



County of El Paso Purchasing Department  
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ADDENDUM 1

To: All Interested Proposers

From: Lucy Balderama, Administrative Assistant

Date: February 2, 2007

Subject: Bid# 07-005, Consultation, and/or Actuarial Services of Health & Dental Benefits for the County of El Paso

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For the ADDENDUM to Add requirements to the Bid:

Consultant is required to prepare, or coordinate by means of contract, an actuarial analysis of the County's liability under the Governmental Accounting Standards Board (GASB) pronouncement 45. This analysis is required to be performed every two years from the original calculation date of July 1, 2006.

The Purchasing Department received questions relating to the above referenced proposal.

1. Why are the consulting and actuarial services being bid at this time? Is it a mandatory bid or is there another reason?

End of term with prior consultant.

2. Who is the incumbent consulting and/or actuarial firm? How long has their current contract(s) been in effect?

Randy McGraw, Crest Benefits, Inc., Since 2000.

3. What has the County budgeted for the required services for 2007?

Budget Based on Lowest Responsible Bid.

4. What has your current consultant and/or actuary been paid for the past two contract years?

2005      Consultant \$33,973, Actuary \$5,000  
2006      Bill Pending

5. Are the services being sought in this RFP consistent with those provided each of the past two years?

Yes

6. Is the County interested in only a fee proposal or are commissions allowed? Which approach is preferred and why? What is the current compensation arrangement?

The County of El Paso is only interested in a fee proposal. No commissions allowed. We believe that commissions would create a conflict of interest. Currently the contract is fee based.

7. Regarding the scope of service relating to developing RFPs for the County, are these for insured coverages only? What coverages do you expect to bid during the next two years?

RFP's are primarily for insured coverage, but may include other health related products and services, such as EAP, on-site clinic services, etc. The County of El Paso may bid out EAP, Stop Loss, Life, Vision, TPA for Health Plan, Provider Network, PBM, LTD, Section 125 Flexible Spending Accounts.

8. How many onsite meetings will the consultant be expected to attend per year? For non-critical meetings, will scheduled conference calls be acceptable?

The County of El Paso has monthly meetings of the County Risk Pool Board of which consultant must attend. During the budget process (a three month period), there are various meetings held with the Risk Pool Board and Commissioners Court which the consultant will be required to attend. The schedule of those meetings varies and may require 24 hour notice. On-call mandatory meetings do occur and require the consultant to be available on short notice. Non-critical conference calls with County staff members are acceptable.

9. What claims/experience/financial reports are required and at what frequency?

Review of claims/experience and financial reports are provided monthly to the Risk Pool Board.

10. Regarding the claim audit requirement, how frequently will audits be required? What sample size and statistical validity are required? What lines of coverage are to be audited?

The audit will be coordinated with the County Auditor's Office – Internal Audit Division. This requirement is for assistance by the consultant to the County Auditor. The audit is yearly of the Health and Life Fund and our TPA.

11. Please clarify the reason for requiring a 5% cashier's check or bid bond for proposals exceeding \$100,000 at the time of submission of a proposal to do work. We are not familiar with this type of requirement. Is it necessary for these types of services? .

See #12

12. How will the County handle this money (1) during the bidding process; and (2) after the bidding process is finished, will it be automatically refunded? Will It be reimbursed after the consultant's first invoice is submitted ?

The County of El Paso requires bonds on all proposals. \*JOE PLEASE COMPLETE THIS ANSWER\*

13. How long have you used your current consultant, and for what reason(s) is the County taking these consulting services out for bid?

See #1 and #2

14. Can you give us an idea of the County's current annual budget for benefits consulting services?

See #3

15. For what insurance services or administrative services does the County anticipate going to bid during the first year of the consulting contract?

See #7

16. Could you clarify the meaning of Item # 10, under General Contract Conditions, in particular the statement that "the County reserves the right to accept a guarantee of less than the maximum fee if it is in the County's best interest".

17. I represent a consortium of providers that is capable of providing all of the requested services. However, we cannot represent recent public sector experience or references. Our experience is primarily private sector for most of your service categories. Please advise if you would consider our proposal in spite of this shortcoming.

We will consider all proposals and measure each applicant's capacity to deliver services in the public sector environment.

18. I noticed that your self-funded plans cover retirees, and your RFP does not mention actuarial valuation of the OPES liabilities under GASB 45. Will you be issuing a separate RFP for those services?

We will not issue a separate RFP for these services. We are adding an addendum to this RFP requesting a response from the vendor to detail how they would provide a qualified actuarial valuation as required by GASB 45 every two years.