

**ADDENDUM #1  
TO SPEC. 07-119**

**Request for Proposals for  
Employee Benefits Consultant**

Addendum #1 to Spec. 07-119 for Request for Proposals for Employee Benefits Consultant, bids to be opened on Wednesday, April 18, 2007 at 12:00 noon.

Please note the following questions received and their answers:

**Question 1:**      **Background item 2.2 - please indicate if pre-Medicare premiums paid by retirees cover the full claim cost specific to pre-Medicare retirees or cover the composite cost of active employees and pre-Medicare retirees.**

Answer 1:          It is the latter.

**Question 2:**      **Scope item 11.2 - please describe the level of assistance the City and County's current consultant provides in regard to requests for proposal for medical plan vendors.**

Answer 2:          It varies. Usually if a new health plan RFP is requested, this is completed as an addendum to the contract at an additional charge. For other services and minor RFP's, there might be no additional charge.

**Question 3:**      **Scope item 11.7 - please describe the level of assistance the City and County's current consultant provides in regard to (a) open enrollment, (b) communications material and (c) employee meetings.**

Answer 3:          a) Usually slim to none. Usually the current vendors/carriers assist at open enrollment meetings.  
b) Usually slim to none. Usually the communications materials are provided by the vendors/carriers, although some materials might be provided by the consultant at meetings, etc.  
c) This is a regular part of communications to unions and committees, usually every quarter.

**Question 4:**      **Scope item 11.11 - please describe the number of in-person and telephonic meetings the City and County's current consultant has attended in the last two years.**

Answer 4:          Whenever we needed them, I am unsure of the number.

**Question 5:**      **Special Conditions item 15.7 requires that General Liability, Auto Liability and Professional Liability name the City of Lincoln and Lancaster County as additional insureds. We cannot include additional insureds in our Professional Liability policy. Will this restriction preclude Bucks proposal from consideration?**

Answer 5:          This issue is negotiable.

**Question 6: Why are you seeking proposals for consulting services at this time?**

Answer 6: This is required due to the end of our existing contract term.

**Question 7: Who is the current consultant(s) for the City and/or County, for how long has this firm served the City and /or County and what is your overall level of satisfaction?**

Answer 7: Milliman USA. 3 years.

**Question 8: What were the sources and amounts of compensation for the current consultant for each of the two most recent completed contract periods for the City and/or County? What was the number of hours spent by the consulting firm on the account for each of these time periods? How do the services provided compare to the scope of services specified in the RFP? Would the anticipated level of services be viewed more comparable to, less than or greater than what has been provided?**

Answer 8: Past compensation has already been disclosed. We require comparable services to those offered previously.

**Question 9: Please elaborate on the expectations/role of the consultant with regard to assistance in preparation of request for proposals, specific to:**

- Timing-how frequently are RFPs conducted, by applicable benefit?
- RFP development
- Vendor interaction during proposal preparation phase
- Initial qualification of proposals
- Quantitative analysis of qualified proposals
- Qualitative analysis of qualified proposals
- Participation in finalist presentations
- Final negotiations of financial, performance terms
- Contract preparation, review and finalization
- Support with implementation

Answer 9: These all vary - please see the RFP for details.

**Question 10: To the extent any actuarial services are required as a result of GASB 45, are such services to be considered as outside of the scope of services? If not, please elaborate on the level and timing of services to be provided.**

Answer 10: Yes - a GASB 45 report is outside the scope of this agreement.

**Question 11: Item 11.8 indicates an annual report is to be developed. What is the timing of this report, and what additional reporting (nature and frequency) will the consultant be called upon to prepare.**

Answer 11: The report will be required at the end of the plan year setting rates for health and dental plans and giving the local plan and general marketplace outlook for employee benefits.

**Question 12: To what extent can we expect the meetings referenced in 11.7 to be held concurrently with the meetings with officials/staff referenced in 11.11? In total, what might be the number of on-site meetings that might be expected, on average, during the course of a year?**

Answer 12: At least quarterly.

**Question 13:** Is there a standing employee benefits committee, and if so, to what extent is the consultant expected to attend those meetings? Are these meetings included in your response to item 12?

Answer 13: Yes. They usually attend, and see #12.

**Question 14:** To what extent are commissions in place and to be directed to the selected consultant? Is the incumbent receiving any form of contingent compensation from in-force carriers?

Answer 14: We prefer a flat fee with no commissions. The incumbent is on only a flat fee.

All other terms and conditions to remain unchanged.

Dated this 13<sup>th</sup> day of April, 2007.

Purchasing Department

Vince M. Mejer  
Purchasing Agent

VM/dw