

From: spo
Sent: Monday, June 13, 2011 2:54 PM
To: spo
Subject: SPO ALERT - Focus Group Meeting - New Solicitation of Group Home & Auto Insurance Plan
Attachments: EPS060112-1-A2_SCOPE_OF_WORK__HOME_AND_AUTO.DOC

SPO ALERT

Date: June 13, 2011

To: State Agency Chief Procurement Officers

From: SPO on behalf of the Benefit Services Division

Re: New Solicitation of Group Home & Auto Insurance Plan Contracts / EPS060112-1-A2, EPS060112-2-A2, and EPS060112-3-A2

The Group Home & Auto Insurance Plan Contracts (EPS060112) will be expiring on December 31, 2011. This Contract allows for eligible employees/retirees to purchase insurance for their home or automobile and have the premiums payroll deducted.

The State Procurement Office is inviting procurement officers and end users to participate in a focus group for the development of a new solicitation of the Home & Auto Insurance Program. Please bring any requirements, feedback, questions or comments with you to the meeting.

The meeting will be held on:

- Date: Thursday – June 23, 2011
- Time: 1:30 P.M. - 2:30 P.M.
- Location: ADOA, Benefit Services Training Room – 100 N. 15th Avenue, Suite 103 – BSD Training Room
- Procurement Officer Assigned: Barbara Dull, Barbara.Dull@azdoa.gov, (602) 542-9127

Attached to this notification is the current (EPS060112) Home & Auto Statement of Work for your review. Email comments are also welcomed.

R.S.V.P to Barbara Dull at Barbara.Dull@azdoa.gov by Tuesday, June 21, 2011.

SPO ALERTS are available
online at <http://spo.az.gov>



Solicitation Number: EPS060112
Solicitation Name: HOME AND AUTO INSURANCE
Procurement Officer: KAREN BATTILANA

Document Name: SCOPE OF WORK; HOME AND AUTO

1. BACKGROUND

- 1.1. The Arizona Department of Administration, Human Resources is soliciting proposals for a Group Automobile and Homeowners insurance plan for all eligible employees. Employees shall pay the full cost of the coverage. The effective date of coverage will be October 1, 2006. Coverage for approximately 10,000 retirees may be considered.
- 1.2. The Arizona Department of Administration, ADOA, (Agency) is responsible for administering the Benefit Options Employee Group Insurance Program for all State agencies, universities, boards and commissions. This Program includes group health and dental coverage, life insurance, flexible spending, vision coverage, short-term and long-term disability coverage. The Agency also allows State and University retirees to maintain their health, dental, and vision coverage after they retire.
- 1.3. Eligibility is governed by Arizona Administrative Code R2-5-417. Current eligibility language can be found in Exhibit _____. All eligibility is determined by the Agency, pursuant to A.R.S. §38-651, A.R.S. §38-651.01, A.R.S. §38-782; Arizona Administrative Code R2-5-405, R2-5-412, R2-5-413, R2-5-416, R2-5-418, R2-5-419, and R2-5-420.
- 1.4. A voluntary, employee paid Group Automobile and Homeowners insurance plan has been offered to the University employees for a number of years. University employees represent approximately one-third of the total employee population of 60,000. The successful respondent will offer insurance to all 60,000 eligible State employees, including University employees. The Universities will continue to offer their current Automobile and Homeowners insurance alongside the successful respondent to this solicitation.
- 1.5. Termination; enrollment may be cancelled at any time.

2. GENERAL REQUIREMENTS

- 2.1. The Contractor shall have the capability, requisite experience and expertise to provide a Group Automobile-Homeowners Insurance plan to the Arizona Department of Administration, Human Resources Division (hereinafter referred to as the "Agency") in accordance with the provisions and requirements set forth herein. The Contractor shall understand and agree that no minimum participation is guaranteed under the contract and that the State of Arizona does not guarantee that the Contractor's policy will be utilized to any degree. The Agency shall contract for the benefits as a whole, or any of the various parts listed separately.
- 2.2. The Contractor shall offer coverage to all eligible officers and employees as determined by the Agency. Participation in this program is 100% voluntary. The Contractor shall provide all required services. The Agency will consider offering coverage for retirees, also.
- 2.3. The Contractor shall maintain identical eligibility requirements and continued coverage provisions as the State. The Arizona Department of Administration will be the final authority on employee eligibility.
- 2.4. All services provided shall be quality services, meeting or exceeding the industry standards. The Contractor shall immediately take corrective steps when services do not meet industry standards; that is, standards that are inappropriate, undesirable, and/or poor quality services as identified by the Agency. The resources needed to correct services that do not meet industry and Agency quality standards shall be provided at no additional cost to the Agency.

3. SPECIFIC REQUIREMENTS



- 3.1. The plan shall be a fully insured plan.
- 3.2. The Contractor shall continue to provide coverage for eligible officers and employees on an approved leave of absence, provided the officer or employee continues to pay premiums for the period of approved leave of absence.
- 3.3. The Contractor will be responsible for all aspects of providing the coverage, including but not limited to:
 - 3.3.1. Processing of applications
 - 3.3.2. Underwriting
 - 3.3.3. Local agent enrollment
 - 3.3.4. Local service administration
 - 3.3.5. Local claims administration
- 3.4. As directed by the Agency, the Contractor shall provide services prior to, and during open enrollment for eligible State officers and employees. Such services shall include:
 - 3.4.1. The development and printing of all communication materials (such as benefit booklets) for and employees.
 - 3.4.2. Attendance at and participation in Open Enrollment benefit fairs and meetings.
 - 3.4.3. Preparation/dissemination of plan documents, as appropriate.
- 3.5. The Contractor shall provide brochures and enrollment forms and/or electronic enrollment instructions for inclusion with packets for new hire employee packets. Similar materials shall be available throughout the year on a request basis and through local agent offices.
- 3.6. The Contractor may audit appropriate Agency records to determine the accuracy of the monthly premium deductions. Any discrepancies shall be identified by the Contractor within 90 days after receipt of the payment and such discrepancy shall be submitted in writing to the Agency. Failure to identify a discrepancy within the timeframe stated shall be considered as an acceptance of the Agency's calculations and records.
- 3.7. The Contractor shall provide a toll-free 800-type telephone line for member services and claim inquiries which shall be manned at a minimum from 8:00 a.m. to 5:00 p.m. (MST) Monday through Friday, exclusive of State holidays.
- 3.8. The Contractor shall utilize employee address labels and mailing lists solely for the performance of the duties and tasks related to this contract. The Contractor shall, upon request from the Agency, provide written assurance that said labels and lists shall be considered confidential by the Contractor.
- 3.9. The Contractor shall provide a customized website that will serve employees and agency liaisons and will house all forms, plan descriptions, certificates and brochures.
- 3.10. The contractor may submit an alternative plan. However, alternate plans will only be considered if all primary offers are deemed unacceptable.
- 3.11. Please provide a list of performance guarantees that you feel are most pertinent to the services solicited in this RFP. They should address customer service issues, claims processing and compliance with the requirements outlined in this RFP.
 - 3.11.1. List the method of measurement that you suggest be used in determining performance.



3.11.2. Provide a list of penalties to be assessed for each of the performance guarantees.

3.11.3. Provide your proposed performance standards and penalties in the format below.

Type of Performance Guarantee	Performance Measurement	Type of Penalty	Penalty Amount/Calculation formula
Example: Customer Service Satisfaction	80% rated vendor performance good to excellent (via participant survey)		

4. DATA RECONCILIATION AND TRANSFER REQUIREMENTS

- 4.1. The Contractor will provide file layouts in formats acceptable to each of the four state payroll systems (three separate University payroll systems and the state agency payroll system).
- 4.2. The contractor will create files identifying the employee and the amount of the deduction. Each respective payroll system will create a detail file of the payment and send it back to the insurer for verification. The timing of payments to the insurer will vary with each payroll system.
- 4.3. The Contractor will conform to all file formats determined by the Agency.
- 4.4. Files will be transmitted through an FTP process.
 - 4.4.1. Frequency of data transfer will be mutually agreed upon.
- 4.5. Contractor agrees to provide dedicated staff and will conform to the Agency’s process for data reconciliation, correction of all data discrepancies, and resolution of file error reports.

5. AGENCY PROVIDED SERVICES

- 5.1.1. Review of any draft of the operating document, employee certificate, summary plan description (booklet) or any other communication materials to be sent to the employees prior to printing by the Contractor.
- 5.1.2. Right of final approval/revision of all materials and/or processes.