Statutes** or **Wisconsin Statutes** or **Wis. Stats.** means Wisconsin State Statutes referenced in this RFP, viewable at: <http://www.legis.state.wi.us/rsb/stats.html>.

**Subcontractor** means a person or company hired by the Contractor to perform a specific task or provide Services as part of the Contract.

**Supplemental Plan**, as governed by Wis. Stat. § 40.72(10), is equal to an Employee's annual earnings for the prior calendar year rounded to the next highest thousand dollars. The Supplemental Plan provides life insurance coverage in addition to the Basic Plan at one times the Participant’s previous year’s earnings, rounded to the next highest one thousand dollars ($1,000). The Participant must elect Basic Plan coverage and the Participant’s Employer must participate in the Program for the Participant to be eligible for Supplemental Plan coverage.

**WRS** means the Wisconsin Retirement System.

## Clarification of the Specifications and Requirements

Proposers must submit all questions concerning this RFP via e-mail (no phone calls) to [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurement@etf.wi.gov). The subject of the e-mail must state “**ETI0047**” and the e-mail must be received on or before the date identified in Section 1.9 Calendar of Events, *Proposer Questions and Letter of Intent Due Date*. Proposers are expected to raise any questions they have concerning this RFP at this point in the process. Do not include any information within your questions that would identify your company as all submitted questions will be shared with all vendors who submit questions.

Proposers are encouraged to submit any assumptions or exceptions during the above process. All assumptions and exceptions listed must contain a rationale as to the basis for the assumption/exception. The Department will inform Proposers what assumptions/exceptions are acceptable to the Department.

Questions must be submitted as a Microsoft Word document (not a .pdf or scanned image) using the format specified below:

Table 2. Format for Submission of Clarification Questions

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Q # | RFP Section | RFP Page | Question/Rationale | Department Answer |
| Q1 |  |  |  |  |
| Q2 |  |  |  |  |
| Q3 |  |  |  |  |
| Q4 |  |  |  |  |

Q = Proposer’s question

Proposer’s e-mail must include the name of the Proposer’s company and the person submitting the question(s). A compilation of all questions and answers, along with any RFP updates, will be posted to the Department website at <https://etf.wi.gov/vendors-and-third-party-administrators> on or about the date indicated in Section 1.9-Calendar of Events, *Department Posts Responses to Proposer Questions*.

If a Proposer discovers any significant ambiguity, error, conflict, discrepancy, omission, or other deficiency in this RFP, the Proposer should immediately notify the individual identified in Section 1.4-Procuring and Contracting Agency, of such error and request modification or clarification of this RFP document.

If it becomes necessary to update any part of this RFP, updates will be published on the Department’s website listed above and will not be mailed. Electronic versions of this RFP and its attachments are available on the Department website.

## Proposer Conference

No Proposer conference is scheduled for this RFP. If the Department decides to hold a Proposer conference, a notice will be posted on the Department’s website at: <https://etf.wi.gov/vendors-and-third-party-administrators>. Note, unless this notice is posted, no conference will be held.

## Reasonable Accommodations

The Department will provide reasonable accommodations, including the provision of informational material in an alternative format, for qualified individuals with disabilities, upon request.

## Calendar of Events

Listed below are the important dates by which actions related to this RFP must be completed. If the Department finds it necessary to change any of the specific dates and times in the Calendar of Events listed below, it will do so by posting a supplement to this RFP on the Department’s website with the URL listed above. No other formal notification will be issued for changes in the estimated dates.

Table 3. Calendar of Events\*

|  |  |
| --- | --- |
| Date | Event |
| January 31, 2020 | Department Issues RFP (Release Date) |
| February 28, 2020 by 2:00PM central time | Proposer Questions and Letter of Intent Due |
| April 24, 2020 | Department Posts Responses to Proposer Questions |
| Wednesday, May 27, 2020 by 2:00PM central time | **Proposal Due Date** |
| August 2020 | Proposer Presentations to RFP Evaluation Team |
| November 18, 2020 | Group Insurance Board meeting  including Finalist Proposer Presentations to the Board |
| February 2021 | Estimated Contract Start Date |

***\*All dates are estimated except for Proposer due dates for: Proposer Questions, Letter of Intent, and Proposals.***

## Contract Term

The Department expects the Contract to commence in February 2021, after Contract negotiations have been successfully completed. The initial Contract term will be approximately five (5) years, beginning on the date the Contract is executed by all parties thereto. Thereafter, unless earlier terminated, the term of the Contract shall continue for an initial term ending on December 31, 2027. The Board retains the option to renew the Contract for an additional two (2) one-year terms.

**Note**: The 2022 benefit period will begin January 1, 2022. The Contractor will assist the Department with the implementation, transition, and member communication involved with any program structure changes prior to the start of the 2022 benefit period.

## Letter of Intent

A letter of intent indicating that a Proposer intends to submit a response to this RFP is requested (See Section 1.9-Calendar of Events). In the letter, identify the Proposer’s organization/company name, list the name, location, telephone number, and email address of one or more persons authorized to act on the Proposer’s behalf. Submit the letter of intent via email to the address listed in Section 1.4 – Procuring and Contracting Agency. The RFP number and title must be referenced in the subject line of Proposer’s email. The letter of intent does not obligate the Proposer to submit a Proposal.

## No Obligation to Contract

The Board reserves the right to cancel this RFP for any reason prior to the issuance of a notice of intent to award a Contract. The Board does not guarantee to purchase any specific dollar amount. Proposals that stipulate that the Board shall guarantee a specific quantity or dollar amount will be disqualified.

## WI Department of Administration eSupplier Registration

The Wisconsin Department of Administration’s eSupplier Portal is available to all businesses and organizations that want to do business with the State. The eSupplier Portal allows vendors to see details about pending invoices and payments, allows vendors to receive automatic, future official notices of bid opportunities, and, in some cases, allows vendors to respond to State solicitations. Note: the eSupplier Portal is not being used for this solicitation for Proposer responses.

For more information on the eSupplier Portal, go to: <https://esupplier.wi.gov/psp/esupplier/SUPPLIER/ERP/h/?tab=WI_BIDDER>

## Retention of Rights

All Proposals become the property of the Department upon receipt. All rights, title and interest in all materials and ideas prepared by the Proposer for the Proposal, and provided to the Department, shall be the exclusive property of the Department and may be used by the State at its discretion. Upon a Proposer’s request and at the Proposer’s expense, the Department will return Proposals to a Proposer who is disqualified or who withdraws their Proposal.

# Preparing and Submitting a Proposal

## General Instructions

The evaluation and selection of a Contractor(s) will be based on the information received in the submitted Proposal(s) plus the following optional review methods, at the Department’s discretion: reference checks, Proposer presentations, interviews, demonstrations, responses to requests for additional information or clarification, any on-site visits, and/or best and final offers (BAFOs), where requested. Such methods may be used to clarify and substantiate information in the Proposals.

Failure to respond to each of the requirements in this RFP may be the basis for rejecting a Proposal.

Elaborate Proposals (e.g., expensive artwork), beyond that sufficient to present a complete and effective Proposal, are neither necessary nor desired. Marketing or promotional materials should only be provided where specifically requested. If providing such materials, please indicate which question the materials apply to.

All Proposals must be in English.

## Incurring Costs

The State of Wisconsin and the Department are not liable for any costs incurred by Proposers in replying to this RFP, making requested oral presentations, or demonstrations.

## Submitting the Proposal

#### ****2.3.1 Proposal Copies and USB Flash Drive****

**Proposermustsubmit the following, including all required materials as specified herein:**

* **One (1) original hard copy (paper) of the Proposal, clearly labeled “ORIGINAL”;**
* **Five (5) identical paper copies of the original hard copy Proposal, marked as “COPY.” Indicate the copy number on the cover of each copy (for example: 1 of 5, 2 of 5, etc.); and**
* **One (1) USB flash drive, which includes three (3) folders:**
  + **Folder 1 containing all electronic Proposal files in Microsoft Word/Microsoft Excel, and/or Adobe Acrobat 9.0 (or above) format. The Department requires that all files have optical character recognition (OCR) capability (not a scanned image). OCR is the conversion of all images typed, handwritten or printed text into machine-encoded text. The file folder must be labeled “[Proposer Name] PROPOSAL”. All files must have the same pagination as Proposer’s original hard copy Proposal. Do not include the Cost Proposal in this file folder.**
  + **Folder 2 (only required if Proposer includes confidential or proprietary information within its Proposal) containing all electronic Proposal files in Microsoft Word/Microsoft Excel, and/or Adobe Acrobat 9.0 (or above) format** **EXCLUDING or REDACTING all confidential and proprietary information/documents. This file folder must be labeled “[Proposer Name] REDACTED PROPOSAL.” This is the file that will be submitted to requestors for open records requests. Note that no matter what the method the Proposer uses to redact documents, the Department is not responsible for checking that the redactions match the Proposer’s FORM G – Designation of Confidential and Proprietary Information. Proposers should be aware that the Department may need to electronically send the redacted materials to members of the public and other Proposers when responding appropriately to open records requests. The Department is not responsible for checking that redactions, when viewed on-screen via electronic file, cannot be thwarted. The Department is not responsible for responding to open records requests via printed hard copy, even if redactions are only effective on printed hard copy. The Department may post redacted Proposals on the Department’s public website in exactly the same file format the Proposer provides, and the Department is not responsible if the redacted file is copied and pasted, uploaded, e-mailed, or transferred via any electronic means, and somehow loses its redactions in that process. All files must have the same pagination as Proposer’s original hard copy Proposal. Do not include the Cost Proposal in this folder.**
* **Redact only material the Proposer authored. For example, do not redact the requirement or question the Proposer is responding to, only the answer.**
* **Do not redact page numbers. Page numbers should remain visible at all times, even if the whole page is being redacted.**
* **Sign Form G – Designation of Confidential and Proprietary Information only once. Add as many lines/pages as necessary.** 
  + **Folder 3 containing FORM I** – **Cost Proposal Workbook labeled “[Proposer Name] COST PROPOSAL.” Note: costs provided in Proposer’s Cost Proposal shall NOT be redacted for confidentiality.**

**IMPORTANT:**

* **Do not lock or password protect the USB drive.**
* **Clearly mark the exterior of the USB flash drive with Proposer’s name and the RFP number.**
* **Flash drives must be free** of all malware, ransomware, viruses, spyware, worms, Trojans, or anything that is designed to perform malicious operations on a computer.

#### 2.3.2 Instructions for Submitting FORM I – Cost Proposal Workbook

One original paper copy of the Cost Proposal (FORM I – Cost Proposal Workbook) must be placed in a sealed envelope and submitted in the package containing the Proposal. Each page of the Cost Proposal must contain the Proposer’s name. Mark the outside of the envelope with:

* “[Proposer's Name and Address]”
* Title: COST PROPOSAL, RFP ETI0047

**IMPORTANT: Proposer’s Cost Proposal shall only be included: a) electronically within a separate file folder on the Proposer’s USB flash drive submitted to the Department as instructed above in Section 2.3.1, and b) in paper form submitted in a sealed envelope as instructed above.**

**See Section 8.**

#### ****2.3.3 Proposal Due Date and Time****

**Proposals received after the date and time specified in Section 1.9 Calendar of Events will not be accepted and will be disqualified. Receipt of a Proposal by the State** of Wisconsin **mail system does not constitute receipt of a Proposal by the Department, for the purposes of this RFP. All required parts of the Proposal must be submitted by the specified due date and time; if any portion of the Proposal is submitted late, the entire Proposal will be disqualified. Proposers may request, via an email to the address listed in Section 1.4, the time and date their Proposal was received by the Department.**

**Proposals submitted via fax or e-mail will not be accepted.**

#### 2.3.4 Proposal Packaging

The Proposal must be packaged, sealed and show all of the following information on the outside of the package:

* Proposer's company name and address
* RFP Number: **RFP ETI0047**
* **Proposal** Due Date (as specified in Section 1.9 Calendar of Events)

## Proposal Organization and Format

Proposers responding to this RFP must comply with the following format requirements. The Department reserves the right to exclude any Proposals from consideration that do not follow the required format as instructed below.

#### 2.4.1 Format Requirements

* **Proposals must be typed and submitted on 8.5 by 11-inch paper and bound securely.**
* **Only provide promotional materials if they are relevant to a specific requirement of this RFP. If provided, all materials must be included with the response to the relevant requirement and clearly identified as “promotional materials.” Electronic access to such materials is preferred, which includes flash drives and web links.**

|  |  |
| --- | --- |
| **FRONT COVER** | **Front Cover Requirements**  Include at a minimum the following information:   * **Proposer's company name;** * **Title of the following: *Proposal Response for the Wisconsin Department of Employee Trust Funds;*** * **RFP ETI0047*;* and,** * **Proposal submission** date. |
| **TABLE OF CONTENTS** | **Table of Contents Requirements**  Include at a minimum the following information:   * Listing of each Proposal TAB number; * Listing of each Proposal TAB description; and, * Listing of each Proposal TAB page number. |
| **TAB 1** | **General Information and Forms**  Provide the following information and documents in the following order:   * TRANSMITTAL LETTER: A signed transmittal letter must accompany the Proposal. The transmittal letter must be written on the Proposer’s official business stationery and signed by an official that is authorized to legally bind the Proposer. Include in the letter:  1. Name and address of company; 2. Name, title and signature of Proposer’s authorized representative; 3. Name, title, telephone number and e-mail address of representatives who may be contacted by the Department if questions arise regarding the Proposal; 4. **RFP ETI0047*;*** and, 5. Executive Summary  * FORM A – Proposal Checklist * FORM B – Mandatory Proposer Qualifications * FORM C – Subcontractor Information * FORM D – Request for Proposal Signature Page * FORM E – Vendor Information * FORM F – Vendor References * FORM G – Designation of Confidential and Proprietary Information * FORM H – Non-Disclosure Agreement * Current Form W-9 Request for Taxpayer Identification Number and Certification (from the Department of the Treasury, Internal Revenue Service: <https://www.irs.gov/pub/irs-pdf/fw9.pdf>)   **NOTE: FORM I – Cost Proposal Workbook must be submitted as stated in Section 2.3.2 above. Also see Section 8.** |
| **TAB 2** | **Response to Section 5 – Program Specifications, Section 6 – General Questionnaire and Section 7 – Technical Questionnaire**  Per Section 5, Proposer must include an attestation in its Proposal indicating that Proposer is able to provide all of the benefits and services described in Appendix 5 – Schedule of Benefits and Appendix 6 – Program Requirements, and that if awarded the Contract will provide such benefits and services.  Provide a point-by-point response to each and every statement in Section 6 and Section 7. The response must follow the same numbering system, use the same headings, and address each point or sub-point listed in the RFP.  Include the documents requested in Sections 6 and 7 (e.g. audited financial statements, account manager resumes, etc.) at the end of the section in your Proposal that corresponds to the Section in the RFP in which the document is requested. Label the document provided with the section number it applies to. |
| **TAB 3** | **Assumptions and Exceptions**  If the Proposer has no assumptions or exceptions to any RFP term, condition, appendix, or form, provide a statement in Tab 3 of the Proposal to that effect.  **If the Proposer has assumptions and/or exceptions to any RFP term, condition, appendix, or form, follow the instructions below.** |

#### 2.4.2 Instructions for Submitting Assumptions and Exceptions

* Regardless of any proposed assumption or exception, the Proposal as presented must include all Services requested.
* If the Proposer cannot agree to a term or condition as written, the Proposer must make its specific required revision to the language of the provision by striking out words or inserting required language to the text of the provision. Any new text and deletions of original text must be clearly color coded or highlighted, which requires the Proposer’s response be printed in color. Proposers shall avoid complete deletion and substitution of entire provisions, unless the deleted provision is rejected in its entirety and substituted with substantively changed provisions. Wholesale substitutions of provisions shall not be made in lieu of strategic edits required to reflect Proposer-required modifications.
* Immediately after a proposed revision, the Proposer shall add a concise explanation concerning the reason or rationale for the required revision. Such explanations shall be separate and distinct from the marked-up text and shall be bracketed, formatted in italics and preceded with the term “[*Explanation:*].”
* All provisions on which no changes are noted shall be assumed to be accepted by the Proposer as written and shall not be subject to further negotiation or change of any kind unless otherwise proposed by the Department.
* Submission of any standard Proposer contracts as a substitute for language in the terms and conditions is not a sufficient response to this requirement and may result in rejection of the Proposal. An objection to terms or conditions without including proposed alternative language will be deemed to be an acceptance of the language as applicable.
* The Department reserves the right to negotiate contractual terms and conditions when it is in the best interest of the State of Wisconsin to do so.
* Exceptions to any RFP terms and conditions may be considered by the Department during Contract negotiations if it is beneficial to the Department.
* The Department may or may not consider any of the Proposer’s suggested revisions. The Department reserves the right to reject any proposed assumptions or exceptions.
* Clearly label each assumption and exception with one of the following labels, as applicable:
* Department Terms and Conditions Assumptions and Exceptions
* RFP/Appendix (Excluding Section 8) Assumptions and Exception
* Cost Proposal Assumptions and Exceptions

#### 2.4.3 Supplemental Information – IMPORTANT – Department Terms and Conditions

The Department will not allow any assumptions or exceptions by the Proposer to any of the items listed in Table 4 below. Any Proposal with an assumption or exception to any of the items listed in Table 4 will be rejected unless the Proposer recants each such assumption or exception in writing.

If during contract negotiations there are minor issues that need to be addressed due to the Proposer’s inability to meet specific provisions, the Department may choose to negotiate those issues as it sees fit.

If there is a difference in interpretation of the Department Terms and Conditions between the Proposer and the Department, the Department may be willing to address those matters during contract negotiations and make clarifications.

Please be advised that the Department is unlikely to agree to make substantial changes to sections in the Department Terms and Conditions that are listed in Table 4 below.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Table 4 - No Assumptions or Exceptions Allowed  Department Terms and Conditions   |  |  |  | | --- | --- | --- | | Ref. No. | Document | Item/Section | | 1 | Appendix 2 | 3.0 Legal Relations | | 2 | Appendix 2 | 13.0 Contract Dispute Resolution | | 3 | Appendix 2 | 14.0 Controlling Law | | 4 | Appendix 2 | 16.0 Termination of the Contract | | 5 | Appendix 2 | 17.0 Termination for Cause | | 6 | Appendix 2 | 18.0 Remedies of the Department | | 7 | Appendix 2 | 22.0 Confidential Information and HIPAA Business Associate Agreement | | 8 | Appendix 2 | 23.0 Indemnification | | 9 | Appendix 2 | 39.0 Assignment | |

## Multiple Proposals

Vendors may submit only one Proposal***.*** Multiple Proposals from a Proposer will not be accepted.

## Withdrawal of Proposals

Proposals shall be irrevocable until the Contract is awarded unless the Proposal is withdrawn. Proposers may withdraw a Proposal in writing at any time up to the date and time listed in Section 1.9-Calendar of Events, for the Proposal Due Date or upon expiration of three (3) Calendar Days after the Proposal Due Date and time, if received by the Department. To accomplish this, the written request must be signed by an authorized representative of the Proposer’s company and submitted to the contact listed in Section 1.4-Procuring and Contracting Agency. If a previously submitted Proposal is withdrawn before the Proposal Due Date, the Proposer may submit another Proposal at any time up to the Proposal Due Date and time.

# Proposal Selection and Award Process

## Preliminary Evaluation

Proposals will initially be reviewed to determine if Mandatory requirements are met and if all required Proposal components are received. Failure to submit a complete Proposal may result in rejection of the entire Proposal. Failure to meet Mandatory requirements as stated in FORM B – Mandatory Proposer Qualifications, or failure to provide complete responses to items in FORM B, or failure to follow the required instructions for completing the Proposal as specifically outlined in this RFP may result in rejection of the Proposal.

## Clarification Process

The Department may request Proposers to clarify ambiguities or answer questions related to information presented in their Proposal. Clarifications may occur throughout the Proposal evaluation process. Clarification requests will include appropriate references to this RFP or the Proposal. Responses shall be submitted to the Department in writing within the time required. Failure to provide responses as instructed may result in rejection of a Proposal.

## Proposal Scoring

Proposals that pass the preliminary evaluation may be reviewed by an evaluation committee. The evaluation committee may review written Proposals, references, additional clarifications, oral presentations or demonstrations (top scoring Proposers only), site visits and other information to score Proposals. The Department may request reports on a Proposer’s financial stability (this includes the Department’s request for Proposers to furnish audited financial statements), and if financial stability is not substantiated, may reject a Proposer’s Proposal. The Department may request presentations or demonstrations of the Proposer’s proposed products(s) and/or service(s) (top scoring Proposers only), and review results of past awards to the Proposer by the State.

A Proposer may not contact any member of the RFP evaluation committee.

The evaluation committee's scoring will be tabulated and Proposals will be ranked based on the numerical scores received.

The evaluation committee reserves the right to stop reviewing a Proposal at any point during the evaluation process and remove the Proposal from further consideration.

## Evaluation Criteria

Proposals will be evaluated based upon the proven ability of the Proposer to satisfy the requirements specified herein in an efficient, cost-effective manner, taking into account quality of services proposed. Proposals will be scored using the following criteria:

Table 5. Evaluation Criteria

|  |  |  |  |
| --- | --- | --- | --- |
| **Evaluation Criteria** | | | |
| **RFP Section** | **Description** | **Total Points** | **%** |
| 6 | General Questionnaire | 300 | 30% |
| 7 | Technical Questionnaire | 500 | 50% |
| 8 | Cost Proposal | 200 | 20% |
|  | Total | 1,000 | 100% |
| **Top Proposers** | **Description** | **Total Points** | **%** |
|  | Proposer Demonstrations | 500 |  |

**\***Proposer demonstration scores will be added to the final Proposal score.

## Method to Score Cost Proposals

## The lowest Cost Proposal will receive the maximum number of points available for the cost category. Other Cost Proposals will receive prorated scores based on the proportion that the costs of the Proposals vary from the lowest Cost Proposal. The scores for the cost category will be calculated by the Department’s consulting actuary.

## Oral Presentations, Demonstrations, and/or Site Visits

**Presentations/Demonstrations will be scored. (500 total points)**

The top scoring Proposers, based on the evaluation of their written Proposal in the general and technical questions of the RFP (Section 6 and 7), may be required to participate in oral presentations or demonstrations, interviews and/or site visits to supplement the Proposals, if requested by the Department. This may include presentations to supplement or clarify information in the Proposal or demonstrations of Proposer’s key tools and reporting capabilities, and interviews with key Department staff, evaluation committee members, and Board members.

The Department will make every reasonable attempt to schedule each oral presentation or demonstration at a time that is agreeable to the Proposer. Presentations will be held in Madison, Wisconsin. Failure of a Proposer to interview or permit a site visit on the date scheduled may result in rejection of the Proposer's Proposal.

By submitting a Proposal in response to this RFP, the Proposer grants rights to the Department to contact or arrange a visit with any or all of the Proposer’s clients, Subcontractors, and/or references.

## Contract Award

The evaluation committee may conduct Proposer discussions, clarify Proposals, contact the references of Proposers, and request a Best and Final Offer (BAFO) from Proposers. Information regarding the Proposals will be presented to the Board. One or more Proposals may be presented to the Board for award based on the results of the general, technical and initial cost evaluations. If the evaluation committee conducted oral presentations or demonstrations, the award will be based on the results of the presentations or demonstrations as well. The Proposal(s) determined to best meet the goals of the State’s benefits program may be selected by the Board for further action, including oral presentations or demonstrations to the Board. The Board reserves the right not to award a Contract. If contract negotiations cannot be concluded successfully with the selected Proposer(s), the Board may negotiate a Contract with another Proposer.

## Best and Final Offer (BAFO)

The Department reserves the right to solicit a BAFO and conduct Proposer discussions, request more competitive pricing, clarify Proposals, and contact references of finalists, should it be in the State’s best interest to do so. The Department is the sole determinant of its best interests.

If a BAFO is solicited, it will contain the specific information on what is being requested, as well as submission requirements, and a timeline with due date for submission. Any BAFO responses received by the Department after the stated due date may not be accepted. Proposers that are asked to submit a BAFO may refuse to do so by submitting a written response, indicating their Cost Proposal remains as originally submitted. Refusing to submit a BAFO will not disqualify the Proposer from further consideration.

## Right to Reject Proposals and Negotiate Contract Terms

This RFP does not commit the Board to awarding a Contract, or paying any cost incurred in the preparation of a Proposal in response to the RFP. The Board retains the right to accept or reject any or all Proposals or accept or reject any part of a Proposal deemed to be in the best interest of the Board. The Board shall be the sole judge as to compliance with the instructions contained in this RFP.

The Board may negotiate the terms of the Contract(s), including the award amount and the Contract length, with the selected Proposer(s) prior to entering into a Contract. The Board reserves the right to add contract terms and conditions to the Contract during contract negotiations and subsequent renewals.

## Notification of Intent to Award

All Proposers who respond to this RFP will be notified in writing of the Board’s intent to award a Contract(s) as a result of this RFP. All decisions and actions under this RFP are solely under the authority of the Board.

## Appeals Process

Protests of the Board’s intent to award a contract(s) must be made in writing and according to the Board’s Policy for Vendor Procurement Appeals located at <http://etf.wi.gov/boards/gov-manual-gib/vendor.pdf>. A vendor who wants to appeal the award must first send a written notice indicating that the vendor wants to appeal the award decision. The notice must be received in the Department office listed below no later than five (5) Business Days after the notice of intent to award is issued, with a copy sent to the Department contact identified in RFP Section 1.4. Fax and e-mail documents will not be accepted.

A written notice of intent to appeal, and a formal written appeal, must be filed with:

|  |  |
| --- | --- |
| **Express/Common Carrier Delivery:** | **United States Postal Service Delivery** |
| Group Insurance Board | Group Insurance Board |
| c/o Robert J. Conlin, Secretary | c/o Robert J. Conlin, Secretary |
| Wisconsin Department of Employee Trust Funds | Wisconsin Department of Employee Trust Funds |
| 4822 Madison Yards Way | PO Box 7931 |
| Madison, WI 53705-9100 | Madison WI 53707-7931 |

Following the notice of intent to appeal, the formal written appeal must be submitted to the Board, c/o the Secretary of the Department at the address listed above, within ten (10) Business Days after the notice of intent to award the contract is issued, with a copy sent to the Department contact identified in RFP Section 1.4. Appeal rights are lost if no formal appeal is timely received. The formal appeal must state the RFP number, detailed factual grounds for the objection to the Contract award, and must identify any sections of the Wisconsin Statutes and Wisconsin Administrative Code that are alleged to have been violated. The vendor can appeal only once per award.

The subjective judgment of evaluation committee members is not appealable. Following Board action, a written decision will be sent to the vendor. The decision of the Group Insurance Board regarding any appeals is final.

# Mandatory Proposer Qualifications

**This section is pass/fail. (0 points)**

**Use FORM B – Mandatory Proposer Qualifications to respond.**

The requirements in FORM B are Mandatory for any Proposer who submits a Proposal. Failure to comply with one or more of the Mandatory qualifications may disqualify the Proposer. A response to each item in FORM B – Mandatory Proposer Qualifications is Mandatory.

**If the Proposer cannot agree to each item listed in FORM B, the Proposer must so specify and provide the reason for the disagreement in Tab 3 – Assumptions and Exceptions, of the Proposer’s response (see Section 2.4.2 above).**

Conditions of the RFP that have the word “must” or “shall” describe a Mandatory qualification.

# PROGRAM SPECIFICATIONS and Requirements

**This section is pass/fail. (0 points)**

The specifications in Appendix 5 – Schedule of Benefits and Appendix 6 – Program Requirements contain the minimum requirements that the Contractor shall meet. If the Proposer cannot agree to each item or term listed in these documents, the Proposer must so specify and provide the reason for the disagreement in Tab 3 – Assumptions and Exceptions, of Proposer’s response (see section 2.4.2 above).

**Proposer must include an attestation in its Proposal indicating Proposer is able to, and will, if awarded the Contract, provide all of the benefits and services described in Appendix 5 – Schedule of Benefits and Appendix 6 – Program Requirements.**

# General Questionnaire

**This section is scored. (300 total points)**

The purpose of this section is to provide the Department and the Board with a basis for determining the Proposer’s capability to undertake the Contract.

All Proposers must respond to the questions/requirements in this section by restating each question or statement and providing a detailed written response. Instructions for formatting the written response to this section are found in Section 2.4 Proposal Organization and Format.

The Proposer must be able to perform Services according to the requirements contained in this RFP.

Information described in the Proposal response regarding programming and capabilities must be available to all eligible members unless otherwise noted in the Proposal.

The Proposer must provide sufficient detail for the evaluation committee and the Department to understand how the Proposer will comply with each requirement. If the Proposer believes that the Proposer’s qualifications go beyond the minimum requirements or add value, the Proposer should indicate those capabilities in the appropriate section of the Proposal.

**Fees related to any Services in the Proposal must be noted in the Cost Proposal only. Do not include cost/pricing information in any other section of the Proposal.**

## Company Information

6.1.1 Provide a description of your organization, including:

1. Legal name of the company
2. Mailing address
3. State in which the company is domiciled
4. Primary line(s) of business
5. Number of employees
6. Address of the following: your organization headquarters, customer service, claims processing, IT support, implementation team and other key staff
7. Provide the same information above for any Subcontractors that will provide services as part of your Proposal. Provide the name and location of each Subcontractor and services for which they are contracted. If no Subcontractors will be used, please so indicate.

6.1.2 Describe fully your organization’s corporate or other business entity structure, including company ownership information.

1. Attach an organizational chart showing principal officers, directors, managers and staff members who will be associated with providing services related to this RFP.
2. What year was your organization established?
3. Is your organization a subsidiary or affiliate of another company? If yes, name the affiliate or parent company.
4. Provide full disclosure of any direct or indirect ownership or control by any administrative service agency and/or financial institution and describe the relationship fully.

6.1.3 Describe any acquisitions and/or mergers or other material developments (e.g. Changes in ownership, personnel, business, etc.) pending now or that occurred in the past five (5) years with your organization. Disclose any potential mergers or acquisitions that have been recently discussed by senior officials and could potentially take place within three (3) years after the Contract starts. If this is confidential information, designate the information as such in FORM G – Designation of Confidential and Proprietary Information.

6.1.4 List any relevant websites for your company and its offerings.

6.1.5 Provide your license number and proof of license/authorization to provide insurance in the State of Wisconsin. Proposals from brokers will not be considered.

6.1.6 Provide the results of financial and market conduct exams your company received in the last five (5) years.

## Organization Capabilities

6.2.1 Indicate the number of public sector groups in your organization’s corporate book of business with in-force group life insurance, by group size:

***Table 6 – Group Size***

|  |  |
| --- | --- |
| **Group Size** | **Number of Groups of this Size in Proposer’s Book of Business** |
| 0-5,000 |  |
| 5,001 to 50,000 |  |
| Over 50,000 |  |

6.2.2 Provide a list of your five (5) largest public sector clients for which your organization currently provides life insurance (do not include the State of Wisconsin).

1. Client’s name
2. Client’s number of employees
3. The client’s number of active employees and retired employees (separately stated) who have enrolled in your life insurance plan through the client
4. The number of years your organization has provided life insurance to the client

6.2.3 The RFP evaluation committee may contact the references of selected Proposers to determine the quality of services provided and work performed by the Proposer, customer satisfaction, etc. At least one reference should be an entity with enrollment of at least 10,000 employees for whom your organization provides services similar to those described in this RFP. Use FORM F – Vendor References to provide references. The results of the reference checks will be used to inform evaluation committee members about the Proposer’s past performance and ability to perform the Services.

6.2.4 Within the last five (5) years, has your organization been removed or replaced as the life insurance provider of a state or other public group life insurance plan with 50,000 or more employees? If yes, list all such removals/replacements and explain the circumstances.

6.2.5 What was your total group life insurance premium income during 2019 and number of covered lives in force on December 31, 2019?

6.2.6 What was your total group life insurance premium income in Wisconsin in 2019?

6.2.7 Indicate your rating as of December 31, 2019, provided by the companies listed below. Have there been any changes in your rating in the past two (2) years? If so, please explain.

|  |  |  |
| --- | --- | --- |
|  | **Rating** | **Rating Date** |
| A.M. Best |  |  |
| Moody’s |  |  |
| Standard & Poor’s |  |  |

6.2.8 What is the financial size category assigned to your company by A.M. Best?

6.2.9 Provide the following information on the specific areas listed below that will be servicing the state of Wisconsin.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Geographical Location(s)** | **Hours of Operation (CT)** | **Is this service outsourced? Yes or No?** | **If outsourced, provide the name of the company to which the service is outsourced.** |
| Member Service Center |  |  |  |  |
| Claims Administration Office |  |  |  |  |
| Account Management Office |  |  |  |  |
| Other (specify function area) |  |  |  |  |

## Staff Qualifications

6.3.1 Identify the dedicated Account Manager(s) who will be responsible for day to day contacts with the Department and provide their resume. In your description, please include:

1. The skills and attributes that will ensure that the requirements of the Contract are met
2. Information about their professional qualifications, including length of tenure with your organization and number of years in the insurance industry
3. A detailed description of the types of large and/or complex employer groups similar to the state of Wisconsin that the Account Manager has been, or currently is, managing
4. The number of other accounts and size which the Account Manager will oversee when also assigned to manage the state of Wisconsin Program

6.3.2 Provide a list of key, qualified staff who will assist in fulfilling the requirements of the Contract. Include the following for each individual listed:

1. Name, job title, and location (City, state)
2. Primary job responsibilities
3. Years of related experience
4. Areas of specialization
5. Include an organizational chart that shows the reporting structure for key staff

6.3.3 Provide a statement as to whether or not the services to be performed by your organization can be performed using only present staff and computer equipment/software/technology or if additional resources will be needed.

# Technical Questionnaire

**This section is scored. (500 total points)**

The purpose of this section is to provide the Department and the Board with a basis for determining the Proposer’s capability to undertake the Contract.

All Proposers must respond to the questions/requirements by restating each question or statement and providing a detailed written response. Instructions for formatting the written responses to this section are found in Section 2.4 Proposal Organization and Format.

The Proposer must be able to perform Services according to the requirements contained in this RFP.

Information described in the Proposal responses regarding programming and capabilities must be available to all eligible WRS members unless otherwise noted in the Proposal.

The Proposer must provide sufficient detail for the Board and the Department to understand how the Proposer will comply with each requirement. If the Proposer believes their qualifications go beyond the minimum requirements or add value, the Proposer should indicate those capabilities in each section. Associated costs should be listed in the Cost Proposal only.

**Fees related to any Services should not be noted in this section but must be included in the Cost Proposal.**

Appendix 3 – Background Information, provides a history of the Program.

Appendix 5 – Schedule of Benefits, provides an outline of the current Program benefits, which the Contractor must provide. Details of the Program Benefits are described in The Wisconsin Public Employer Group Life Insurance brochure linked in Section 1.3 above.

Appendix 6 – Program Requirements, includes the functions and Services the Contractor must provide at a minimum.

Appendix 7 – Funding Arrangements, includes the funding arrangements with the current Program insurer.

Appendix 8 – Enrollment Tables, includes enrollment statistics for the State Plan and the Local Plan.

Appendix 9 – Historical Claims Experience, includes detailed claims information for 2014-2018.

The Proposer must provide a written response to each of the requirements listed below that reflects the Proposer’s understanding of the stated requirements.

The Proposer must describe the procedures it will use to ensure the requirement will be met.

The Proposer must describe its current operating environment and experience in providing the required services.

**Proposals must be based on the current Program design. Proposers may include alternatives to the current Program design, procedures, reporting, etc. for discussion purposes and such alternatives may be discussed during Contract negotiations if such alternatives are of interest to the Department.** Scoring will be based on the quality of the Proposer’s approach and the ability of the Proposer to meet the needs of the Program.

**Note: At the discretion of the Department, Proposers reasonably apt to receive an award after the initial review of Proposals may be required to provide the following:**

**a. a copy of their organization’s SOC 1 Type 2 Report. See Section 6 – Audit Provisions of Appendix 2 – Department Terms and Conditions for details**

**b. a copy of their organization’s audited financial statements for the two (2) most recent fiscal years including the audit opinion, balance sheet, statement of operations and notes to the financial statements**

**c. information requested in Section 28.0(f)2 of Appendix 2 – Department Terms and Conditions**

If a Proposer receives a request for the above documents from the Department, the Proposer must furnish such documents to the Department within five (5) Business Days of the Proposer’s receipt of the Department’s request. If such documents are confidential, the Proposer may submit a revised FORM G – Designation of Confidential and Proprietary Information with the documents. The Department may reject a Proposal if the requested documentation is not provided or if the documentation provided does not assure the Department that the Proposer is able to provide the Services for the life of the Contract to the Department’s satisfaction.

## Program Administration

7.1.1 In each of the areas listed below (7.1.1.1 – 7.1.1.4), describe your company’s:

* Current administrative procedures
* Past experience
* Current volume of transactions, and
* System(s) changes that will be necessary to administer the Wisconsin program

7.1.1.1 Enrollment processing

1. New enrollments
2. Continuing enrollment when employee changes employer or retires
3. Underwriting late enrollments
4. Conversion policies

7.1.1.2 Claims processing

1. Death benefits
2. Accidental Death and Dismemberment
3. Waiver of premium in periods of disability
4. Life conversions

e. Method(s) to receive death certificate (original required, scanned copy, electronic, faxed)

7.1.1.3 Maintenance of plan records

1. Individuals’ enrollment, coverage, premium payment, claim records, death certificates, beneficiary designations and claims history
2. Premium remittance by employer
3. Claims experience by employer
4. Administrative expenses
5. Investment credits
6. Reserve balances
7. Tax records

7.1.1.4 Benefits payable before death

1. A Living Benefit (as described in Appendix 5 – Schedule of Benefits) including information about how the benefit payment is determined. Are these benefits discounted?

b. A Life to Health or Long-Term Care (LTC) insurance benefit (as described in Appendix 5 – Schedule of Benefits).

7.1.2 Provide details of your experience servicing programs with multiple employers with a wide variety of payroll systems. Include a list of similar programs with multiple employers and multiple payroll systems that are currently being serviced by your company.

7.1.3 Describe your experience with plans providing post-retirement life insurance benefits. Provide specific examples, clients served and details regarding these programs.

## Customer Service

7.2.1 Describe your organizations’ procedures regarding routing of telephone, e-mail, FAX, and mail inquiries and complaints from Employers, WRS participants and Program Participants.

7.2.2 What is the normal turn-around time for each type of inquiry?

7.2.3 How many staff are assigned to respond to these inquires? What qualifications do these staff have? Where are these staff located?

7.2.4 How do you propose to train staff on the specifics of the current Program and on an ongoing basis as the Program evolves? Provide sample training materials.

7.2.5 What authority does your staff have to resolve problems?

7.2.6 Describe any customer service arrangements you would provide for the Program that are above and beyond what is described in RFP Appendix 6 – Program Requirements.

7.2.7 Would your organization establish a local Madison-area office? If not, where would program administration, including claims processing, billing, and customer service be carried out? If you have or will establish a local office (within 90 miles of Madison, WI), which tasks will be performed there?

7.2.8 The Contractor must provide a toll-free telephone number for customer service for State and local Employers, the Department and Participants to handle claims or other service issues. Provide the address, hours of operation, and number of staff who will answer these calls.

7.2.9 Indicate which features are available on your website:

|  |  |  |
| --- | --- | --- |
| **Member Can:** | **Yes** | **No** |
| Securely access personal account information |  |  |
| Securely update personal account information |  |  |
| Initiate a claim online |  |  |
| Securely access personal claim information and status tracking |  |  |
| Print or request forms/applications |  |  |
| Send a question via encrypted e-mail |  |  |
| Access or request an Explanation of Benefits |  |  |
|  |  |  |
| **Employer Can:** | **Yes** | **No** |
| Print Reports |  |  |
| Marketing materials - download PDF documents/applications |  |  |
| Add/Delete plan Participants |  |  |
| View eligibility information |  |  |
| Verify eligibility |  |  |
| Report start and end dates of a disability |  |  |
| Track claim payment status |  |  |
|  |  |  |

7.2.10 Provide your organization’s net promoter score, if you have one.

## Membership Information/Billing Systems/Enrollment Systems

7.3.1 Describe the membership/billing/enrollment system that your organization currently uses to administer a large (over 50,000 Participants), multi-employer group insurance plan.

7.3.2 How many transactions per year (enrollments, cancellations, changes) does your system handle?

7.3.3 Does the billing system also function as a membership information system? If not, how is the membership database coordinated with the billing system?

7.3.4 What changes, if any, do you propose to make to your membership information/billing system/enrollment system in order to meet the needs of the Program?

7.3.5 How would Department staff have online access to the membership information system?

7.3.6 How would Employers have online access to their Employees’ membership and online billing information.

7.3.7 Explain how your organization would resolve system access problems (password and authorization problems, slow response time, system down-time etc.)?

7.3.8 How would you provide for direct billing to group members who cannot pay premiums through an employer or the WRS?

## Computer and Data Processing Facilities, Data Policies

7.4.1 Provide an overview of your organization’s business continuity/disaster recovery plan (BC/DRP). Contractor will be required to provide evidence it tests and updates its business continuity plans regularly to ensure that they are up to date and effective.

7.4.2 Provide an overview of your organization’s Incident Response Plan (IRP).

7.4.3 Provide a copy of your organization’s most recent SOC 2 / Type 2 report along with a Letter of Attestation indicating Contractor’s receipt of management’s assertion of control compliance from Contractor’s subcontractors. If your organization does not have a SOC 2 / Type 2 report, other alternatives are possible. See Section 28.0 of Appendix 2 – Department Terms and Conditions.

7.4.4 Provide a summary of the results of your organization’s most recent vulnerability test.

7.4.5 Provide a summary of the results of your organization’s most recent penetration test.

7.4.6 Provide confirmation that your organization conducts an annual security risk assessment in accordance with generally accepted principles.

7.4.7 Describe what software applications and supporting platform your organization will use to secure Department and Participant related records and data. Provide information on how information is secured in transit and at rest.

7.4.8 Provide a summary of the policies or guidelines your organization has in place related to security/privacy (e.g. annual training, confidentiality agreement).

7.4.9 Describe in detail the computer and data processing facilities your organization currently uses (owned or otherwise used) and would make available for administering the Program. Include a description of any mainframe and network structures that you will use for providing the Services.

7.4.10 What additional computer/data processing resources would your organization acquire in order to provide the Services, if any?

7.4.11 Describe your organization’s policy for preventing data loss in the collection, use, storage and disclosure of personal data.

7.4.12 Describe in detail the measures you use to protect the security and privacy of program data, records, forms, Participant information, and data processing operations. Include information about the physical security measures used to control access to your organization’s systems and internal controls that are in place to reduce loss that may occur through fraud, negligence, incompetence, or system errors. Indicate whether emergency simulation testing is performed and how often. Include the results of the last simulation if applicable.

7.4.13 Provide confirmation that your organization conducts annual risk assessments in accordance with the HIPAA Security Rule.

7.4.14 Has your organization had, or has your organization been involved with a business partner who has had, a privacy breach or investigation?  If so, provide a brief description.

7.4.15 Provide a copy of your organization’s policy related to responding to unauthorized disclosure of personal data.

7.4.16 Provide the number of unauthorized disclosures of personal information your organization has experienced in the last two (2) years.

7.4.17 Provide the number of unauthorized disclosures of personal information your organization has reported to the Office for Civil Rights (OCR) in the last two (2) years.

7.4.18 Provide a copy of your organization’s auditing policy. Describe how and when audits are conducted and by whom.

## Program Information and Communication

This section must address the services to be provided to participating employers and the marketing of the program to eligible, non-participating employers. The marketing philosophy and approach used by the Insurer to market the plan must be approved by the Department. The Insurer may be asked to develop informational bulletins, brochures, or newsletters directed to employers and/or employees containing information pertinent to the Program. The Department retains publishing rights and approval of all materials prior to distribution to employers or employees.

7.5.1 Describe the approach that your organization will use to ensure all eligible employers are aware of and offered participation in all coverage types in the program.

7.5.2 Describe your plan for providing continuing service (e.g., training, problem solving, customized computerized billing) to participating employers in all geographical areas of the State. If available, describe your capabilities for video conferencing or on-line interactive training options.

7.5.3 Detail your experience developing and producing informational materials for employers and employees. Provide sample materials.

7.5.4 What kind of employee communication materials do you provide to support clients in educating their employees about their benefits? Can these be customized? How much time after the effective date will you require to issue the administrative materials, employee booklets, and master policy/contract/administrative service agreement?

## Services Provided to the Department

The Department works directly with the Contractor on all administrative matters. The current division of administrative tasks is described in Appendix 6 – Program Requirements. The Contractor must provide technical and legal expertise to advise the Department on issues relating to the Program.

7.6.1 Describe how you will monitor the development of and provide advice concerning State and/or federal regulations or legislation impacting on the Program.

## Reporting

The Department is responsible for monitoring the administration of the Program. Contractor must provide reports to the Department to ensure effective monitoring of all aspects of the Program. The reports provided to the Department will include, at a minimum, those listed in Appendix 6 – Program Requirements.

7.7.1 Describe your organization’s experience in reporting, recordkeeping and ability to provide the required reports listed in Appendix 6 – Program Requirements.

7.7.2 What are your standard report templates, timing, and frequency? Are there any charges for generating special reports on an ad hoc basis? List any proposed charges in your Cost Proposal.

7.7.3 Provide samples of the report formats you propose to use.

7.7.4 Provide a description and examples of reports other than those specified in Appendix 6 – Program Requirements that you recommend you provide/make available to the Department.

## Performance Standards and Penalties

The Contractor shall be required to meet performance standards, that may include, but are not limited to, those found in RFP Appendix 6 – Program Requirements. The performance standards shall be based on Contractor’s performance under the Contract and not Contractor’s book of business. The Contractor shall be responsible for paying the Department for penalties associated with missing the stated performance standards. (Final performance standards and penalties will be negotiated.)

7.8.1 Does your organization have any contracts with other clients which incorporate penalties for not meeting performance standards? If yes, indicate the types of performance guarantees you have entered into previously and your ability to provide these or similar arrangements to the Department.

## Transition and Implementation

7.9.1 Provide a detailed implementation plan that includes both a project overview and details on specific tasks, timeliness, and responsibilities. Clearly delineate the tasks your organization expects the Department and Payroll Centers to perform and the information you expect them to provide. Include the following information in your implementation plan:

1. A summary overview of the implementation plan
2. A detailed implementation schedule
3. Points of contact during the implementation
4. Major tasks
5. Constraints and/or risks
6. Data and program set-up/configuration process
7. Testing of files
8. Material and/or resource development
9. An overview of the communication/education process during the initial implementation phase
10. Sample communication/educational materials that will be used or that your organization has used in similar type of implementations
11. Training of key staff
12. Training of customer service representatives
13. Issue evaluation and resolution protocol
14. Implementation verification and validation
15. Other information your organization would normally include in such a plan

7.9.2 Describe the structure of your implementation team. Include the following details:

1. Identify the implementation manager and provide details regarding their background and experience with Proposer and within the insurance industry
2. Indicate if the implementation manager will be dedicated to the Department for the duration of the implementation. If not, indicate how many other implementations he/she will support in addition to the Department’s implementation
3. Identify any additional key implementation support staff, including those who will be involved in day-to-day implementation work, compliance review, technological support, marketing materials development, training and employer outreach. Outline the roles and responsibilities for each additional implementation support staff member
4. Describe any additional resources available to the Department during implementation
5. Explain how your organization and implementation staff will support the Department during implementation
6. Outline your organization’s intended training plan for implementation staff

7.9.3 Will the implementation manager and dedicated Account Manager be the same individual?

1. If so, is this a standard practice with your organization and are any issues foreseen by having the same person fulfill both roles? Be specific.
2. If not, describe how they will work together during the implementation process and the procedures for transfer of responsibility

7.9.4 Describe in detail what assistance your organization expects from the Department in the areas of program design, implementation and day-to-day administration. Include the anticipated frequency of assistance.

# Cost PROPOSAL

**This section is scored. (200 total points)**

This section describes additional Proposal submission requirements.

**Submission of FORM I – Cost Proposal Workbook**

The Microsoft Excel file included with this RFP as FORM I – Cost Proposal Workbook is the required Cost Proposal document all Proposers must submit. Instructions on how to complete the Cost Proposal are provided in FORM I – Cost Proposal Workbook. Instructions on how to submit FORM I – Cost Proposal Workbook are provided in Section 2.3.2 above. The Cost Proposal must be returned to the Department in its original Microsoft Excel format.

The Department reserves the right to clarify any pricing discrepancies related to assumptions made by a Proposer. Such clarifications will be solely to provide consistent assumptions from which an accurate cost comparison can be achieved for scoring.

Costs provided in the Contractor’s final Cost Proposal or Best and Final Offer accepted by the Department shall remain firm for the initial Contract period.

Only dollar and number values will be accepted on the Cost Proposal. Any description other than a dollar or number value such as, but not limited to: “no cost,” “included,” “see below,” “-“, “n/a,” etc. will not be accepted. A cost value of $0.00 shall indicate the deliverable is no cost to the Department.

If a cost is not provided in a cell, it will indicate the Proposer does not provide the specific service.

# Contract Terms and Conditions

**This section is NOT scored. (0 points)**

The Department will execute a Contract with the awarded Contractor(s). A Pro Forma Contract is located in Appendix 1 and is attached as an example. The Contract and any subsequent renewal(s) will incorporate all terms and conditions in this RFP, including all attachments, exhibits, forms, appendices, etc., made a part of this RFP, and Contractor’s Proposal. The Department shall draft the Contract.

The Contractor shall be responsible for the performance of any obligations that may result from the Contract, and shall not be relieved by the non-performance of any Subcontractor. Proposals must identify all proposed Subcontractors and describe the contractual relationship between the Proposer and each Subcontractor.

**Note:** The Department will share Proposals with its consulting actuary. To that end, Proposers are required to complete and return the attached FORM H – Non-Disclosure Agreement. FORM H must be included with all Proposals.

## Board and Department Authority

This solicitation is authorized under Chapter 40 of the Wisconsin State Statutes. Procurement statutes and rules that govern other State agencies may not be applicable. All decisions and actions under this RFP are solely under the authority of the State of Wisconsin Group Insurance Board. The Department is acting as an agent of the Board in carrying out any directives or decisions relating to this RFP, the Contract and subsequent awards. The Department is the sole point of contact for Board contracting.

## Payment Terms

* The State Payroll Centers and local Employers will submit premiums to the Contractor monthly by Automated Clearing House Electronic Funds Transfer unless alternative arrangements are mutually agreed upon.
* The Department will submit premiums for Annuitants to the Contractor monthly by Automated Clearing House Electronic Funds Transfer unless alternative arrangements are mutually agreed upon.
* Contractor must complete the State’s banking and payment forms to facilitate the Department’s payments to the Contractor.
* If Contractor invoices are required, Contractor shall submit invoices timely and no later than one (1) year after completion of Services.
* The Department will make payments to the Contractor within thirty (30) Calendar Days of the Department’s receipt of a proper, Department-approved invoice.
* All payment arrangements will be finalized during Contract negotiations.

## Piggyback Clause

The Department reserves the right to extend the terms, conditions and prices of the Contract to other institutions (such as state, local and/or public agencies) who express an interest in participating in any Contract that results from this RFP. Each of the piggyback institutions will issue their own purchasing documents for purchasing of the goods. Proposer agrees that the Department shall bear no responsibility or liability for any agreements between Proposer and other institution(s) who desire to exercise this option.