

# **EMERALD COAST UTILITIES AUTHORITY**

## **REQUEST FOR PROPOSALS FOR FLEXIBLE BENEFITS PLAN ADMINISTRATION SERVICES**

**RFP #2012-16**

**PROPOSALS DUE  
2:00 P.M., CENTRAL TIME  
TUESDAY, OCTOBER 30, 2012**

**HUMAN RESOURCES & ADMINISTRATIVE SERVICES DEPARTMENT, ECUA  
SIVER INSURANCE CONSULTANTS  
OCTOBER 2012**

October 2012

## **NOTICE TO PROPOSERS**

This is a Request for Proposals for Flexible Benefits Plan Administration Services for the Emerald Coast Utilities Authority.

Background data is provided with the intent of making your job easier and your proposal readily comparable with proposals of others.

Alternative proposals will be considered.

Compliance with the requests, especially the Proposal Summary format, is required to be responsive. Deviations from services requested or alternative proposals can be indicated on the Proposal Summary Forms and by attached supplements.

Details to request an electronic copy of the Request for Proposals and the Proposal Summary Forms are provided in the "Information Provided/Additional Information" section of the Request for Proposals.

Every effort will be made to fairly evaluate your proposal(s).

Lydia Fortin  
Human Resources Manager, SPHR  
Human Resources and Administrative Services

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**GENERAL INFORMATION  
EMERALD COAST UTILITIES AUTHORITY**

**REQUEST FOR FLEXIBLE BENEFITS PLAN ADMINISTRATION SERVICES**

Proposals to provide flexible benefits plan administration services are requested by Emerald Coast Utilities Authority (ECUA hereafter) for employees, elected officials and their dependents.

**PROFILE OF EMERALD COAST UTILITIES AUTHORITY**

The ECUA is located in northwest Florida, in Pensacola, and was established October 1, 1981, in a consolidation of water and sewer utility operations of the City of Pensacola and Escambia County. A refuse collection operation was added in 1994. There are 512 active employees, with a total annual salary amount of \$25,377,000.

The current plan administrator is WageWorks, Inc. The current rates are:

Debit Card Participant Service (per participant, per month)	\$5.25
Monthly Compliance Service (per employer, per month)	\$50.00

**PROPOSAL DUE DATE**

Complete proposals (including completion of Proposal Summary Forms, submission of sample materials and administration contracts, etc.) are to be delivered in one (1) paper original and three (3) paper copies (a total of four) along with one (1) CD-ROM of the complete proposal and must be received by 2:00 p.m. local time (Central Standard Time) on October 30, 2012 at which time proposals will be publicly opened. The CD-ROM must contain your submission in Microsoft Word, and all proposal attachments in the appropriate format, Microsoft Word and/or Microsoft Excel as indicated, should be included on the CD.

Proposals shall be sealed and marked "Proposal for Flexible Benefits Plan Administration Services - RFP #2012-16". If proposals are mailed, it is suggested that proposers request the delivering agency to provide a record of their delivery. Proposals received after the established deadline will not be considered. **FAXED PROPOSALS WILL NOT BE ACCEPTED.**

Proposals should be valid until January 1, 2013 plan implementation and should be mailed to the Purchasing and Stores Manager, Emerald Coast Utilities Authority, P. O. Box 15311, Pensacola, Florida 32514, or delivered to ECUA's Purchasing and Stores Manager, Emergency Operations Support Addition, 2<sup>nd</sup> Floor, Purchasing Office, at 9255 Sturdevant Street (Ellyson Industrial Park), Pensacola, Florida 32514, (850) 969-6529. Any proposal received after 2:00 p.m. local time (Central Time), October 30, 2012 will not be considered and will be returned unopened.

Although independent consultation on this Request for Proposals was provided by Siver Insurance Consultants, proposers are not to submit proposals through or to Siver Insurance

Consultants. They are to go directly to the ECUA in accordance with the preceding instructions. All proposals will be publicly opened at 2:00 p.m., Central Standard Time, or soon thereafter, on Tuesday, October 30, 2012, at the Finance Conference Room (#2202), at the ECUA's Emergency Operations Support Addition, 9255 Sturdevant Street (Ellyson Industrial Park), Pensacola.

### **INFORMATION PROVIDED/ADDITIONAL INFORMATION**

This information is provided to facilitate proposals. Much effort was made to provide necessary and accurate information when this RFP was prepared, but ECUA is not to be penalized for any lack of completeness. Accuracy of this data is not guaranteed. It is the sole responsibility of proposers to assure that they have all information necessary for submission of their proposals.

Requests for additional information or clarifications must be made in writing no later than 5:00 p.m. Central Time, Monday, October 22, 2012. The request must contain the proposer's name, address, phone number, and email address.

All questions concerning this RFP must be submitted, in writing, to:

Lydia Fortin, Human Resources Manager    Email: [lydia.fortin@ecua.fl.gov](mailto:lydia.fortin@ecua.fl.gov)

The ECUA will issue responses to inquiries and any other corrections or amendments it deems necessary in written addenda issued prior to the Proposal Due Date. Proposers should not rely on any representations, statements or explanations other than those made in this RFP or in any addendum to this RFP. Where there appears to be a conflict between the RFP and any addenda issued, the last addendum issued will prevail.

### **NOTIFICATION AND DISSEMINATION**

Legal advertisement of this Request for Proposals will be published in the Pensacola News Journal, providing notice to interested parties.

The RFP will be disseminated by the ECUA's Purchasing Division via USPS mail. To request electronic copies of the RFP and Proposal Summary forms, please email [amy.williamson@ecua.fl.gov](mailto:amy.williamson@ecua.fl.gov).

### **RFP TRANSMITTAL**

Whether this Request for Proposals is transmitted to proposers in one entire package, or in separate components, with or without subsequent Addendums, each recipient is responsible for assuring that other parties to whom the document(s) are subsequently transmitted receive all relevant documentation.

For example, no one (primary or secondary recipients) who is expected to respond to the RFP should be without the Table of Contents, the General Information section, the section for the

service solicited, and relevant background data.

Also, each primary or secondary recipient should have the Proposal Summary Forms Table of Contents, the Proposal Summary General Information section, and the Proposal Summary Specific Information Questionnaire for each account option being solicited, and proposer references and other forms applicable to all proposers.

A proposer's response based on less information than provided herein, or failure to respond to relevant proposal summary questions, could put the proposer at a competitive disadvantage.

### **WAIVER/REJECTION OF PROPOSALS**

All responsive proposals will be considered. However, the ECUA reserves the right to waive informalities in proposals, to reject, with or without cause, any or all proposals or portions of proposals, or to negotiate or not negotiate with individual proposers, or to accept any proposal(s) or portions of proposals deemed to be in the best interest(s) of the ECUA.

### **NON-CONFIDENTIALITY OF PROPOSALS**

ECUA does not warrant the confidentiality of proposals submitted in response to this Request for Proposals. All proposals are subject to Florida's public records law and must be open to viewing by anyone who requests to see. Proposers requiring confidentiality should not submit.

### **CONTRACT EFFECTIVE DATE TERM**

Contracts shall be proposed for the term of January 1, 2013 to December 31, 2014, two (2) years. Guarantees shall be required to be given for the two (2) year period and must be explicitly explained. ECUA's renewal for the second and subsequent years will in part be dependent upon acceptability of cost, service, provider stability and market conditions.

### **SAMPLE CONTRACTS**

Recognizing that there may be some service variations among proposers, it is required that sample contracts be provided with proposals. This will allow for fair analysis of service and price.

### **TERMINATION, RENEWAL INCREASE NOTICE**

The ECUA shall be given at least 120 days written notice of cancellation or nonrenewal of administration contracts.

If the ECUA shall be required to provide advance notice to the proposer of cancellation or nonrenewal the required notice should not exceed 30 days.

Proposers are expected to agree that receipt of a request for proposals from the ECUA for the services provided does not automatically mean that ECUA wishes to terminate the services provided, but that any notification required will be considered satisfied by the dissemination of the request for proposals.

Changes in cost shall occur no more frequently than on an annual basis, unless directly related to changes in benefits and/or services.

### **SERVICE FEE PAYMENTS/BILLINGS**

Please explain how your fees will be billed and how the claims payment process is completed. Please explain any banking arrangements that are requested/required of your company. ECUA currently is invoiced and remits to a TPA by manual check on a net 30 day basis for their fees; payment via electronic funds transfer is preferable. For payment of claims, the administrator writes checks and issues card payments to pay claims. Daily, the administrator is reimbursed by the ECUA with the administrator initiating an ACH debit on the ECUA's bank account.

### **PLAN CONTRIBUTIONS/CURRENT SERVICES**

The ECUA's current flexible benefits plan includes a premium payment plan, medical and dependent care flexible spending accounts and limited flexible spending accounts. The premium payment plan is for group medical, group dental, supplemental life, voluntary vision, and eligible voluntary AFLAC plans. The ECUA has continuously offered Flexible Spending Accounts since 2006. ECUA provides the employees' annual elected contribution; employees reimburse the ECUA on a bi-weekly basis.

The following is the participant enrollment in the FSA, Limited FSA, and DCA:

FSA: 55

Limited FSA: 7

DCA: 0

### **PARTICIPANT ENROLLMENT**

The education and enrollment phase will be in November 2012. The enrollment will be an open enrollment. Please state your capability to educate and enroll the ECUA's group and issue debit cards prior to the plan effective date of January 1, 2013. State your most realistic estimate of the least number of calendar days required to complete the education, enrollment and debit card issue phase of the ECUA's group. The required timeline is as stated below:

- November 26 – 30 Educate and enroll
- December 7 Conclude enrollment

- December 21 Issue debit cards to Flexible Spending Account participants

Please state whether your service fees and/or other cost factors will be affected by the number of enrolled participants, including any minimum costs and/or requirements.

### **THIRD PARTY ADMINISTRATOR QUALIFICATIONS**

Proposals are expected from financially sound administrators authorized to do business in Florida.

The organization must:

1. Has, as of the proposal return date specified in the RFP, been successfully operating as an administrator for a minimum of five consecutive years; and
2. Submits, with its proposal, its last audited financial statement issued by a certified public accountant, dated no earlier than 18 months prior to the proposal date specified in this RFP; and
3. Must have undergone a SAS-70 or SAE-16 audit review within the last three (3) years.

**Administrators shall be strictly prohibited from any sales or marketing efforts regarding insurance or other products, other than those provided by ECUA in its Section 125 plan. Administrators are expected to agree that their involvement in marketing or sales activities of products or services other than those in ECUA’s plan will result in termination of the contract and forfeiture of any fees payable by ECUA.**

Administrators should explain the full range of their services available to ECUA and should state their experience, expertise and data processing capability relative to the solicited services.

It is required that background information be included with your proposal on specific personnel that will be assigned to ECUA, including their duties and the type and extent of training received and years of experience in flexible benefits plan and flexible spending account administration.

### **INSURANCE REQUIREMENTS**

Prior to commencement of work under the agreement, the Proposer shall obtain and maintain without interruption the insurance as outlined in the “ECUA Risk Management Policy and Standards for Agreements, Contracts and Leases” on pages 19 through 27 of this RFP. The Proposer agrees to furnish a fully completed certificate of insurance naming ECUA as additional insured, signed by an authorized representative of the insurer providing such insurance coverages.

The insurance provided by the Proposer shall apply on a primary basis. Any insurance, or self-

insurance, maintained by the Board shall be excess of, and shall not contribute with, the insurance provided by the Proposer.

### **ADMINISTRATOR REFERENCES**

To be responsive, proposers shall provide with their proposals current references, preferably for organizations in ECUA's immediate or nearby area.

Administrators are required to provide name, address and phone number of at least five organizations (mostly government entities) they have served for at least three full years; the references provided should be for organizations which are of similar size and which have similar programs to those being proposed to ECUA.

### **SUBCONTRACTING**

Where proposers do not have the "in-house" capability to perform work desired in the Request for Proposals, subcontracting may be permitted with prior knowledge and approval of the ECUA. The ECUA must be assured and agree that any proposed subcontractor(s) can perform the work to the desired quality and in a timely manner. Therefore, the name of any intended subcontractor(s) and their qualifications/role should be identified in the proposal.

### **PERFORMANCE GUARANTEES**

Proposers should state if they are willing to offer performance guarantees, and if they are willing to permit ECUA access to FSA claims, servicing offices, personnel and files to conduct audits necessary and verification of performance criteria standards. Performance might be evaluated on a variety of criteria, such as:

- Timely delivery of contract(s) and plan documents.
- Comprehensiveness of employee education seminars.
- Timely delivery of enrollment communication materials.
- Claims processing time.
- Telephone response time, complaint resolution time, and abandonment rates.
- Accuracy of claims processing.
- Quality and timeliness of activity reports.
- Quality of service as measured by surveys.

Suggestions on criteria for measuring performance and indications of how the organization is set-up to facilitate auditing of performance should be submitted. If the proposer has a performance guarantee agreement, provide a sample with your proposal for review.

Since establishment of performance guarantees is subject to negotiation, state the firm's

willingness to enter into such an agreement and to negotiate appropriate terms, and recommend appropriate financial incentives or disincentives to make the performance guarantee practical.

### **SUCCESSFUL PROPOSER HOLD HARMLESS/PAY ON BEHALF**

It is expected that the successful proposer will agree to hold harmless and pay on behalf of ECUA for any liability and/or legal costs arising out of any claims and litigation related to any acts, errors or omissions by the proposer's employees, agents or subcontractors related to the services provided, or denial of such service.

### **AUTHORIZED OFFER**

The person submitting the proposal should indicate the extent of authorization by the administrator to make a valid offer in the proposal summary that may be accepted by ECUA to form a valid and binding contract.

If the person submitting the proposal is not authorized to submit a proposal that can be bound by ECUA's acceptance, such person should also obtain the signature of an authorized representative of the proposer that may result in a bound contract upon ECUA's acceptance.

Proposals should be typed or written in ink, signatures shall be manually signed in ink, and any corrections should be typed or made in ink and initialed.

### **CONFLICT OF INTEREST**

The award of contract is subject to the provisions of Chapter 112, Florida Statutes. All proposers must disclose with their proposal the name of any officer, director, or agent who is also an employee of ECUA. Further all proposers must disclose the name of any employee of ECUA who owns, directly or indirectly, an interest of five per cent or more in the proposer's firm or any of its branches.

### **EVALUATION OF PROPOSALS**

In the ECUA's evaluation of proposals, several items shall be considered, including but not limited to:

Cost – Although cost will be a major consideration in evaluating proposals, it will not be the only consideration.

Service – The administration capabilities and experience of proposers. This includes such items as initial and subsequent enrollment and education, service responsiveness, quality of claims processing, quality of experience, etc.

Stability – Financial stability of the administrator, the number of years in business, etc.

References – For those chosen to be interviewed by ECUA (if interviews are conducted), the

quality of references received.

Interviews – For those chosen to be interviewed by ECUA (if interviews are conducted), the quality of the interview and the information provided about the proposal and expectations for service to ECUA.

The order in which these items are listed does not necessarily reflect their order of importance.

It is possible that ECUA, in its judgment, may consider a proposal unacceptable solely because one of these key items is unsatisfactory. For example, a proposal may be considered unacceptable solely on the basis of unsatisfactory cost or of unsatisfactory service, etc.

### **PROPOSER INTERVIEWS**

The ECUA usually interviews proposer finalists for group benefits RFP processes. If interviews for this RFP are to be conducted, they will likely be the week of November 5. Finalists chosen for interviews, if any, will be notified a few days in advance.

### **RFP TIMELINE**

RFP Release	October 8, 2012
Question Deadline	October 22, 2012
RFP Due Date	October 30, 2012 (CST)
Interviews (if conducted)	Week of November 5, 2012
Education and Enrollment	November 26 – December 7, 2012
Debit Cards issued	December 21, 2012

### **COMPLIANCE WITH FEDERAL LAW, FLORIDA STATUTES, HIPAA**

Proposers are expected to assure that proposed programs will meet ECUA’s obligations set forth by any Federal or state legislation in effect at, or subsequent to, contract inception.

The administrator is expected to provide normal HIPAA administration services on behalf of ECUA. Provide a description of the services to be furnished and specifically state if any necessary service related to HIPAA administration and compliance will not be provided. Additionally, the administrator is expected to assist ECUA with HIPAA compliance as respects the flexible benefits program, including but not limited to, development of a privacy notice to be provided to participants.

### **PUBLIC ENTITY CRIMES**

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a proposal on a contract to provide services to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public

entity in excess of the threshold amount provided in Section 287.017 for Category Two for a period of 36 months from the date of being placed on the convicted vendor list.

**EX PARTE COMMUNICATION CLAUSE**

Please note that to assure proper and fair evaluation of proposals, after the Request for Proposals is issued, ECUA prohibits ex parte communication initiated by the proposer to Board members and discourages ex parte communication initiated by the proposer to any ECUA official or employee evaluating or considering the proposals prior to the time a decision has been made.

Communication between a proposer and ECUA will be initiated by the appropriate ECUA official, employee or designated consultant in order to obtain information or clarification needed to develop a proper and accurate evaluation of the proposal. Ex parte communication may be grounds for disqualifying the offending proposer from consideration or any future proposal.

**NO COLLUSION CLAUSE**

By submitting a response to this RFP, the proposer certifies that the proposer has not divulged to, discussed or compared his/her competitive proposal with other proposers and has not colluded with any other proposers or parties to this competitive proposal. Also, the proposer certifies, and in the case of a joint competitive proposal each party thereto certifies as to its own organization, that in connection with the competitive proposal:

- Any prices and/or cost data submitted have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices and/or cost data, with any other proposer or with any competitor;
- Any prices and/or cost data quoted for this competitive proposal have not been knowingly disclosed by the competitive proposer and will not knowingly be disclosed by the proposer, directly or indirectly to any other proposer or to any competitor, prior to the scheduled opening and award of the contract;
- No attempt has been made or will be made by the proposer to induce any other person or firm to submit or not to submit a competitive proposal for the purpose of restricting competition.
- The only person or persons interested in this competitive proposal is/are the principal or principals named herein and that no person other than herein mentioned has any interest in this competitive proposal or in the Agreement to be entered into.

**NON-WARRANTY OF SPECIFICATIONS**

Due care and diligence have been exercised in the preparation of this RFP #2012-16 and all information contained herein is believed to be substantially correct. However, the responsibility for determining the full extent of the exposures to risk and verification of all information herein

shall rest solely with the proposers. Neither the ECUA nor its representatives shall be responsible for any error or omission in this RFP, nor for the failure on the part of the proposer(s) to determine the full extent of the exposures.

### **CONTRACT DELIVERY**

Proposers are expected to deliver contracts, forms, endorsements and other related documentation of coverage as proposed and as accepted by ECUA.

If contracts, forms, endorsements and other documentation of coverage are not delivered as proposed and as accepted by ECUA, no less coverage will later be accepted.

ECUA shall not be obligated to follow-up to obtain documentation of proposed items not included or incomplete in delivered contracts, forms, or endorsements. If ECUA does not follow-up, or if ECUA follows up only on a limited basis, and if the proposer does not fulfill its obligation to deliver documentation of services, or other terms proposed, it shall not be construed as ECUA's accepting anything less than proposed, and as accepted by ECUA.

### **NEGOTIATIONS OF PROPOSALS**

Based on the written proposals, pursuant to Florida Statute 112.08, the ECUA may elect to enter into negotiations with one or more of the proposers. The ECUA may award a contract on the basis of initial offers received, without discussions. Therefore, each initial offer should contain the proposer's best terms from a cost or price and technical standpoint.

The ECUA reserves the right to enter into contract negotiations with the selected proposer. If the ECUA and the selected proposer cannot negotiate a successful contract, the ECUA may terminate said negotiations and begin negotiations with the next selected proposer. This process will continue until a contract has been executed or all remaining proposers have been rejected. No proposer shall have any rights against the ECUA arising from such negotiations.

### **EXCEPTION TO THE RFP**

Proposers may take exceptions to any of the terms of this RFP unless the RFP specifically states where exceptions may not be taken. Should a proposer take exception where none is permitted, the proposal may be rejected as non-responsive. All exceptions taken must be specific, and the proposer must indicate clearly what alternative is being offered to allow the ECUA a meaningful opportunity to evaluate and rank proposals.

Where exceptions are permitted, the ECUA shall determine the acceptability of the proposed exceptions and the proposals will be evaluated based on the proposals as submitted. The ECUA, after completing evaluations, may accept or reject the exceptions. Where exceptions are rejected, the ECUA may request that the proposer furnish the services or goods as described herein, or negotiate an acceptable alternative.

## **USE OF PROPOSAL FORMS**

Proposers should complete the appropriate Proposal Form(s) included as a separate attachment to this RFP. All blanks on the Proposal Forms should be completed. The use of N/A should be avoided. N/A can mean several things: Not Available, Not Applicable because there is no charge for the item, or Not Applicable because the item is not proposed. Instead, please use "Included," "Not Included," or "Not Proposed."

Supplemental information may be attached to the Proposal Forms. Failure to fully complete the appropriate Proposal Forms may result in disqualification of your proposal.

If additional space for a response is required, attach an additional page to the page on which the question is stated. Clearly identify the number of the question to which the response is attached. Further, if additional Proposal Form pages are needed, photocopy or replicate as appropriate, and attach such additional pages to the page on which the question or chart is stated.

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# **FLEXIBLE BENEFITS PLAN ADMINISTRATION EMERALD COAST UTILITIES AUTHORITY**

## **SCOPE OF FLEXIBLE BENEFITS PAN SERVICES**

This section of the RFP applies to Flexible Spending Accounts (FSA) administration services.

ECUA is seeking proposals from outside administrators for services related to medical spending accounts and dependent care.

Proposers are requested to include proposal options for all the below (a-c):

- (a) Medical flexible spending accounts; and
- (b) Limited flexible spending accounts; and
- (c) Dependent care accounts.

## **PLAN YEAR**

The ECUA's Section 125 plan year anniversary is January 1 – December 31 for the current premium payment plan for the following:

1. Group Medical Insurance Premiums
2. Group Dental Insurance Premiums
3. Group Supplemental Life Insurance Premiums
4. Voluntary Vision Insurance Premiums
5. AFLAC Supplemental Cancer/Intensive Care Premiums & other eligible premiums

## **ADMINISTRATION SERVICES**

The Administration services requested include: plan design, development of administrative procedures, coordination with ECUA payroll and personnel functions, conducting employee education seminars, enrollment, ongoing communications, reporting, etc.

The successful proposer shall be required to develop a system that will coordinate with ECUA's desires regarding the offering of, administration of, and accounting for benefits.

The administrator shall, prior to or in conjunction with open enrollment, conduct education seminars for employees at various work locations to explain flexible spending accounts and the participation process.

The administrator shall, upon open enrollment, provide communications materials to participants regarding options they may choose, and the effect of electing pre-tax salary reductions on Social Security benefits and taxable income.

Medical expense and dependent care information must be individually prepared and explained to employees to allow them to knowledgeably choose between flexible spending accounts and itemizing the expense for federal income tax purposes.

State and provide samples with your proposal of the type of communications/enrollment system to be used for each benefit option, e.g. personal interviews, interactive voice, interactive video or personal computer.

After participants select their options, the administrator shall be responsible for notifying them in writing to confirm options selected, prior to coordinating with ECUA's payroll functions.

The administrator shall be responsible for ongoing enrollment, and for producing reports to ECUA as needed and to individual employees.

The administrator is expected to provide ECUA with at least the following professional services:

1. Assistance with preparing, modifying and updating plan documents and communications to assure compliance with applicable law, regulations, etc.
2. A declining balance debit/credit card for direct payment of eligible expenses as permitted by IRS regulations.
3. Employee group seminars and individual enrollments.
4. Preparation of enrollment communications materials, including a letter explaining the program, FSA questions/answers, examples of the benefits of FSAs, a worksheet for employees to determine amounts to place in their FSAs, and an enrollment form.
5. A local area telephone number or "800" number that employees may call throughout the year for counseling, information or service regarding the flexible benefits plans.
6. Establishment of all records necessary for maintaining account balances.
7. Provision of online services for FSA participants to check status of reimbursements and account balances, obtain forms, request additional or replacement debit cards, etc.
8. Forms for reimbursement of claims, change of status, direct deposit, disbursement statements, etc.
9. Payment of claims. The expected frequency will be daily.
10. Quarterly individual account status reports to participants.
11. Bi-weekly participation and account status reports to ECUA.
12. A summary Annual Report for employees.

13. An annual forfeiture report to ECUA.
14. Federal report filing requirements, including issuing 1099s to providers.
15. Discrimination testing as required by applicable laws and regulations
16. Compliance with Federal Law, State Statutes and HIPAA

The administrator is required to maintain books, records, documents, and any evidence on costs and expenses for services provided. Records must be maintained for three full years after the completion of the January 1, 2013 – December 31, 2014 contract ends and presented to ECUA for audit upon request.

### **PLAN PROMOTION AND DEVELOPMENT**

It is most important that proposers provide detailed recommendations, and their plan to promote participation in ECUA's flexible spending accounts.

Explain your experience, both positive and negative, with the use of debit or credit cards in flexible spending accounts and include your recommendations as to their appropriate and most effective use. Provide details as to the operation of your proposed debit/credit card service, funding requirements, including information regarding the debit/credit card vendor with which you partner to provide this service.

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**RISK MANAGEMENT POLICY AND STANDARDS  
FOR  
AGREEMENTS, CONTRACTS AND LEASES**

**DEFINITIONS**

The following definitions apply to these Risk Management Provisions:

**Contract** - The contract or agreement of which these Risk Management Provisions are a part for the construction, alteration, repair, or demolition of a structure or facility.

**Organization** - The Emerald Coast Utilities Authority, a local governmental body of the State of Florida, its Board, officers, employees, volunteers, representatives, and agents.

**Other Party** - The other party to the Contract of which these Risk Management Provisions are a part, any subsidiaries or affiliates, officers, employees, volunteers, representatives, agents, contractors, and subcontractors.

**HOLD HARMLESS**

The Other Party agrees to hold the Organization and the members of its governing board and its other officers and employees harmless against all claims for bodily injury, sickness, disease, death, personal injury, or damage to property or loss of use resulting therefrom, arising out of or related to the Contract, to the extent such claims are caused by the negligence, recklessness, or intentional wrongful misconduct of the Other Party and persons or entities employed or utilized by the Other Party in the performance of the Contract.

**PAYMENT ON BEHALF OF ORGANIZATION**

The Other Party agrees to pay on behalf of the Organization all claims described in the above "Hold Harmless" paragraph, and to pay the reasonable costs and fees of the attorneys selected by the Organization, at trial and on appeal, to defend the Organization and its officers and employees against such claims. Provided, however, that the total liability of the Other Party to the Organization under the above "Hold Harmless" paragraph and this "Payment on Behalf of Organization" paragraph shall not exceed the sum of One Million Dollars (\$1,000,000) per claim or occurrence.

Such payment on behalf of the Organization shall be in addition to any and all other legal remedies available to the Organization and shall not be considered to the exclusive remedy of the Organization.

## **LOSS CONTROLS/SAFETY**

Precaution shall be exercised at all times by the Other Party for the protection of all persons, including employees, and property. The Other Party shall comply with all laws, regulations, or ordinances relating to safety and health, and shall make special effort to detect hazardous conditions and shall take prompt action where loss control/safety measures should reasonably be expected.

The Organization may order work to be stopped if conditions exist that present immediate danger to persons or property. The Other party acknowledges that such stoppage will not shift responsibility for any loss or damages from the Other Party to the Organization.

## **SEVERABILITY**

The provisions of these Risk Management Provisions are severable. In the event a court of competent jurisdiction should declare any provision of these Risk Management Provisions to be void or contrary to public policy such provision shall be stricken from these Risk Management Provisions, and the remaining provisions shall be enforced as though the provision determined to be void or contrary to public policy had not been included herein.

## **INSURANCE - BASIC COVERAGES REQUIRED**

The Other Party shall procure and maintain the following described insurance, except for coverages specifically waived by the Organization, on policies and with insurers acceptable to the Organization. These insurers shall have A.M. Best (or equivalent) rating of no less than A:VII unless otherwise agreed to by the Organization.

These insurance requirements shall not limit the liability of the Other Party. The Organization does not represent these types or amounts of insurance to be sufficient or adequate to protect the Other Party's interests or liabilities, but are merely minimums.

Except for workers compensation, the Other Party waives its right of recovery against the Organization, to the extent permitted by its insurance policies.

The Other Party's deductibles/self-insured retentions shall be disclosed to the Organization and may be disapproved by the Organization. They shall be reduced or eliminated at the option of the Organization. The Other Party is responsible for the amount of any deductible or self-insured retention.

Insurance required of the Other Party or any other insurance of the Other Party shall be considered primary, and insurance of the Organization, if any, shall be considered excess, as may be applicable to claims which arise out of the Hold Harmless, Payment on Behalf of Organization, Insurance, Certificates of Insurance and any Additional Insurance provisions of this agreement, contract or lease.

### **Additional Insured**

Except for workers compensation and professional liability, the Other Party's insurance policies shall be endorsed to name the Organization as an additional insured for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by the Other Party's acts or omissions; or the acts or omissions of those acting on the Other Party's behalf; in the performance of the Other Party's ongoing operations for the Organization. The preferred Commercial General Liability coverage endorsement is ISO Form CG 20 10.

### **Workers Compensation Coverage**

The Other Party shall purchase and maintain workers compensation insurance for all workers compensation obligations imposed by state law and employer's liability limits of at least \$100,000 each accident and \$100,000 each employee/\$500,000 policy limit for disease.

The Other Party shall also purchase any other coverages required by law for the benefit of employees.

### **General, Automobile and Excess or Umbrella Liability Coverage**

The Other Party shall purchase and maintain coverage on forms no more restrictive than the latest editions of the Commercial General Liability and Business Auto policies of the Insurance Services Office.

Minimum limits of \$500,000 per occurrence for all liability must be provided, with excess or umbrella insurance making up the difference, if any, between the policy limits of underlying policies (including employers liability required in the Workers Compensation Coverage section) and the total amount of coverage required.

### **Commercial General Liability Coverage - Occurrence Form Required**

Coverage A shall include bodily injury and property damage liability for premises, operations, products and completed operations, independent contractors, contractual liability covering this agreement, contract or lease, broad form property damage, and property damage resulting from explosion, collapse or underground (x,c,u) exposures.

Coverage B shall include personal injury.

Coverage C, medical payments, is not required.

The Other Party is required to continue to purchase products and completed operations coverage, at least to satisfy this agreement, contract or lease, for a minimum of three years beyond the Organization's acceptance of renovation or construction projects.

### **Business Auto Liability Coverage**

Business Auto Liability coverage is to include bodily injury and property damage arising out of ownership, maintenance or use of any auto, including owned, nonowned and hired automobiles and employee nonownership use.

### **Excess or Umbrella Liability Coverage**

Umbrella Liability insurance is preferred, but an Excess Liability equivalent may be allowed. Whichever type of coverage is provided, it should be at least “following form” and shall not be more restrictive than the underlying insurance policy coverages.

### **EVIDENCE/CERTIFICATES OF INSURANCE**

Required insurance shall be documented in Certificates of Insurance, including indication that the policy(s) is endorsed to provide the Organization at least 30 days in advance notice of cancellation, nonrenewal or adverse change.

New Certificates of Insurance are to be provided to the Organization at least 15 days prior to coverage renewals.

If requested by the Organization, the Other Party shall furnish complete copies of the Other Party’s insurance policies, forms and endorsements.

For Commercial General Liability coverage the Other Party shall, at the option of the Organization, provide an indication of the amount of claims payments or reserves chargeable to the aggregate amount of liability coverage.

Receipt of certificates or other documentation of insurance or policies or copies of policies by the Organization, or by any of its representatives, which indicate less coverage than required does not constitute a waiver of the Other Party’s obligation to fulfill the insurance requirements herein.

### **ADDITIONAL INSURANCE**

If checked below, the Organization requires the following additional types of insurance.

**Property Coverage for Leases**

The Other Party shall procure and maintain for the life of the lease, all risk/special perils (including sinkhole) property insurance (or its equivalent) to cover loss resulting from damage to or destruction of the building, improvements and personal property/contents. The policy shall cover 100% replacement cost, and shall include an agreed value endorsement to waive coinsurance.

Coverage shall also include continued full payment of rents to the Organization for up to one year after damage or destruction of the property.

**Commercial General Liability Coverage Project Aggregate**

Because the Commercial General Liability form of coverage includes an annual aggregate limitation on the amount of insurance provided, a separate project aggregate limit of \$\_\_\_\_\_ is required by the Organization for this agreement or contract.

**Liquor Liability Coverage**

In anticipation of alcohol being served, the Other Party shall provide evidence of coverage for liquor liability in an amount equal to the general/umbrella/excess liability coverage. If the general liability insurance covers liquor liability (e.g. host or other coverage), the Other Party's agent or insurer should provide written documentation to confirm that coverage already applies to this agreement, contract or lease. If needed coverage is not included in the general/umbrella/excess liability policy(ies), the policy(ies) must be endorsed to extend coverage for liquor liability, or a separate policy must be purchased to provide liquor liability coverage in the amount required.

**Owners Protective Liability Coverage**

For renovation or construction contracts the Other Party shall provide for the Organization an owners protective liability insurance policy (preferably through the Other Party's insurer) in the name of the Organization.

This is redundant coverage if the Organization is named as an additional insured in the Other Party's Commercial General Liability insurance policy. However, this separate policy may be the only source of coverage if the Other Party's liability coverage limit is used up by other claims.

**Builders Risk Coverage**

Builders Risk insurance is to be purchased to cover subject property for special perils (all risks or equivalent) of loss (including theft and sinkhole), subject to a waiver of coinsurance, and covering on-site and off-site storage, transit and installation risks as indicated in the Installation Floater and Motor Truck Cargo insurance described hereafter, if such coverages are not separately provided.

If flood and/or earthquake risks exist, flood and/or earthquake insurance are to be purchased.

If there is loss of income, extra expense and/or expediting expense exposure, such coverage is to be purchased.

If boiler and machinery risks are involved, boiler and machinery insurance, including coverage for testing, is to be purchased.

The Builders Risk insurance is to be endorsed to cover the interests of all parties, including the Organization and all contractors and subcontractors. The insurance is to be endorsed to cover testing and to grant permission to occupy.

**Installation Floater Coverage**

Installation Floater insurance is to be purchased when Builder's Risk insurance is inappropriate, or when Builder's Risk insurance will not respond, to cover damage or destruction to renovations, repairs or equipment being installed or otherwise being handled or stored by the Other Party, including off-site storage, transit and installation. The amount of coverage should be adequate to provide full replacement value of the property, repairs, additions or equipment being installed, otherwise being handled or stored on or off premises. All risks coverage is preferred.

**Motor Truck Cargo Coverage**

If the Installation Floater insurance does not provide transportation coverage, separate Motor Truck Cargo or Transportation insurance is to be provided for materials or equipment transported in the Other Party's or other vehicles from place of receipt to building sites or other storage sites. All risks coverage is preferred.

**Contractor's Equipment Coverage**

Contractor's Equipment insurance is to be purchased to cover loss of equipment and machinery utilized in the performance of work by the Other Party. All risks coverage is preferred.

**Fidelity/Dishonesty Coverage - for Employer**

Fidelity/Dishonesty insurance is to be purchased to cover dishonest acts of the Other Party's employees, including but not limited to theft of vehicles, materials, supplies, equipment, tools, etc., especially property necessary to work performed.

**Fidelity/Dishonesty/Liability Coverage - for Organization**

Fidelity/Dishonesty/Liability insurance is to be purchased or extended to cover dishonest acts of the Other Party's employees resulting in loss to the Organization.

**Garage Liability Coverage**

Garage Liability insurance is to be purchased to cover the Other Party and its employees for its garage and related operations while in the care, custody and control of the Organization's vehicles.

**Garagekeepers Coverage (Legal Liability Form)**

Garagekeepers Liability insurance is to be purchased to cover the Other Party's liability for damage or other loss, including comprehensive and collision risks, to the Organization's vehicles while in the care, custody and control of the Other Party. This form of coverage responds only when the Other Party is legally liable for the loss.

**Garagekeepers Coverage (Direct-Excess Form)**

Garagekeepers Liability insurance is to be purchased to cover damage or other loss, including comprehensive and collision risks, to the Organization's vehicles while in the care, custody and control of the Other Party. This form of coverage responds on a legal liability basis, and also without regard to legal liability on an excess basis over any other collectible insurance.

**Watercraft Liability Coverage**

Because the Other Party's provision of services involves utilization of watercraft, watercraft liability coverage must be provided to include bodily injury and property damage arising out of ownership, maintenance or use of any watercraft, including owned, nonowned and hired.

Coverage may be provided in the form of an endorsement to the general liability policy, or in the form of a separate policy covering Watercraft Liability or Protection and Indemnity for bodily injury and property damage.

**United States Longshoremen and Harborworkers Act Coverage**

The Workers Compensation policy is to be endorsed to include United States Longshoremen and Harborworkers Act Coverage for exposures which may arise from this agreement or contract.

**Jones Act Coverage**

The Workers Compensation policy is to be endorsed to include Jones Act Coverage for applicable exposures (for work on, over or in navigable waters) which may arise from this agreement or contract.

**Aircraft Liability Coverage**

Because the Other Party's provision of services involves utilization of aircraft, aircraft liability coverage must be provided to include bodily injury and property damage arising

out of ownership, maintenance or use of any aircraft, including owned, nonowned and hired.

The minimum limits of coverage shall be \$\_\_\_,000,000 per occurrence, Combined Single Limit for Bodily Injury (including passenger liability) and Property Damage.

**Pollution/Environmental Impairment Liability Coverage**

Pollution/environmental impairment liability insurance is to be purchased to cover pollution and/or environmental impairment which may arise from this agreement or contract. The recommended minimum coverage is \$1,000,000. The coverage period shall be extended beyond the date of the completed project, until the expiration date of the performance bond.

**PROFESSIONAL LIABILITY, MALPRACTICE AND/OR ERRORS OR OMISSIONS**

If checked below, the Organization requires the following terms and types of insurance for professional, malpractice, and errors or omissions liability.

**Hold Harmless**

The following replaces the previous Hold Harmless wording.

The Organization shall be held harmless against all claims for bodily injury, sickness, disease, death or personal injury or damage to property or loss of use resulting therefrom arising out of performance of the agreement or contract, unless such claims are a result of the Organization's sole negligence.

The Organization shall also be held harmless against all claims for financial loss with respect to the provision of or failure to provide professional or other services resulting in professional, malpractice, or errors or omissions liability arising out of performance of the agreement or contract, unless such claims are a result of the Organization's sole negligence.

**Professional Liability/Malpractice/Errors or Omissions Insurance**

The Other Party shall purchase and maintain professional liability or malpractice or errors or omissions insurance with minimum limits of \$1,000,000 per occurrence.

If a claims made form of coverage is provided, the retroactive date of coverage shall be no later than the inception date of claims made coverage, unless the prior policy was extended indefinitely to cover prior acts.

Coverage shall be extended beyond the policy year either by a supplemental extended reporting period (ERP) of as great duration as available, and with no less coverage and

with reinstated aggregate limits, or by requiring that any new policy provide a retroactive date no later than the inception date of claims made coverage.

The Other Party shall procure and maintain the following described insurance, except for coverages specifically waived by the Organization, on policies and with insurers acceptable to the Organization.

These insurance requirements shall not limit the liability of the Other Party. The Organization does not represent these types or amounts of insurance to be sufficient or adequate to protect the Other Party's interests or liabilities, but are merely minimums.

Except for workers compensation, the Other Party waives its right of recovery against the Organization, to the extent permitted by its insurance policies.

The Other Party's deductibles/self-insured retentions shall be disclosed to the Organization and may be disapproved by the Organization. They shall be reduced or eliminated at the option of the Organization. The Other Party is responsible for the amount of any deductible or self-insured retention.

Insurance required of the Other Party or any other insurance of the Other Party shall be considered primary, and insurance of the Organization shall be considered excess, as may be applicable to claims which arise out of the Hold Harmless, Payment on Behalf of Organization, Insurance, Certificates of Insurance and any Additional Insurance provisions of this agreement, contract or lease.