



ADDENDUM NO. 1

Issue Date: March 21, 2022

Project Name: EMPLOYEE BENEFITS CONSULTANT/BROKER/ACTUARIAL SERVICES

RFP Number: 2022043

RFP Opening Date: April 1, 2022

This addendum is being released to answer questions received to date and to modify the RFP documents.

The information and documents contained in this addendum are hereby incorporated in the request for proposals. **This addendum must be acknowledged where indicated on the firm information form, or the RFP may be declared non-responsive.**

Modifications to RFP Documents

Modify paragraph on page 2 as follows: Receipt of one original and ~~five (5)~~ three (3) copies of proposals by the Purchasing Division, 1800 27th Street, Building B, Vero Beach, Florida 32960 must occur by 2:00 p.m. on Friday, April 1, 2022.

Attachments

Lockton Consulting Services Agreement

Questions and Answers

1. There is a difference in the noted requirements on Page 1, 2, and 10 in terms of the number of copies, notation as original. Please clarify. **Please see modifications above.**
2. Please confirm that the electronic proposal may be submitted via email and does not have to be provided on a CD or USB storage device. **Per submittal instructions on page 10, "... one electronic copy as a single pdf, submitted on USB drive, CD or delivered by email to purchasing@ircgov.com prior to the opening date and time."**
3. Who is the County's current consultant/broker? **Current broker/consultant is Lockton Companies.**
4. What is the current consultant/broker fee? If not a flat fee, what is the current commission structure? **Please see attachment.**
5. What firm currently provides actuarial services for the County? **Lockton provides actuarial services.**

Addendum 1

6. Does the County utilize a benefits administration platform? If so, which platform? **The County utilizes benefits express. This platform is used by a total of 6 different agencies who are enrolled in the health plan (Tax Collector, Sheriff, Clerk of Court, Property Appraiser, Supervisor of Elections, BOCC).**
7. Does the County pay for the platform or is it included in the broker/consultant fee? **The County pays for this platform.**

**CONSULTING SERVICES AGREEMENT
INDIAN RIVER COUNTY BOARD OF COUNTY
COMMISSIONERS (COUNTY)
and
SOUTHEAST SERIES OF
LOCKTON[®] COMPANIES, LLC**

The "Agreement" made and entered into effective as of this 1st day of October, 2017, (the "Effective Date") by and between Indian River County Board of County Commissioners (County), FL, having offices at 1800 27th Street, Vero Beach, FL 32960 (hereinafter referred to as "Client"), and Southeast Series of Lockton Companies, LLC, having offices at 3601 SW 160th Avenue, Suite 200, Miramar, FL 33027 (hereinafter referred to as "Lockton").

Client wishes to procure certain services that can be performed by Lockton; and Lockton can provide and desires to render to Client such services; and

The parties agree that it would be to their mutual advantage to execute this Agreement and to define the terms and conditions that shall control the rendering of services provided to Client by Lockton.

Now, therefore, in consideration of the foregoing recitals, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

I. Service Period

This Agreement will be in effect from the Effective Date above through September 30, 2022 unless earlier terminated in accordance with the provisions of the Agreement.

II. Service Compensation

A. All consulting and/or insurance services provided by Lockton as set forth in Addendum A will be performed for an annualized fee of \$89,500 net of commissions plus any agreed upon commission for any newly placed benefits and, as applicable, other compensation set forth below. Client acknowledges that,

except as otherwise provided herein, this fee may be in addition to certain incentive compensation including contingency payments, bonuses, overrides and/or prizes and awards which Lockton may receive as a result of being Client's insurance broker, as well as base and/or supplemental commissions or other commission-like payments from insurance companies, other intermediaries or other third parties (collectively, "Additional Compensation"). Client consents and agrees to Lockton's ability to receive such Additional Compensation under all circumstances.

- B. The fee will be paid on a quarterly basis.
- C. Payment of all invoices submitted under this Agreement will be made within thirty (30) days of receipt of invoice. Client grants Lockton a right to setoff any amounts Lockton owes to Client against any unpaid fees Client owes to Lockton.
- D. The obligations of the Client under this Agreement are subject to the availability of funds lawfully appropriated for its purpose by the Board of County Commissioners.

III. Services

- A. It is hereby understood and agreed that in consideration of the compensation set forth above, Lockton will provide the consulting services outlined in Addendum A, which is attached to and made part of this Agreement.
- B. It is further agreed that other risk management services may be undertaken that are outside the foregoing scope of services by mutual consent, which consent may be provided that it is acknowledged in writing by either or both of the parties. Amendments may be made to this Agreement as deemed appropriate by both parties.
- C. When in Lockton's professional judgment it is necessary or appropriate, Lockton may utilize the services of intermediaries or other appropriate outside vendors to assist in the servicing and marketing of Client's employee benefit programs.

However, this may only be done after consultation with and prior written approval by Client. Such intermediaries may or may not be affiliates of Lockton. Lockton will advise Client whether any such intermediary is an affiliate of Lockton. Under all circumstances, any and all compensation earned by any intermediary or outside vendor may be in addition to the compensation paid to Lockton as described herein. Client will not be responsible for compensating an intermediary or outside vendor, unless Client has provided prior written approval of such compensation.

IV. Termination of Services

Client or Lockton may terminate this Agreement at any time with 90 days' written notice to the other party. Should Client terminate or designate a broker other than Lockton as its broker of record at any time subsequent to the date of this Agreement, Lockton shall immediately cease providing services under this Agreement and will assist in the transition to a new broker/consultant. In such event, Lockton shall bill Client for the services provided up to the effective date of termination on a pro rata basis in accordance with the compensation terms of this Agreement. Lockton shall also be entitled to receive all commission income earned up to the effective date of termination.

V. Additional Obligations of Client/Confidentiality

- A. Client shall provide Lockton with reasonable cooperation and assistance necessary for Lockton to fulfill its responsibilities to Client pursuant to the terms of this Agreement, including, without limitations, copies of all documents reasonably requested by Lockton and the cooperation of and access to certain of Client's personnel.
- B. Lockton acknowledges that the nature of its relationship with Client is one in which Client shall entrust Lockton as the custodian of certain of Client's information, some of which may be of a confidential or proprietary nature. Lockton shall undertake all reasonable efforts to maintain the integrity of all of Client's information, whether or not such information is confidential or proprietary. The responsibility to maintain any confidential documents or records survives the termination of this Agreement.

VI. General Conditions

- A. Neither party shall assign the rights nor duties herein set forth without the prior written consent of the other party. The terms and conditions of this Agreement constitute the entire Agreement between the parties with respect to the subject matter hereof. Subject to the provisions of Section III.B., this Agreement shall not be amended except by a written amendment signed by both parties, and no promises, agreement, or representations not herein set forth shall be of any force or effect between them. This Agreement shall serve to terminate and supersede all agreements and undertakings heretofore entered into between the parties on subjects covered by this Agreement.
- B. Lockton shall indemnify, defend, and hold Client, its Commissioners, directors, officers, employees, agents, and representatives harmless from and against any and all claims, damages, losses, or expenses (including such parties' reasonable attorney, accountant, and expert witness fees and costs) incurred by Client as the result of (i) a material breach by Lockton of any of its obligations under this Agreement or (ii) any willful or negligent conduct of Lockton.
- C. Any communication or notice required or which may be given hereunder shall be addressed to Client and to Lockton at their addresses set forth in the preamble hereof.
- D. This Agreement shall be governed for all purposes by the laws of the state of Florida. Venue for any dispute will be in Indian River County, and if jurisdiction is in Federal Court, the Southern District of Florida.
- E. Nothing herein shall constitute a waiver of the Client's sovereign immunity.

VII. Public Records Compliance

- A. Indian River County is a public agency subject to Chapter 119, Florida Statutes. The Contractor shall comply with Florida's Public Records Law. Specifically, the Contractor shall:
 - (1) Keep and maintain public records required by the County to perform the service.
 - (2) Upon request from the County's Custodian of Public Records, provide the County

with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119 or as otherwise provided by law.

- (3) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the contractor does not transfer the records to the County.
- (4) Upon completion of the contract, transfer, at no cost, to the County all public records in possession of the Contractor or keep and maintain public records required by the County to perform the service. If the Contractor transfers all public records to the County upon completion of the contract, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the contractor keeps and maintains public records upon completion of the contract, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the County, upon request from the Custodian of Public Records, in a format that is compatible with the information technology systems of the County.

B. IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT:

(772) 226-1424

publicrecords@ircgov.com

Indian River County Office of the County Attorney

1801 27th Street

Vero Beach, FL 32960

C. Failure of the Contractor to comply with these requirements shall be a material breach of this Agreement.

In witness whereof, the parties hereto have executed the Agreement in duplicate intending each copy to serve as an original as of the day and year first written above.

SOUTHEAST SERIES OF LOCKTON COMPANIES, LLC

BY: Michael R. Meredith DATE: 8/15/17
Mike Meredith, Executive Vice President

INDIAN RIVER COUNTY BOARD OF COUNTY COMMISSIONERS

BY: Joseph E. Flescher DATE: August 15, 2017
Chairman, Joseph E. Flescher
Board of County Commissioners



APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

WITNESSED BY: Jeffrey R. Smith, Clerk of Court
and Comptroller

BY: [Signature]
BYLAN REINGOLD
COUNTY ATTORNEY

BY: [Signature]
Deputy Clerk

[Signature]
Jason E. Brown
County Administrator

Addendum A- Consulting Agreement Services

Standard Services	Typical Frequency	Cost
Health and Welfare Program Assessment and Strategic Planning		
❖ Conduct Health and Welfare Program Assessment to establish short- and long-term benefit plan objectives, including benefits offered, plan design, employee/employer cost sharing, role of voluntary benefits, etc.	Annually	Included in fee
❖ Review possible future program modifications and financial impact to complement the Client's objectives	Annually	Included in fee
❖ Develop and monitor strategic plan, with emphasis on benefits offered, plan design, total cost, and employee contributions	Annually	Included in fee
❖ Analyze relevant normative data to ensure the Client is within its desired range	Annually	Included in fee
Renewal and Marketing		
❖ Coordinate renewal activities with all carriers/administrators	Annually	Included in fee
❖ Quantify financial impact of renewal; negotiate variance between renewal and Lockton projections	Annually	Included in fee
❖ Prepare and present detailed renewal report, including Lockton recommendations	Annually	Included in fee
❖ Prepare and distribute Request for Proposal if marketing is necessary	As needed	Included in fee
❖ Direct and coordinate marketing process and carrier data requests	As needed	Included in fee
❖ Prepare and present Marketing Report, detailing current and proposed costs, provider networks, service capabilities, plan designs, vendor evaluations, etc.	As needed	Included in fee
❖ Prepare and submit Executive Summary of final recommendations, including marginal cost analysis associated with program changes and/or price changes	As needed	Included in fee
Claims Experience/Financial Analysis		
❖ Prepare paid claims analysis, detailing paid claims, projected claims, plan enrollment, and large claimants; including monthly and quarterly claims reporting with weekly high and emerging claims reporting	Monthly	Included in fee
❖ Prepare preliminary renewal projection based on claims analysis	Semi-annually	Included in fee
❖ Prepare claims management report, detailing claims paid by type of service, diagnostic category, in- vs. out-of-network, brand drug vs. generic drug utilization, etc. (based on carrier reporting capabilities)	Annually	Included in fee
❖ Analyze claims history to determine most appropriate method of medical and/or dental financing (e.g. fully insured, self-insured, minimum premium, etc.)	Annually	Included in fee
Health Risk Management Services		
❖ Develop wellness/intervention and disease management program to help mitigate future claims with assistance from Lockton's Medical Director and Director of Health Risk Management	As needed	Lockton services included in fee; outside services, if needed, provided at Lockton preferred vendor cost
❖ Identify claims trends with Lockton's physician guidance	Annually	Included in fee

Addendum A- Consulting Agreement Services

Standard Services	Typical Frequency	Cost
❖ Interact with carrier or outsourced disease management firm using Infolock claims analytics tool when available to aggressively pursue identified high-risk claimants	As needed	Lockton services included in fee; outside services, if needed, provided at Lockton preferred vendor cost
❖ Monitor Health Risk Management program results to ensure objectives are met; modify as appropriate	As needed	Included in fee
Compliance Services		
❖ Access to Lockton's in-house Compliance Department for assistance with:		
➢ ERISA and state insurance law; COBRA and HIPAA; Title VII, FMLA, and USERRA; Tax Code welfare; Tax Code retirement	Daily	Included in fee
➢ Legislation affecting benefit program	Daily	Included in fee
➢ ERISA requirements via "ERISA Calendar"	Annually and updates	Included in fee
➢ Document preparation and review	As needed	Included in fee
➢ Compliance audits and reporting	As needed	Included in fee
❖ Other services include online seminars and workshops, compliance newsletters, and newflashes/alerts delivered via e-mail	Timely	Included in fee
❖ Coordinate gathering of Schedule A reports to facilitate preparation of Form 5500, if applicable	Annually	Included in fee
❖ Prepare signature-ready Form 5500, if applicable	Annually	Included in fee
Actuarial Services		
❖ Provide comprehensive actuarial services, including:		
➢ IBNR reserve certification for Medical, RX, and Dental	As needed	Included in fee
➢ Actuarial valuation of benefit plan design changes	As needed	Included in fee
➢ Comparison of provider network reimbursement levels by network	As needed	Included in fee
➢ Medicare Part D actuarial attestation	As needed	Included in fee
➢ Medicare Part D claims submission	As needed	Included in fee
➢ COBRA rate certification	As needed	Included in fee
➢ Analysis of funding options (fully insured vs. self-insured)	As needed	Included in fee
➢ Detailed analysis of claims data to identify problem areas, estimate impact of plan changes, project enrollment for multi-option plans, etc.	As needed	Included in fee
❖ F.S. 112.08 filing with the FL Office of Insurance Regulation (OIR)		
❖ GASB 45 / FAS 106 Analysis	As needed	Included in fee
❖ Stop loss analysis; including,		
➢ Analysis of the difference in risk between various stop loss levels	As needed	Included in fee
➢ Estimate of expected number and dollar of claims above the specific stop loss deductible	As needed	Included in fee

Addendum A- Consulting Agreement Services

Standard Services	Typical Frequency	Cost
<ul style="list-style-type: none"> ➤ Probability that aggregate claims will exceed various levels ❖ Multi-option plan modeling, including cost projections, employee contribution strategies, and enrollment migration estimates 	<ul style="list-style-type: none"> As needed As needed 	<ul style="list-style-type: none"> Included in fee Included in fee
Human Resources Consulting Services		
❖ Access to Lockton's HR Consultant for assistance with the following:		
➤ Benefits and compensation	As needed	Included in fee
➤ Compliance and employment law	As needed	Included in fee
➤ HR management	As needed	Included in fee
➤ HR technology / Outsourcing Services	As needed	Included in fee
➤ Mergers and acquisition integration	As needed	Included in fee
➤ Organization change management and development	As needed	Included in fee
➤ Outsourcing	As needed	Included in fee
➤ Performance management	As needed	Included in fee
➤ Policies, standard operating procedures, and handbook development	As needed	Included in fee
➤ Recruitment and retention	As needed	Included in fee
➤ Training and development	As needed	Included in fee
Employee Communication and Implementation Activities		
❖ Develop basic written and visual employee communication materials (i.e., overview, overheads, bulletins, etc.)	Annually	Included in fee
❖ Coordinate and participate in annual enrollment process	Annually	Included in fee
❖ Manage carrier participation in annual enrollment process	Annually	Included in fee
❖ Develop periodic benefit-related newsletter articles	As needed	Included in fee
❖ Coordinate preparation of annual benefit statements	As needed	Additional cost—TBD
❖ Develop and administer online employee survey	As needed	Additional cost—TBD
Routine Service		
❖ Provide assistance in resolving carrier service issues (i.e., claims, billing, etc.)	Daily	Included in fee
❖ Unlimited availability to assist with various human resource issues, including benefit- and legal-related concerns	Daily	Included in fee
❖ Coordinate and attend service meetings with the Client, Lockton, and select carrier representatives	Quarterly	Included in fee
❖ Coordinate research on benefit-related legal issues with Compliance team	As needed	Included in fee
❖ Review plan documents, summary plan descriptions, contracts, and other benefit-related documents	As needed	Included in fee
Optional Services		
❖ Develop customized employee communication materials	As needed	Additional cost—TBD

Addendum A- Consulting Agreement Services

Standard Services	Typical Frequency	Cost
Optional Services Continued		
❖ Implement Web-based benefit communication system/enrollment system	Annually	Additional cost—TBD
❖ Prepare annual benefit statements	Annually	Additional cost—TBD
Technology & Outsourcing Services		
❖ Provide situational analysis of current HR, Payroll, Benefits, and/or Time technology & processes and review of current contract(s)	As needed	Additional cost—TBD*
❖ Facilitate vendor selection process for HR, Payroll, Benefits, and/or Time technology and services	As needed	Additional cost—TBD*
❖ Provide implementation oversight to HR, Payroll, Benefits, and/or Time technology implementation projects	As needed	Additional cost—TBD*
❖ Provide ongoing governance of HR, Payroll, Benefits, and/or Time technology contracts/service level agreements	As needed	Additional cost—TBD*

*Technology and Outsourcing – Preliminary 20 hours provided at no cost