

**REQUEST FOR PROPOSALS FOR**  
**Broker Services for Insurances and COBRA Administration**

**ISSUING OFFICE**  
**Pennsylvania Turnpike Commission**  
**Human Resources**

**RFP NUMBER**

**14-10380-4793**

**DATE OF ISSUANCE**

**May 30, 2014**

**REQUEST FOR PROPOSALS FOR**  
**Broker Services for Insurances and COBRA Administration**  
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## PART I

### GENERAL INFORMATION FOR PROPOSERS

**I-1. Purpose.** This request for proposals (RFP) provides interested Proposers with sufficient information to enable them to prepare and submit proposals for consideration by the Pennsylvania Turnpike Commission (Commission) to satisfy a need for brokerage services for insurances and COBRA administration.

**I-2. Issuing Office.** This RFP is issued for the Commission by the Human Resources Department.

**I-3. Scope.** This RFP contains instructions governing the proposals to be submitted and the material to be included therein; a description of the service to be provided; requirements which must be met to be eligible for consideration; general evaluation criteria; and other requirements to be met by each proposal.

**I-4. Problem Statement.** The Pennsylvania Turnpike Commission is seeking proposals from qualified companies to be the insurance and employee benefit broker on behalf of the Pennsylvania Turnpike Commission for various insurance policies, employee assistance program, and COBRA administration. A detailed work statement is provided in Part IV of this RFP.

**I-5. Type of Contract.** It is proposed that if a contract is entered into as a result of this RFP, it will be a fee for service structure. The broker/agent will be compensated by the Pennsylvania Turnpike Commission for the proposed fee for coverage placement and services outlined. Commissions paid, if any, by insurers shall be pro-rated over the contract term and shall serve to reduce fees charged by the broker. However, the sum of all pro-rated commissions shall not exceed the proposed fee for services herein. The Commission may in its sole discretion undertake negotiations with Proposers who are qualified to perform the work. Compensation on any coverage placed by the elected Proposed shall be subject to disclosure and by approval of the Commission.

**I-6. Rejection of Proposals.** The Commission reserves the right to reject any and all proposals received as a result of this request, or to negotiate separately with competing Proposers.

**I-7. Subcontracting.** Any use of subcontractors by a Proposer must be identified in the proposal. During the contract period use of any subcontractors by the selected Proposer, which were not previously identified in the proposal, must be approved in advance in writing by the Commission.

A firm that responds to this solicitation as a prime may not be included as a designated subcontractor to another firm that responds to the same solicitation. **Multiple responses under any of the foregoing situations may cause the rejection of all responses of the firm or firms involved.** This does not preclude a firm from being set forth as a designated subcontractor to more than one prime contractor responding to the project advertisement.

**I-8. Incurring Costs.** The Commission is not liable for any costs the Proposer incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of contract.

**I-9. Questions and Answers.** Written questions may be submitted to clarify any points in the RFP which may not have been clearly understood. Written questions should be submitted by email to [RFP-Q@paturndpike.com](mailto:RFP-Q@paturndpike.com) with **RFP 14-10380-4793** in the Subject Line to be received no later than **12:00 PM local time on Wednesday, June 11, 2014**. All questions and written answers will be posted to the website as an addendum to and become part of this RFP.

**I-10. Addenda to the RFP.** If it becomes necessary to revise any part of this RFP before the proposal response date, addenda will be posted to the Commission's website under the original RFP document. It is the responsibility of the Proposer to periodically check the website for any new information or addenda to the RFP.

The Commission may revise a published advertisement. If the Commission revises a published advertisement less than ten days before the RFP due date, the due date will be extended to maintain the minimum ten-day advertisement duration if the revision alters the project scope or selection criteria. Firms are responsible to monitor advertisements/addenda to ensure the submitted proposal complies with any changes in the published advertisement.

**I-11. Response.** To be considered, proposals must be delivered to the Pennsylvania Turnpike Commission's Contracts Administration Department, Attention: Wanda Metzger, on or before **2:00 PM** local time on **Monday, June 30, 2014**. The Pennsylvania Turnpike Commission is located at 700 South Eisenhower Boulevard, Middletown, PA 17057 (Street address). Our mailing Address is P. O. Box 67676, Harrisburg, PA 17106.

**Please note that use of U.S. Mail, FedEx, UPS, or other delivery method, does not guarantee delivery to the Contracts Administration Department by the above listed time for submission.** Proposers mailing proposals should allow sufficient delivery time to ensure timely receipt of their proposals. If the Commission office location to which proposals are to be delivered is closed on the proposal response date, due to inclement weather, natural disaster, or any other cause, the deadline for submission shall be automatically extended until the next Commission business day on which the office is open. Unless the Proposers are otherwise notified by the Commission, the time for submission of proposals shall remain the same.

**I-12. Proposals.** To be considered, Proposers should submit a complete response to this RFP, using the format provided in PART II. Each proposal should be submitted in five (5) hard copies of the Technical Submittal and five (5) hard copies of the Cost Submittal. In addition to the hard copies of the proposal, **one complete and exact copy of the entire proposal (Technical and Cost, along with all requested documents) on CD-ROM or Flash Drive in Microsoft Office or Microsoft Office-compatible format.** The electronic copy must be a mirror image of the hard copy. Proposer should ensure that there is no costing information in the technical submittal. The CD or Flash drive should clearly identify the Proposer and include the name and version number of the virus scanning software that was used to scan the CD or Flash drive before it was submitted. The Proposer shall present the proposal to the Contracts Administration Department only. No other distribution of proposals will be made by the Proposer. Each proposal page should be numbered for ease of reference.

An official authorized to bind the Proposer to its provisions must sign the proposal. If the official signs the Proposal Cover Sheet (Appendix A to this RFP) and the Proposal Cover Sheet is attached to the proposal, the requirement will be met. For this RFP, the proposal must remain valid for at least 180 days. Moreover, the contents of the proposal of the selected Proposer will become contractual obligations if a contract is entered into.

Each and every Proposer submitting a proposal specifically waives any right to withdraw or modify it, except as hereinafter provided. Proposals may be withdrawn by written or fax notice (fax number (717) 986-8714) received at the Commission's address for proposal delivery prior to the exact hour and date specified for proposal receipt.

Overnight Delivery Address:

Contracts Administration Department  
Attn: Wanda Metzger  
PA Turnpike Commission  
700 South Eisenhower Blvd.  
Middletown, PA 17057

US Mail Delivery Address:

Contracts Administration Department  
Attn: Wanda Metzger  
PA Turnpike Commission  
P.O. Box 67676  
Harrisburg, PA 17106

However, if the Proposer chooses to attempt to provide such written notice by fax transmission, the Commission shall not be responsible or liable for errors in fax transmission. A proposal may also be withdrawn in person by a Proposer or its authorized representative, provided his/her identity is made known and he/she signs a receipt for the proposal, but only if the withdrawal is made prior to the exact hour and date set for proposal receipt. A proposal may only be modified by the submission of a new sealed proposal or submission of a sealed modification which complies with the requirements of this solicitation.

**I-13. Economy of Preparation.** Proposals should be prepared simply and economically, providing a straightforward, concise description of the Proposer's ability to meet the requirements of the RFP.

**I-14. Discussions for Clarification.** Proposers who submit proposals may be required to make an oral or written clarification of their proposals to the Issuing Office through the Contract Administration Department to ensure thorough mutual understanding and Proposer responsiveness to the solicitation requirements. The Issuing Office through the Contract Administration Department will initiate requests for clarification.

**I-15. Best and Final Offers.** The Issuing Office reserves the right to conduct discussions with Proposers for the purpose of obtaining "best and final offers." To obtain best and final offers from Proposers, the Issuing Office may do one or more of the following: a) enter into pre-selection negotiations; b) schedule oral presentations; and c) request revised proposals. The Issuing Office will limit any discussions to responsible Proposers whose proposals the Issuing Office has determined to be reasonably susceptible of being selected for award.

**I-16. Prime Proposer Responsibilities.** The selected Proposer will be required to assume responsibility for all services offered in its proposal whether or not it produces them. Further, the Commission will consider the selected Proposer to be the sole point of contact with regard to contractual matters.

**I-17. Proposal Contents.** Proposals will be held in confidence and will not be revealed or discussed with competitors, unless disclosure is required to be made (i) under the provisions of any Commonwealth or United States statute or regulation; or (ii) by rule or order of any court of competent jurisdiction. All material submitted with the proposal becomes the property of the Pennsylvania Turnpike Commission and may be returned only at the Commission's option. Proposals submitted to the Commission may be reviewed and evaluated by any person other than competing Proposers at the

discretion of the Commission. The Commission has the right to use any or all ideas presented in any proposal. Selection or rejection of the proposal does not affect this right.

In accordance with the Pennsylvania Right-to-Know Law (RTKL), 65 P.S. § 67.707 (Production of Certain Records), Proposers shall identify any and all portions of their Proposal that contains confidential proprietary information or is protected by a trade secret. Proposals shall include a written statement signed by a representative of the company/firm identifying the specific portion(s) of the Proposal that contains the trade secret or confidential proprietary information.

Proposers should note that “trade secrets” and “confidential proprietary information” are exempt from access under Section 708(b)(11) of the RTKL. Section 102 defines both “trade secrets” and “confidential proprietary information” as follows:

Confidential proprietary information: Commercial or financial information received by an agency: (1) which is privileged or confidential; **and** (2) the disclosure of which would cause substantial harm to the competitive position of the person that submitted the information.

Trade secret: Information, including a formula, drawing, pattern, compilation, including a customer list, program, device, method, technique or process that: (1) derives independent economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use; **and** (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The term includes data processing software by an agency under a licensing agreement prohibiting disclosure.

65 P.S. §67.102 (emphasis added).

The Office of Open Records has determined that a third party must establish a trade secret based upon factors established by the appellate courts, which include the following:

- the extent to which the information is known outside of his business;
- the extent to which the information is known by employees and others in the business;
- the extent of measures taken to guard the secrecy of the information;
- the value of the information to his business and to competitors;
- the amount of effort or money expended in developing the information; and
- the ease of difficulty with which the information could be properly acquired or duplicated by others.

*See Crum v. Bridgestone/Firestone North Amer. Tire.*, 907 A.2d 578, 585 (Pa. Super. 2006).

The Office of Open Records also notes that with regard to “confidential proprietary information the standard is equally high and may only be established when the party asserting protection shows that the information at issue is either ‘commercial’ or ‘financial’ and is privileged or confidential, and the disclosure **would** cause substantial competitive harm.” (emphasis in original).

For more information regarding the RTKL, visit the Office of Open Records’ website at [www.openrecords.state.pa.us](http://www.openrecords.state.pa.us).

**I-18. Debriefing Conferences.** Proposers whose proposals are not selected will be notified of the name of the selected Proposer and given the opportunity to be debriefed, at the Proposer’s request. The Issuing Office will schedule the time and location of the debriefing. The Proposer will not be compared with other Proposers.

**I-19. News Releases.** News releases pertaining to this project will not be made without prior Commission approval, and then only in coordination with the Issuing Office.

**I-20. Commission Participation.** Unless specifically noted in this section, Proposers must provide all services to complete the identified work.

**I-21. Cost Submittal.** The cost submittal shall be placed in a separately sealed envelope within the sealed proposal and kept separate from the technical submittal.

**I-22. Term of Contract.** The term of the contract will commence on the Effective Date (as defined below) and will end two (2) years from that date with options of up to three (3) one-year contract extensions. The Commission shall fix the Effective Date after the contract has been fully executed by the Contractor and by the Commission and all approvals required by Commission contracting procedures have been obtained.

**I-23. Proposer's Representations and Authorizations.** Each Proposer by submitting its proposal understands, represents, and acknowledges that:

- a. All information provided by, and representations made by, the Proposer in the proposal are material and important and will be relied upon by the Issuing Office in awarding the contract(s). Any misstatement, omission or misrepresentation shall be treated as fraudulent concealment from the Issuing Office of the true facts relating to the submission of this proposal. A misrepresentation shall be punishable under 18 Pa. C.S. 4904.
- b. The price(s) and amount of this proposal have been arrived at independently and without consultation, communication or agreement with any other Proposer or potential Proposer.
- c. Neither the price(s) nor the amount of the proposal, and neither the approximate price(s) nor the approximate amount of this proposal, have been disclosed to any other firm or person who is a Proposer or potential Proposer, and they will not be disclosed on or before the proposal submission deadline specified in the response section of this RFP.
- d. No attempt has been made or will be made to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- e. The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- f. To the best knowledge of the person signing the proposal for the Proposer, the Proposer, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any

jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as disclosed by the Proposer in its proposal.

- g. To the best of the knowledge of the person signing the proposal for the Proposer and except as otherwise disclosed by the Proposer in its proposal, the Proposer has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Proposer that is owed to the Commonwealth.
- h. The Proposer is not currently under suspension or debarment by the Commonwealth, or any other state, or the federal government, and if the Proposer cannot certify, then it shall submit along with the proposal a written explanation of why such certification cannot be made.
- i. The Proposer has not, under separate contract with the Issuing Office, made any recommendations to the Issuing Office concerning the need for the services described in the proposal or the specifications for the services described in the proposal.
- j. Each Proposer, by submitting its proposal, authorizes all Commonwealth agencies to release to the Commission information related to liabilities to the Commonwealth including, but not limited to, taxes, unemployment compensation, and workers' compensation liabilities.

**I-24. Insurance.** Proposer will comply with the Insurance requirements as described in Appendix B - Insurance Requirements.



## **PART II**

### **INFORMATION REQUIRED FROM PROPOSERS**

Proposals must be submitted in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal. All cost data relating to this proposal should be kept separate from and not included in the Technical Submittal. Each proposal shall consist of the completed proposal cover sheet (use Appendix A) and two (2) separately sealed submittals. The submittals are as follows: (i) Technical Submittal, in response to Part II-1 through II-8 hereof; (ii) Cost Submittal, in response to Part II-9 hereof.

The Commission reserves the right to request additional information which, in the Commission's opinion, is necessary to assure that the Proposer's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Commission may make such investigations as deemed necessary to determine the ability of the Proposer to perform the work, and the Proposer shall furnish to the Issuing Office all such information and data for this purpose as requested by the Commission. The Commission reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Proposer fails to satisfy the Commission that such Proposer is properly qualified to carry out the obligations of the agreement and to complete the work specified.

#### **II-1. Proposal Cover Sheet (Appendix A)**

Show the name of your firm, Federal I.D. number, address, name of contact person, contact person's email and telephone number date and the subject: Broker Services for Insurances and COBRA Administration, RFP 14-10380-4793. In addition it is required that all information requested in Appendix A be provided including information pertaining to location of office performing the work, contact information, listing of all Pennsylvania offices and total number of Pennsylvania employees, and location of company headquarters.

**II-2. Statement of the Problem.** State in succinct terms your understanding of the problem presented or the service required by this RFP.

**II-3. Management Summary.** Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided.

**II-4. Work Plan.** Describe in narrative form your technical plan for accomplishing the work. Use the task descriptions in Part IV of this RFP as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained. Indicate the number of personhours allocated to each task.

**II-5. Prior Experience.** Include experience in Insurance Brokerage and Consultant Services. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company. Studies or projects referred to should be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

**II-6. Personnel.** Include the number, and names where practicable, of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work. Show where these personnel will be physically located during the time they are engaged in the work. Include through a resume or similar document, education and experience in Insurance Brokerage and Consultant Services including coverage analysis, claims management and loss control. Indicate the responsibilities each will have in this project and how long each has been with your company. Identify subcontractors you intend to use and the services they will perform.

**II-7. Training.** If appropriate, indicate recommended training of Commission personnel. Include the personnel to be trained, the number to be trained, duration of the program, place of training, curricula, training materials to be used, number and frequency of sessions, and number and level of instructors.

**II-8. Commitment to Diversity and Inclusion**

The Turnpike Commission is committed to the inclusion of disadvantaged, minority, and woman firms in contracting opportunities. Responding firms shall clearly identify DBE/MBE/WBE firms, expected to participate in the Contract, in their Proposal. Proposed DBE/MBE/WBE firms must be certified by the Pennsylvania Unified Certification Program ([www.paucp.com](http://www.paucp.com)) at the time of the submission of the proposal. The utilization of disadvantaged, minority and women-owned businesses are encouraged and will be considered a factor in the evaluation determination.

**II-9. Cost Submittal.** The information requested in this section shall constitute your cost submittal. **The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, and on a CD-ROM, separate from the technical submittal.**

Provide a detailed description of costs for each line of business outlined in IV-2. It is anticipated that the selected Proposer will be compensated by the Pennsylvania Turnpike Commission on a fee basis or fee net of commissions basis for coverage placed and/or serviced by the selected Proposer as further detailed in Part I-5.

Proposers should **not** include any assumptions in their cost submittals. If the proposer includes assumptions in its cost submittal, the Issuing Office may reject the proposal. Proposers should direct in writing to the Issuing Office pursuant to Part I-9 of this RFP any questions about whether a cost or other component is included or applies. All Proposers will then have the benefit of the Issuing Office's written answer so that all proposals are submitted on the same basis.

**Any costs not provided in the cost proposal will be assumed as no charge to the Commission.**

**The selected Proposer shall only perform work on this contract after the Effective Date is affixed and the fully-executed contract sent to the selected Proposer. The Commission shall issue a written Notice to Proceed to the selected Proposer authorizing the work to begin on a date which is on or after the Effective Date. The selected Proposer shall not start the performance of any work prior to the date set forth in the Notice of Proceed and the Commission shall not be liable to pay the selected Proposer for any service or work performed or expenses incurred before the date set forth in the Notice to Proceed. No Commission employee has the authority to verbally direct the commencement of any work under this Contract.**

## PART III

### CRITERIA FOR SELECTION

**III-1. Mandatory Responsiveness Requirements.** To be eligible for selection, a proposal shall be (a) timely received from a Proposer; and (b) properly signed by the Proposer.

**III-2. Technical Nonconforming Proposals.** The two (2) Mandatory Responsiveness Requirements set forth in Section III-1 above (a&b) are the only RFP requirements that the Commission will consider to be non-waivable. The Issuing Office reserves the right, in its sole discretion, to (1) waive any other technical or immaterial nonconformities in the proposal, (2) allow the Proposer to cure the nonconformity, or (3) consider the nonconformity in the evaluation of the proposal.

**III-3. Proposal Evaluation.** Proposals will be reviewed, evaluated, and rated by a Technical Evaluation Team (TET) of qualified personnel based on the evaluation criteria listed below. The TET will present the evaluations to the Professional Services Procurement Committee (PSPC). The PSPC will review the TET's evaluation and provide the Commission with the firm(s) determined to be highly recommended for this assignment.

The Commission will select the most highly qualified firm for the assignment or the firm whose proposal is determined to be most advantageous to the Commission by considering the TET's evaluation and the PSPC's determination as to each firm's rating. In making the PSPC's determination and the Commission's decision, additional selection factors may be considered taking into account the estimated value, scope, complexity and professional nature of the services to be rendered and any other relevant circumstances. Additional selection factors may include, when applicable, the following: geographic location and proximity of the firm, firm's Pennsylvania presence or utilization of Pennsylvania employees for the assignment; equitable distribution of work; diversity inclusion; and any other relevant factors as determined as appropriate by the Commission.

Award will only be made to a Proposer determined to be responsive and responsible in accordance with Commonwealth Management Directive 215.9, Contractor Responsibility Program.

**III-4. Evaluation Criteria.** The following criteria will be used, in order of relative importance from the highest to the lowest, in evaluating each proposal:

**a. Understanding the Problem.** This refers to the Proposer's understanding of the Commission needs that generated the RFP, of the Commission's objectives in asking for the services or undertaking the study, and of the nature and scope of the work involved.

**b. Proposer Qualifications.** This refers to the ability of the Proposer to meet the terms of the RFP, especially the time constraint and the quality, relevancy, and recency of studies and projects completed by the Proposer. This also includes the Proposer's financial ability to undertake a project of this size.

**c. Personnel Qualifications.** This refers to the competence of professional personnel who would be assigned to the job by the Proposer. Qualifications of professional personnel will be measured by experience and education, with particular reference to experience on studies/services similar to that described in the RFP. Particular emphasis is placed on the qualifications of the project manager.

**d. Soundness of Approach.** Emphasis here is on the techniques for collecting and analyzing data, sequence and relationships of major steps, and methods for managing the service/project. Of equal importance is whether the technical approach is completely responsive to all written specifications and requirements contained in the RFP and if it appears to meet Commission objectives.

**e. Cost.** While this area may be weighted heavily, it will not normally be the deciding factor in the selection process. The Commission reserves the right to select a proposal based upon all the factors listed above, and will not necessarily choose the firm offering the best price. The Commission will select the firm with the proposal that best meets its needs, at the sole discretion of the Commission.

**f. Commitment to Diversity and Inclusion (D/M/WBE) Participation.** This refers to the inclusion of D/M/WBE firms, as described in Part II-8, Participation may be measured in terms of total dollars committed or percentage of total contract amount to certified D/M/WBE firms.

## PART IV

### WORK STATEMENT

#### IV-1. Objectives.

**a. General.** The Commission is seeking proposals from qualified firms to act as an insurance broker and consultant for services related to Short Term Disability, Accidental Death & Dismemberment, Life Insurance, Voluntary Supplemental Insurance, Stop Loss Insurance and COBRA administration for two (2) years with three (3) one year renewal options.

**b. Specific.** The Commission is soliciting competitive proposals for an insurance broker to procure and negotiate the listed insurance coverage's and COBRA administration at competitive cost, expert analysis of coverage needs and technical claims and loss control support as needed.

#### IV-2. Nature and Scope of the Project.

The Pennsylvania Turnpike Commission is a key transportation route within the Commonwealth of Pennsylvania and a vital link in the network of the eastern United States. The Pennsylvania Turnpike is 536 miles in length with 60 fare collection facilities, 20 service plazas and 2 welcome centers, 21 maintenance buildings, 8 police barracks and 5 tunnels. For more information go to [www.paturnpike.com](http://www.paturnpike.com).

Currently there are over 2,100 active employees of the Commission who work in over 102 locations including three administrative offices: the Central Administration Office in Middletown, PA, the Eastern Regional Office in King of Prussia, PA and the Western Regional Office in New Stanton, PA. As of April 29, 2014, there are approximately 2,000 active employees covered by short term disability, AD&D insurance and Life insurance in accordance with the Commission's policies and collective bargaining agreements as well as offering voluntary supplemental insurance to all employees.

The Commission also has stop loss insurance which covers more than 2,400 active employees and retirees.

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), requires the Commission to offer members (employee/retiree and family members) who have a COBRA-qualifying event the opportunity to purchase medical, prescription, dental, and vision benefits similar to those offered to regular employees. The Commission utilizes a COBRA vendor to administer these services. In 2013, the Commission had 21 individuals utilizing COBRA services. There were 265 COBRA notices sent to members.

The insurance broker will provide an assessment of the short and long-term conditions of the marketplace, recommend and solicit quotations from certain insurers, perform risk assessments relating to existing and recommended coverage placements, enhance coverage terms and support related loss control and claims management. Insurance coverage within the scope of this RFP is as follows:

Service	Coverage	Current Vendor	Length of Contract	Current Contract End Date	Current Cost	Current Annual Cost
Short Term Disability	65% of Regular Weekly Wages 52 weeks maximum duration of benefit 12 day waiting period	The Hartford	3 years, with 2 one-year renewal options	11/30/2014	\$1.03/\$10 weekly benefit	\$ 1.6 M
Stop Loss	\$300,000 Individual Specific Limit \$90,000 Aggregating Specific Corridor Medical and Prescription Paid Basis	Avalon	1 year, with 4 one-year renewal options	12/31/2014	Single Rate per Month \$8.42 Family Rate per Month \$20.38	\$460,000
Accident Death & Dismemberment	\$10,000 work and non-work related	Sun Life Insurance Co	3 years, with 2 one-year renewal options	12/31/2015	\$0.09 per \$1,000 benefit (\$0.90 per employee per month)	\$21,000
Voluntary Supplemental Insurance	Accident, Cancer, Hospital, Critical Illness and Specified Health Event	Aflac	Five years	5/3/2016	Employee paid	\$0
COBRA Administration	Active Employees and Retirees under Age 65	Trion	2 years, with 3 one-year renewal options	8/31/2016	\$3.95 per participants \$8.85 per election notice \$2.45 rights notices	\$3,000
Life Insurance	Up to \$40,000 Work related - \$10,000 and \$25,000	MetLife	3 years, with 2 one-year renewal options	12/31/2017	\$245 per \$1,000	\$235,000

**IV-3. Requirements.** All work performed by the proposer shall be done by personnel experienced in performing their assigned functions.

**IV-4. Tasks.** Perform the full range of services related to the procurement, analysis, negotiation and recommendations of the Commission's insurances and COBRA administration.

- a. The selected vendor will procure, evaluate, analyze and negotiate all pricing proposals submitted; both for fully-insured and self-insured benefit plans, and negotiate best and final offers/rates with final vendors in consideration.
- b. Assist the Commission in determining the most economical funding methods for the insurance programs by comparing projected cost illustrations.
- c. Work with the Commission to develop renewal strategies. Obtain and evaluate competitive coverage proposals from various insurance companies or other represented service providers. Minimally, 3 renewal policy quotations are required for each line of business proposed or renewed.
- d. Provide the Commission with a final comparative service analysis of respondents. Provide a comparative analysis of each provider's strengths and weaknesses, including but not limited to: coverage definitions and provider disruption.
- e. Determine if insurance plan parameters and provisions have been met, including obligations under the collective bargaining agreements.
- f. Make a recommendation for new insurance and COBRA vendors.

- g.** Travel to the Commission's Central Administration Building in Middletown, PA, as necessary and present a final analysis at the Professional Services Procurement Committee (PSPC) meeting and a formal Commission meeting.
- h.** Establish specific implementation timelines and assist the Commission in resolving problems associated with the implementation of insurance and COBRA programs.
- i.** Obtain, negotiate and finalize the insurance policy contracts prior to the plan Effective Dates, in accordance with the Commission's Standard Contract Terms and Conditions.
- j.** Ensure that selected plans are in compliance with all laws and regulations related to employee benefits. Advise the Commission of any new developments in the law and employee benefit programs on an ongoing basis.
- k.** Coordinate and oversee the performance of all related services performed by insurance companies, underwriters, and/or other arranged or bundled service providers.
- l.** Assure that contracts and insurance policies are placed with reputable and financially responsible insurers in accordance with A.M. Best and other credit rating agencies. Keep the Commission informed of any changes in the financial rating of its insurers, make recommendations and take appropriate actions based upon such changes.
- m.** Assign an experienced Account Manager to the Commission who will be responsible for communication with the Commission. Identify the office from which the Commission account would be serviced.

#### **IV-5. Reports and Project Control**

- a. Task Plan.** A work plan for each task that identifies the work elements of each task, the resources assigned to the task, and the time allotted to each element and the deliverable items to be produced.
- b. Status Report.** A periodic, **bi-weekly** progress report with appropriate Commission personnel covering activities, problems, and recommendations; the report should be keyed to the work plan developed by the Proposer in its proposal, as amended or approved by the Commission.
- c. Problem Identification Report.** An "as required" report, identifying problem areas. The report should describe the problem and its impact on the overall project and on each affected task. It should list possible courses of action with advantages and disadvantages of each, and include Proposer recommendations with supporting rationale.
- d. Final Report.**
  - (1) Abstract or summarize the result of the study or service in terminology that will be meaningful to management and others generally familiar with the subject areas.

- (2) Describe data collection and analytical and other techniques used during the study.
- (3) Summarize findings, conclusions, and recommendations developed in each task.
- (4) Include all supporting documentation; e.g., flow charts, forms, questionnaires, etc.
- (5) Recommend a time-phased work plan for implementing the recommendations.



**APPENDIX A – PROPOSAL COVER SHEET**  
**Pennsylvania Turnpike Commission**  
**Broker Services for Insurances and COBRA Administration**

**RFP# 14-10380-4793**

**Enclosed in two separately sealed submittals is the technical and cost proposal for the Proposer identified below for the above referenced RFP:**

<b>Proposer Information:</b>	
Proposer Name	
Proposer Mailing Address	
Proposer Website	
Proposer Contact Person/Title	
Contact Person's Phone Number	
Contact Person's Fax Number	
Contact Person's Email Address	
Proposer Federal ID Number	
Location of Headquarters	
Location of Office(s) Performing the Work	
Listing of all Pennsylvania Offices and Total Number of Pennsylvania Employees	

<b>Submittals Enclosed and Separately Sealed:</b>	
<input type="checkbox"/> Technical Submittal	<input type="checkbox"/> Cost Submittal
<b>Signature</b>	
Signature of an official authorized to bind the Proposer to the provisions contained in the Proposer's proposal: _____	
Print Name	
Title	

**FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM WITH THE PROPOSAL MAY RESULT IN THE REJECTION OF THE PROPOSAL.**

## **Appendix B – Insurance Requirements**

### **A. General Insurance Requirements**

1. The Professional Services shall not commence until the Professional Service Contractor has obtained, at their own expense, all of the insurance as required hereunder and such insurance has been approved by the Commission; nor shall the Professional Service Contractor allow any Subcontractor or any Sub-Subcontractor or any tier (hereinafter referred to collectively as “Subcontractor”) to commence work on any Commission projects until all insurance required of the Subcontractor has been so obtained and approved by the Professional Service Contractor. Approval of insurance required of the Professional Service Contractor will be granted only after submission to the Commission, original certificates of insurance signed by the representatives of the insurers or, at the Commission’s request, certified copies of the required insurance policies. Certificates of insurance shall be provided to the Commission, evidencing the coverage listed below, ten days prior to the start of work of this Project and thereafter upon renewal or replacement of each coverage. The required coverage shall not include any exclusions or endorsements, which are not acceptable to the Commission. Failure of the Commission to demand such certificate or other evidence of full compliance with these insurance requirements or failure of the Commission to identify a deficiency from evidence that is provided shall not be construed as a waiver of the Professional Service Contractor's obligation to maintain such insurance. With respect to insurance maintained after final payment in compliance with a requirement below, an additional certificate(s) evidencing such coverage shall be provided to the Commission with final application for payment and thereafter upon renewal or replacement of such insurance until the expiration of the time period for which such insurance must be maintained.
2. The Professional Service Contractor shall require all Subcontractors to maintain during the term of the Contract Insurance of the type and in the minimum amounts as described below and required of the Professional Service Contractor. Any obligations imposed upon the Professional Service Contractor as part of this contract shall be so imposed upon any and all Subcontractors as well.
3. All insurance required herein, with the exception of the Professional / Errors and Omissions Liability Insurance shall be written on an “occurrence” basis and not a “claims-made” basis. For Professional Liability “claims-made” coverage:
  - a. The retroactive date must be on or prior to the start of work under this contract; and
  - b. The Professional Service Contractor must purchase “tail coverage/an extended reporting period” or maintain coverage for a period of three years subsequent to the completion of their work / final payment.
4. The Commission, its commissioners, agents, servants, employees and representatives shall be named as additional insured on the Professional Service Contractor’s liability insurance program (except Workers Compensation and Professional Liability policies) for ongoing operations and completed operations on a primary noncontributory basis. Coverage to include ongoing and completed operations using ISO Endorsements CG 2010 and CG 2037, or their equivalents. Each of the Additional Insured’s respective members, employees, agents and representatives shall also be afforded coverage as an

Additional Insured. Coverage should be provided for a period of three years subsequent to the completion of work/final payment. The Commission reserves the right to require the Professional Service Contractor to name other parties as additional insured's as required by the Commission. There shall be no "Insured versus Insured Exclusion" on any policies; all policies will provide for "cross liability coverage".

5. All insurance policies required hereunder shall be endorsed to provide that the policy is not subject to cancellation, non-renewal, or material reduction in coverage until thirty (30) days prior written notice has been given to the Commission. In the event of cancellation or non-renewal of coverage(s), it is the Professional Service Contractor's responsibility to replace coverage to comply with the Contract requirements so there is no lapse of coverage for any time period. In the event the insurance carriers will not issue or endorse their policy(s) to comply with the above it is the responsibility of the Professional Service Contractor to report any notice of cancellation or non-renewal at least thirty (30) days prior to the effective date of this notice.
6. No acceptance and/or approval of any insurance by the Commission shall be construed as relieving or excusing the Professional Service Contractor or the Professional Service Contractor's Surety (if applicable) from any liability or obligation imposed upon either or both of them by provisions of this Contract.
7. Any deductibles or self-insured retention's (SIR) of (\$10,000) or greater shall be disclosed by the Professional Service Contractor, and are subject to Commissions written approval. Any deductible or retention amounts elected by the Professional Service Contractor or imposed by the Professional Service Contractor's insurer(s) shall be the sole responsibility of the Professional Service Contractor. In the event any policy includes an SIR, the Professional Service Contractor is responsible for payment within the SIR of their policy(ies) and the Additional Insured requirements specified herein shall be offered within the SIR amount(s).
8. All insurance companies shall have an AM Best's rating of at least "A-, Class VIII" or better and be permitted to do business in the State of Pennsylvania.
9. There shall be no liability upon the Commission, public officials, their employees, their authorized representatives, or agents either personally or as officials of the Commission in carrying out any of the provisions of the Contract nor in exercising any power or authority granted to them by or within the scope of the Contract, it being understood that in all such matters they act solely as agents and representatives of the Commission.
10. Waiver of Rights of Recovery and Waiver of Rights of Subrogation:
  - a. The Professional Service Contractor waives all rights of recovery against the Commission and all the additional insured's for loss or damage covered by any of the insurance maintained by the Professional Service Contractor.
  - b. If any of the policies of insurance required under this contract require an endorsement to provide for the waiver of subrogation, then the named insured of such policies will cause them to be so endorsed.

11. Any type of insurance or any increase in limits of liability not described above which the Professional Service Contractor requires for its own protection or on account of statute shall be its own responsibility and at its own expense.
12. The amount of insurance provided in the aforementioned insurance coverages, shall not be construed to be a limitation of the liability on the part of the Professional Service Contractor.
13. Professional Service Contractor shall promptly notify the Commission and the appropriate insurance company(ies) in writing of any accident(s) as well as any claim, suit or process received by the insured Professional Service Contractor arising in the course of operations under the contract. The Professional Service Contractor shall forward such documents received to his insurance company(ies), as soon as practicable, or as required by its insurance policy(ies).

## **B. Professional Service Contractor Liability Insurance Requirements**

- The Professional Service Contractor shall purchase the following insurance coverage's for the minimum limits specified below or required by law.
  - **Commercial General Liability** insurance for bodily injury, personal injury, and property damage including loss of use, etc. with minimum limits of:
    - \$1,000,000 each occurrence;
    - \$1,000,000 personal and advertising injury;
    - \$2,000,000 general aggregate; and
    - \$2,000,000 products/completed operation aggregate.

This insurance shall include coverage for all of the following

- Coverage is to be provided on ISO CG 00 01 12 07 or an equivalent form ("Occurrence Form") including Premises - Operations, Independent Contractors, Products/Completed Operations, Broad Form Property Damage, Contractual Liability, and Personal Injury and Advertising Injury;
- General aggregate limit applying on a per project basis;
- Products/Completed Operations Coverage must be maintained for a period of at least three (3) years after final payment / completion of work (including coverage for the Additional Insured's as set forth in these Insurance Requirements);
- No Exclusions for development, construction, building conversion, etc. with respect to the project's location and / or where the work is to be completed by the Professional Service Contractor;
- Coverage for "Resulting Damage";
- No sexual abuse or molestation exclusion;
- No amendment to the definition of an "Insured Contract"; and
- The definition of an "Insured Contract" must be amended to provide coverage for all work on or within 50 feet of a railroad. A stand-alone Railroad Protective Liability policy may be required based on the scope of this project.

- **Business Auto Liability** insurance with a minimum combined single limit of \$1,000,000 per accident and including, but not limited to, coverage for all of the following:
  - Liability arising out of the ownership, maintenance or use of any auto;
  - Auto non-ownership and hired car coverage
  - Contractual Liability Coverage (including Liability for Employee Injury assumed under a Contract as provided in the standard ISO policy form)
  - For Professional Service Contractors involved in the transportation of hazardous material, include the following endorsements: MCS-90 and ISO-9948
- **Workers' Compensation** insurance with statutory benefits as required by any state or federal law, including standard "other states" coverage; **employer's liability** insurance with minimum limits of:
 

\$1,000,000	each accident for bodily injury by accident;
\$1,000,000	each employee for bodily injury by disease; and
\$1,000,000	policy limit for bodily injury by disease.

  1. United States Longshore & Harbor Workers Act Coverage, where applicable;
  2. Maritime Coverage under the Jones Act, where applicable;
  3. Federal Employers Liability Act (FELA) coverage, where applicable;
  4. Includes Sole Proprietorships and Officers of a Corporation who will be performing the work; and
  5. Where applicable, if the Professional Service Contractor is lending or leasing its employees to the Commission for the work under this contract (e.g. crane rental with operator), it is the Professional Service Contractor's responsibility to provide the Workers Compensation and Employer's Liability coverage and to have their policy endorsed with the proper Alternate Employer Endorsement.
- **Professional Liability:** Professional Service Contractors (such as, but not limited to Architects, Engineers, Attorneys, Financial Advisors, Marketing Professionals, Physicians and Risk Management Consultants) shall provide professional liability and/or malpractice insurance with minimum limits of \$5,000,000. The definition of "covered services" shall include the services required in the scope of this contract.
- **Umbrella Liability or Excess Liability** insurance with minimum limits of:
 

\$5,000,000	per occurrence;
\$5,000,000	aggregate for other than products/completed operations and auto liability; and
\$5,000,000	products/completed operations aggregate.

Policy to apply on a Following Form basis of the Commercial General Liability, Commercial Automobile Liability and Employers Liability Coverage.

- **Crime**
  - Include the Employee Theft and Theft, Disappearance and Destruction coverage parts.
  - The Employee Theft Coverage part shall include the Clients' Property Endorsement (ISO Form CR 04 01, or its equivalent).
  - Minimum Limits of Liability: \$1,000,000 Per Occurrence
- **Privacy Liability**
  - Professional Service Contractor shall maintain coverage for third party liability arising out of breach of privacy, inclusive of confidential and proprietary business information, HIPAA violations and other breaches of personally identifiable information and/or protected health information, that may arise from their work with this contract.
  - Minimum Limits of Liability: \$1,000,000 Per Claim / \$1,000,000 Aggregate
  - Privacy Breach Notification and Credit Monitoring: \$250,000 Per Occurrence

### **C. Indemnification**

To the extent that state and/or federal laws limit the terms and conditions of this clause, it shall be deemed so limited to comply with such state and/or federal law. This clause shall survive termination of this contract. The Professional Service Contractor shall protect, defend, indemnify and hold harmless the Commission, its commissioners, and their agents, servants, employees, and representatives (the "Indemnified Parties") from and against all liability (including liability for violation of any law or any common law duty), claims, damages, losses, and expenses including attorneys' fees arising in connection with, out of, or resulting from the performance of the work, provided that any such liability, claim, damage, loss or expense (i) is attributable to bodily injury, sickness, disease, or death, or to any statutory or regulatory rule designed to protect against such conditions, or to injury to or destruction of tangible property (other than the work itself), and including the loss of the use resulting there from, and (ii) is caused by or results from, in whole or in part, any act or omission of the Professional Service Contractor or any Subcontractor or anyone direct or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether or not it is also caused by or results from any act or omission of any party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights, obligations or indemnity which would otherwise exist as to a party or person described in this Indemnification.

In any and all claims against the Indemnified Parties by an employee of the Professional Service Contractor or any Subcontractor or anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, the indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for any Professional Service Contractor or any Subcontractor under Workmen's Compensation Acts, Disability Benefits Acts, or other employee benefit act.

These Indemnification provisions shall survive the termination of this contract.

# Addendum No. 1

RFP # 14-10380-4793

## Broker Services for Insurances and COBRA Administration

**Prospective Respondents: You are hereby notified of the following information in regard to the referenced RFP:**

### REVISIONS

1. On Page 2 of 15, Part I-12, the second sentence has been revised to read as follows:

Each proposal should be submitted in ~~five (5)~~ six (6) hard copies of the Technical Submittal and ~~five (5)~~ six (6) hard copies of the Cost Submittal.

2. On Page 12 of 15, Part IV-2, the line of business chart has been updated and is shown below.

Revised Chart - Addendum 1

RFP14-10380-4793

Lines of Business						
Service	Coverage	Current Vendor	Current Contract End Date	Renewal Options	Current Cost	Current Annual Cost
Short Term Disability	65% of Regular Weekly Wages 52 weeks maximum duration of benefit 12 day waiting period	The Hartford	11/30/2014	No renewal options	\$1.03/\$10 weekly benefit	\$ 1.6 M
Stop Loss	\$300,000 Individual Specific Limit \$90,000 Aggregating Specific Corridor Medical and Prescription Paid Basis	Avalon	12/31/2014	4 one-year renewal options	Single Rate per Month \$8.42 Family Rate per Month \$20.38	\$460,000
Accident Death & Dismemberment	\$10,000 work and non-work related	Sun Life Insurance Co	12/31/2015	No renewal options	\$0.09 per \$1,000 benefit (\$0.90 per employee per month)	\$21,000
Voluntary Supplemental Insurance	Accident, Cancer, Hospital, Critical Illness and Specified Health Event	Aflac	5/23/2016	No renewal options	Employee paid	\$0
COBRA Administration	Active Employees and Retirees under Age 65	Trion	8/31/2015	1 one-year renewal option	\$3.95 per participants \$8.85 per election notice \$2.45 rights notices	\$3,000
Life Insurance	Up to \$40,000 Work related - \$10,000 and \$25,000	MetLife	12/31/2015	2 one-year renewal options	\$245 per \$1,000	\$235,000

### QUESTIONS & ANSWERS

Following are the answers to questions submitted in response to the above referenced RFP as of June 11, 2014. All of the questions have been listed verbatim, as received by the Pennsylvania Turnpike Commission.

1. Does the Turnpike provide Long-Term Disability? If so, why is it not included with this RFP? If yes, who is the insurance company?

**Answer: Long-Term Disability benefits are supplied through disability retirement with the State Employee Retirement System.**

2. Is there a reason that the Medical and Rx are handled separately from the Stop Loss? Is the same broker that is handling the coverage's in this RFP handling the Medical and Rx?

**Answer: The Commission does not have a broker handling the medical and prescription plans.**

3. Is there a broker handling the Voluntary Benefits or is the Turnpike accessing Aflac directly? If there is a broker, is it the same broker that is handling the other lines of coverage in this RFP?

**Answer: Yes, there is a broker but the Turnpike Commission work with Aflac directly. No, it is not the same broker.**

4. The Voluntary Benefits are under contract until 5/3/16. Would the Turnpike be amenable to look at other options before this end date? Same for the Life Insurance, which is under contract until 12/31/17?

**Answer: The Commission is contracted for voluntary benefit until 5/23/2016 and Life Insurance until 12/31/2015 with additional renewal options until 12/31/2017. The Commission would be open for other options after the contracted dates of 5/23/2016 and 12/31/2015.**

5. What broker is currently handling the lines of coverage included in this RFP?

**Answer: Brian Patten Associates is handling the voluntary benefit. Joyce Insurance Group is handling Short Term Disability.**

6. Do any of these coverage's include commission? How much commission is included in each? If not, what is the Fee being charged to handle these coverage's?

**Answer: Not applicable; no commissions are being paid by the Turnpike Commission. This information will not be provided.**

7. Will there be a finalist interview before the decision is made or will the decision be made exclusively from the responses to this RFP?

**Answer: The decision will be made based on the responses and the cost submittals.**

All other terms, conditions and requirements of the original RFP dated May 30, 2014 remain unchanged unless modified by this Addendum.