

REQUEST FOR PROPOSAL

Sealed Price Proposals for the following will be received by the Procurement Manager until 4:00 P.M., Eastern Time, June 9, 2023, and at that time publicly opened in Room 436, City Hall located at 415 Broad Street., Kingsport, TN. All proposals will be considered for award or rejection at a later date.

PROJECT: Long Term Disability (LTD) Insurance

Documents for the above referenced item are available online at kingsporttn.gov/city-services/purchasing. Interested parties may also contact the Procurement Department at (423) 229-9419.

By submission of a signed proposal bid, the bidder certifies total compliance with Title VI and Title VII of the Civil Rights Act of 1964, as amended, and all regulations promulgated thereunder.

No submitted proposals may be withdrawn for a period of one hundred twenty (120) days after the scheduled closing time of the receipt of proposals. All proposals shall be signed, sealed and addressed to the Procurement Manager, City of Kingsport, 415 Broad Street., Kingsport, TN 37660 and marked "Long Term Disability (LTD) Insurance". The City by its governing regulations reserves the right to accept or reject any or all proposals received, to waive any informalities in bidding and to re-advertise.

PUB 1T: 05/31/23

Chris McCartt
City Manager

PROCUREMENT PROCESS

- A. Proposals will be received by the Procurement Manager until 4:00 P.M., Eastern Time on June 9, 2023 at which time it will be publicly opened in Conference Room 436, City Hall, 415 Broad Street, Kingsport, Tennessee.
- B. The Sealed Proposal shall be signed by an authorized representative and the sealed envelope addressed as follows:
 - Procurement Manager
 - City of Kingsport
 - 225 W. Center Street
 - Kingsport, Tennessee 37660
 - Proposal for Long Term Disability (LTD) Insurance
- C. An original hard copy and three (3) additional hard copies of the Proposal are required.
- D. Proposals, modifications, or corrections received after the scheduled closing time of the receipt of Proposals will not be considered. The City of Kingsport is not responsible for delays in delivery by mail, courier, etc.
- E. No submitted Proposal may be withdrawn for a period of one hundred twenty (120) days after the scheduled closing time of the receipt of Proposals.
- F. No oral interpretation will be made to any Proposer as to the meaning of the Proposal Specifications or any part thereof. Each written request for clarification or interpretation shall be made in writing to the City.

NOTE – It is the intent of the City to issue one (1) addendum, if necessary. Written request for clarification and/or interpretation must be submitted via email to the Procurement Manager by the end of the business day, June 6, 2023 and addendum will be issued by 4:00 P.M., Eastern time, on June 7, 2023 and will be available online at <https://www.kingsporttn.gov/city-services/purchasing/>. Written requests for clarification shall be submitted to the Procurement Manager by email to brentmorelock@kingsporttn.gov.

It shall be the Proposer's responsibility to make inquiry as to the addenda issued. Any and all addenda shall become part of the specifications and all Proposers shall be bound by such addenda, whether or not received by Proposer.

General Terms and Conditions

- A. Taxes – The City is exempted from Federal Excise Taxes, State of Tennessee and local sales taxes and Proposer must quote prices which do not include such taxes, unless by law the taxes must be a part of the price. Exemption Certificates will be furnished upon request.
- B. Indemnification – The City of Kingsport, its officers, agents and employees shall be held harmless from liability from any claims, damages and actions of any nature arising from the use of any service and/or materials furnished by the Proposer, provided that such liability is not attributable to negligence on the part of the using agency or failure of the using agency to use the materials in the manner outlined by the Proposer in descriptive literature or specifications submitted with the Proposal. The City will not indemnify the successful Proposer.
- C. Patent Liability – The successful Proposer, at his own expense, will defend any suit which may be brought against the City to the extent that it is based on a claim that the goods furnished through a contract/agreement infringes a United States patent, and in any such suit will pay those costs and damages which are attributable to such claims and finally awarded against the City.

- D. Limitation of Remedies – Any remedies in the Proposer’s Proposal, to include Agreement, License Product Agreement, Terms and Conditions, Literature, etc., that may be considered in agreement to waive the legal rights of the citizens of the City of Kingsport may be considered cause for rejection.
- E. All agreements related to the purchase and sale of any product pursuant to this bid document will include the following conditions: "Notwithstanding anything in this section to the contrary, any provision of provisions of this Section will not apply to the extent they are (it is) finally determined by a court of competent jurisdiction, including Appellate review if pursued, to violate the laws or Constitution of the State of Tennessee."
- F. Insurance – During any work performed by the successful Proposer(s) on the premises of the City or otherwise, the successful Proposer(s) agrees to take such measures as to effectually prevent any accident to persons or property during or in connection with the work; and especially to indemnify and save harmless the City from all loss, costs, damages, expense and liability for property damage and for bodily injuries to, or death of, any persons, including without limitation, as to both property damage and bodily injury, and the Proposer and the City and their representative agents and employees, occasioned in any way by the acts or omissions of the Proposer, or the Proposer’s agents, employees, during or in connection with said work, excepting only property damage, bodily injury or death caused by the sole negligence of the City, its agents or employees.

The successful Proposer shall maintain such insurance as will protect it from claims under Workers’ Compensation Acts and from any claims for bodily injuries, including death, either to its employees or others, and from all claims on account of property damage, which may arise in connection from said work.

All Certificates of insurance and policies shall contain the following clause: "The insurance covered by this Certificate will not be canceled or materially altered, except after thirty (30) days written notice has been received by the City."

Insurance required with a minimum of One Million Dollars (\$1,000,000.00) limits are Comprehensive General Public and Professional Liability, Comprehensive Automobile Liability and Owner’s Liability. Malpractice Insurance is required with a minimum limit of One Million Dollars (\$1,000,000.00) per occurrence, Five Million Dollars (\$5,000,000.00) aggregate.

This requirement will be effective for the life of any contract/agreement entered into by the Proposer and the City.

- G. F.O.B. – All prices will be quoted F.O.B. Kingsport, Tennessee, delivery to City of Kingsport’s location shall be without additional charge.
- H. By submission of a signed Proposal, the Proposer certifies total compliance with Title VI and Title VII of the Civil Rights Act of 1964, as amended, and all regulations promulgated thereunder.
- I. Contracts and purchases will be made or entered into with the lowest, responsible, compliant Proposer meeting specifications for the particular grade or class of material, work or service desired in the best interest and advantage to the City of Kingsport. Responsible Proposer is defined as a Proposer whose reputation, past performance, and business and financial capabilities are such that he would be judged by the appropriate City authority to be capable of satisfying the City’s needs for a specific contract or purchase order.
- J. The City reserves the right to determine the low Proposer either on the basis of the individual items or on the basis of all items included in its Request for Proposal, unless otherwise expressly provided in the Request for Proposal. The City reserves the right to accept any item or group of items of any kind and to modify or cancel in whole or in part, its Request for Proposal.

- K. All contracts or purchase orders issued for this award will be governed by the laws of the State of Tennessee. Arbitration is not permitted and if a dispute arises between the parties concerning any aspect of the contract or purchase order and it cannot be resolved by mutual agreement, any party may resort to resolution of the dispute by litigation in the state or federal courts for Kingsport, Sullivan County, Tennessee. The parties waive their right to a jury trial. Mandatory and exclusive venue and jurisdiction for any disputes shall be in state or federal courts for Kingsport, Sullivan County, Tennessee.
- L. The City, in accordance with its governing directives, reserves the right to reject any and all Proposals, to waive any informality or irregularities in Proposals and unless otherwise specified by the Proposer, to accept any item.
- M. All contracts, purchase orders, and any documents or material obtained by the City may be subject to disclosure in whole or in part pursuant to the Tennessee Open Records Act set out in T.C.A. 10-7-503 et seq. without regard to any provision contained in the document declaring information confidential.
- N. All contracts or purchase orders will include a provision that is not assignable by the Proposer without the written consent of the City.

O. CONFLICT OF INTEREST:

1. No Board Member or officer of the City of Kingsport or other person whose duty it is to vote for, let out, overlook or in any manner superintend any of the work for the City of Kingsport has a direct interest in the award of the vendor providing goods or services.
2. No employee, officer or agent of the grantee or sub-grantee will participate in selection, or in the award or administration of an award supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, any member of their immediate family, his or her partner, or an organization, which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.
3. The grantee's or sub-grantees officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from vendors, potential vendors, or parties to sub-agreements.
4. Do you or any officers/part-owners/stake-holders/employees of this company have any relative(s) (relatives include spouse, children, stepchildren or any to whom you are related by blood or marriage) that are currently employed by the City of Kingsport, Tennessee, including the Kingsport City School System or serve on the Kingsport Board of Mayor and Aldermen or the Kingsport Board of Education?
 Yes No

If you answered yes please state the name and relationship of the employee or member of the Kingsport Board of Mayor and Aldermen or Kingsport Board of Education member

5. Are you or any officers/part-owners/stake-holders/employees of this company also employees of the City of Kingsport, including the Kingsport City School System or serve on the Kingsport Board of Mayor and Aldermen or Kingsport Board of Education? Yes No

If you answered yes please state the name of the employee or board member

6. By submission of this form, the vendor is certifying that no conflicts of interest exist.
- P. DRUG FREE WORKPLACE REQUIREMENTS:
1. Private employers with five or more employees desiring to contract for construction services attest that they have a drug free workplace program in effect in accordance with TCA 50-9-112.
- Q. ELIGIBILITY:
1. The vendor is eligible for employment on public contracts because no convictions or guilty pleas or pleas of nolo contendere to violations of the Sherman Anti-Trust Act, mail fraud or state criminal violations with an award from the State of Tennessee or any political subdivision thereof have occurred.
- R. GENERAL:
1. Vendor fully understands the preparation and contents of the attached offer and of all pertinent circumstances respecting such offer.
 2. Such offer is genuine and is not a collusive or sham offer.
- S. IRAN DIVESTMENT ACT:
1. Concerning the Iran Divestment Act (TCA 12-12-101 et seq.), by submission of this bid/quote/proposal, each vendor and each person signing on behalf of any vendor certifies, and in the case of a joint bid/quote/proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each vendor is not on the list created pursuant to § 12-12-106.
- T. NON-COLLUSION:
1. Neither the said vendor nor any of its officers, partners, owners, agents, representatives, employees or parties interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any other responder, firm, or person to submit a collusive or sham offer in connection with the award or agreement for which the attached offer has been submitted or to refrain from making an offer in connection with such award or agreement, or collusion or communication or conference with any other firm, or, to fix any overhead, profit, or cost element of the offer price or the offer price of any other firm, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against the City of Kingsport or any person interested in the proposed award or agreement.
 2. The price or prices quoted in the attached offer are fair, proper and not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the firm or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.
- U. BACKGROUND CHECK REQUIREMENT FOR SCHOOL SYSTEM SUPPLIERS:
3. In submitting this bid/quote/proposal, you are certifying that you are aware of the requirements imposed by TCA § 49-5-413 (d) to conduct criminal background checks through the Tennessee Bureau of Investigation and the Federal Bureau of Investigation on yourself and any of your employees who may come in direct contact with students or who may come on or about school property anytime students are present. You are further certifying that at no time will you ever permit any individual who has committed a sexual offense or who is a registered sex offender to come in direct contact with children or to come on or about school property while students are present.

I. Statement of Intent

The City of Kingsport is requesting proposals to provide Long Term Disability (LTD) insurance to eligible employees. The listed specifications are the basis for a contract which will be effective July 1, 2023. The City intends to award the contract for a period of three (3) years with two (2) optional one-year renewals which would contain the same terms and conditions upon mutual consent of both the City and Vendor.

II. RFP Time-Line

Availability of RFP	May 31, 2023
Deadline for questions to be submitted	June 6, 2023
Proposal Due Date	June 9, 2023

Time-line dates are subject to change. However, under no circumstances shall the deadline for submission be changed, unless provided in writing by the Procurement Manager.

III. Background

The City of Kingsport's current LTD policy includes both the City of Kingsport and Kingsport Public Schools. The current headcount for each group is City: 758 eligible with 589 enrolled, and Schools: 1,032 eligible with 597 enrolled.

The number of employees fluctuates from month to month with new hires and terminations.

IV. Eligibility

All active full-time employees who work at least 30 hours per week are eligible to elect coverage.

New employees are eligible to participate on the 1st day of the month following 30 days of employment.

V. Special Conditions

1. The City of Kingsport will award the contract effective July 1, 2023.
2. Quoted rates are net of commissions, no fees or commissions are payable to any external third party.
3. Employees who are on an approved leave of absence due to injury or illness will continue to be covered under the City's LTD coverage. The city will continue to pay its share of the premium for such coverage and will collect the employee's portion of premium payment.
4. All coverage is self-billed. The city will report the numbers of employees covered prior to the beginning of each month and remit the appropriate payment amount.

5. A 90-day notice will be provided to the city prior to the cancellation, termination or change in any contract provision.
6. No loss, no gain will apply to all employees covered under the prior carrier's LTD plan. The contract must contain a continuity of coverage provision which assures that no employee will be negatively impacted by a change in carrier.

VI. Questionnaire

1. Does your submitted proposal comply with each of the Special Conditions stated in Section V?

If no, indicate the condition number and provide an explanation.
2. Please provide a sample LTD policy for the coverage proposed.
3. Provide the following information.
 - a. Number of years your company has been in business.
 - b. Number of years your company has written LTD coverage
4. Briefly summarize your current operations for the following:
 - a. Your premium volume and number of accounts in group LTD insurance.
 - b. Percentage of this business in the State of Tennessee.
5. Provide your three largest current LTD public sector clients, including their name and phone number of a contact person who is qualified to judge your firm's service level.
6. Provide the name, location, qualifications, and length of service with your firm of the staff who will be assigned primary responsibility for servicing our account.
7. Will you provide a toll-free customer service number for claim and benefit inquiries? If so, what hours and days are live representative available?
8. Will our account have a dedicated account representative that we can contact for any eligibility, billing, or claim issues?
9. How does an employee apply for evidence of insurability, paper or electronically?
10. If electronically, can the link to apply be house in our Benefits Software platform?
11. How long does it take to approve or deny evidence of insurability questions? Provide your firm's performance standard for timely processing of EOI forms.
12. What type of reporting would be provided to the city to monitor the status of EOI forms?
13. How will you notify the city of your decision regarding an EOI form?
14. How will you notify the employee of your decision?

15. What is the average length of time to process once notified of an LTD approval for waiver of premiums?
16. What are the best practices for initiating LTD claims?
17. Are waiver of premium applicants notified annually regarding required actions to continue their waiver?
18. Describe what reports you provide and the frequency.
19. Describe your company's monthly billing procedure.
20. Describe the process for filing an LTD claim.
21. Are employees able to access a web portal to view the status of their claim?
22. What services are provided in connection with the preparation of Federal and State tax reporting and employee W2 reporting?
23. Who pays applicable FICA taxes if due on any LTD claim paid?
24. Describe the process for LTD claim disputes. How much information will you provide the city in trying to resolve disputed claims?
25. What type of employee communication is available which describes and summarizes the LTD coverage your company will provide? Provide a sample.
26. Describe the process for determining whether an employee is disabled. Include expected time periods.
27. What procedures are in place for determining borderline claims and eliminating fraud?