



MERCER

MAKE TOMORROW, TODAY

REQUEST FOR PROPOSAL

PHARMACY BENEFIT MANAGEMENT (PBM) CITY OF OVERLAND PARK

APRIL 9, 2019

Effective Date: January 1, 2020



**MARSH & McLENNAN
COMPANIES**

1

Introduction

A. Overview and Reason for Competitive Request for Proposal

Overland Park, Kansas Background

The City of Overland Park, Kansas, hereinafter referred to as “the City,” is located in the Kansas City metropolitan area. It has a population of approximately 177,000, is the second largest City in the State of Kansas and the largest city in Johnson County, Kansas. The City has twelve elected council members and an elected Mayor, which comprise the Governing Body. The Governing Body hires a professional City Manager as the chief administrative official. The City currently employs 864 full-time employees. For additional information regarding the City, please see the City’s website at www.opkansas.org.

As of March 2019 the City has approximately 864 benefit eligible employees.

Current Program

The City currently carves in their Pharmacy benefits with their medical contract administered through BlueCross BlueShield of Kansas City (BCBSKC). For purposes of this request for proposal, please submit quotes for the current plan design. The City reserves the right to change components of their program. If changes will be made, you will be notified as soon as possible in order to re-evaluate your proposal, if necessary.

B. Proposal Process

The following describes the anticipated proposal process, including timing, expected proposal format/distribution, how to obtain additional information, and contact information. Please note that the City has engaged Mercer Health & Benefits to manage the RFP process related to the selection of a PBM administrator. The City should not be contacted directly.

All proposals and related reference information submitted in response to this RFP will become the property of the City and will not be returned. Each entity submitting a proposal, waives any right of confidentiality as to the proposal documents. If an entity submitting a proposal considers certain material in the proposal proprietary information, it shall clearly designate those portions of the proposal it wishes to remain confidential. As a public entity, the City is subject to making records available for public disclosure, to include bids and proposals submitted in a competitive bid process. The City will attempt to maintain the confidentiality of material marked proprietary; however, it cannot guarantee that information will not be made public.

Submission of a proposal indicates acceptance by the vendor submitting the proposal of the terms, conditions and specifications contained in this RFP, to include the contract requirements set forth herein.

The City will not pay for any information herein requested, nor is it liable for any costs incurred by those submitting proposals. The City reserves the right to select the proposal that will best meet the needs of the City. Proposals that do not meet the stated requirements will be considered in non-compliance and will be disqualified unless the City waives such non-compliance.

The City reserves the right to accept or reject any and all proposals, to waive any technicalities or irregularities therein, to award contracts, or to cancel at any time the Request for Proposal (RFP) without awarding a contract.

The contents of this RFP and any clarifications distributed or issued by or on behalf of the City shall become part of the contractual obligation of the successful vendor and incorporated by reference into the ensuing contracts as the City deems appropriate.

All inquiries concerning this RFP are to be directed to the following Mercer associates:

Melissa Haskins
Mercer Health & Benefits
2405 Grand Boulevard, Suite 900
Kansas City, MO 64108
816 556 4271
Melissa.haskins@mercer.com

Tricia Iseman
Mercer Health & Benefits
2405 Grand Boulevard, Suite 900
Kansas City, MO 64108
816 556 4812
tricia.iseman@mercer.com

Questions concerning this RFP must be submitted by email to melissa.haskins@mercer.com and tricia.iseman@mercer.com at least ten (10) days prior to the deadline for proposals. All responses to questions regarding this RFP will be posted on the City's internet site, www.opkansas.org at least five (5) days prior to the deadline for submission of proposals.

Deadline for Proposals

Proposals are due no later than **3:00 P.M. CT on April 30, 2019**. Please submit an electronic version of your proposal to Melissa Haskins at melissa.haskins@mercer.com and Tricia Iseman at tricia.iseman@mercer.com of Mercer Health & Benefits, as well as one hard copy of your proposal to the Mercer address listed below.

In addition to the electronic submission to Mercer, one copy of your proposal must be submitted in printed form to the City at the address listed below in a sealed envelope or box with the following words clearly marked on the outside of the envelope: **Request for Proposal: City of Overland Park PBM**. The vendor's name and address must be clearly indicated on the envelope or box. There will be no public opening of the proposals. It is the sole responsibility of the vendor to see that their proposal and the appropriate documents are delivered on time. Any proposal received after the scheduled closing time for the receiving of proposals will be returned to the vendor unopened and will not be considered.

Mailing Address for Proposals

Proposals need to be mailed or delivered to the following addresses:

Tricia Iseman
Mercer Health & Benefits
2405 Grand Blvd., Suite 900
Kansas City, MO 64108

City of Overland Park
Attn: City Clerk
8500 Santa Fe Drive
Overland Park, KS 66212

Proposal Requirements

All data included in this RFP and accompanying appendices, as well as census data are confidential information of the City of Overland Park, Kansas. This data and information is provided solely for the exclusive use of vendors in preparing a proposal and may not be shared with any other firm or entity or used for any other purpose.

Proposal responses must be signed by a duly authorized officer of the vendor's organization with an effective date of coverage of January 1, 2020. All rate/fee proposals require the confirming signature of an officer of your company.

All documents must clearly indicate the name of the responding organization, as well as the name, address and telephone number of the primary contact person for this proposal. The original proposal that is submitted by your organization, as well as any follow-up information or correspondence (oral or written) transmitted during the proposal process will be binding. All material submitted during the proposal process becomes the property of the City, for its use and disposition.

Please note that the City is requesting rates for a five-year contract.

Proposals must respond to all requirements in a straightforward and concise manner to the maximum extent possible. Emphasis should be on completeness and clarity of material and should not include any extensive promotional material. Furthermore, please do not return completed proposal as a PDF—please return in original Word and Excel formats.

Proposals submitted in response to the RFP should utilize the following workbook:

- RXRFP – City of Overland Park Kansas

C. Selection Process and Criteria

Proposals will be evaluated by a City staff committee with the assistance of Mercer, utilizing the criteria set forth below. The City staff committee and Mercer will make a recommendation to the City's Finance, Administration & Economic Development Committee, who will in turn make a recommendation to the City's full Governing Body.

The proposal submitted will be the primary document upon which the City's selection committee will evaluate each vendor. This document must include the qualifications and relevant experience of those assigned to the project. All proposals will first be screened in determining whether the

vendor has previously performed the type of services requested herein and whether the requirements of this RFP are met. After review of the proposals, the selection committee may determine a short list of qualified firms for interviews/presentations. The City reserves the right to accept or reject any and all proposals and all or part of a proposal and may waive informalities, technical defects, and minor irregularities in the proposals received.

In reviewing proposals, the criteria and factors considered by the City shall include, but are not limited to the following:

- A. Scope of Services -- The extent to which the vendor's description of the scope and objectives is sufficiently detailed, logically presented, consistent in terms of the format and content, and demonstrates a clear understanding of objectives as outlined herein.
- B. Approach -- The extent to which the proposal presents a clearly defined and well thought-out method(s) to achieve each objective and the extent to which the method chosen appears to be an effective, efficient way to accomplish each objective.
- C. Qualifications -- Prior experience and past performance -- Whether the vendor has a successful record in performing the services associated with the scope of work detailed herein.
- D. Proposed Cost of Services.
- E. Value of products or services proposed.
- F. Quality level of services to be performed and proposed approach to cost control, service level monitoring, and administration.
- G. Responsiveness to requested proposal format - The quality of the proposal and the degree to which it conforms to the required format.
- H. Feedback - Information from references and others who have had experience with the vendor.
- I. Presentation -- The quality of the presentation and interviews if this evaluation method is used.
- J. Acceptance of Contingency Fee Prohibition -- The City will not engage a vendor that fails to meet the City's standards regarding compensation from vendor partners.

The City reserves the right to utilize other appropriate selection and evaluation criteria as it deems necessary and appropriate.

TIMELINE

Task	Completion Date
Request For Proposal Released	Tuesday, April 9, 2019
Written Questions to Mercer	Tuesday, April 16, 2019
Response to questions posted on the City's website	Tuesday, April 23, 2019
Proposal Due Date	April 30, 2019 by 3:00 PM
Evaluation/Presentation of Results	April 30 – May 28, 2019
Conduct Finalist Meetings	Week of June 17, 2019
Vendor Selection – Recommendation to FAED committee	July 17, 2019 FAED Committee meeting
Implementation and Contract Review	July – December 2019
Effective Date	January 01, 2020

2

Legal/Contract Issues

Below are contract provisions and legal issues that the City considers essential to this proposal. The successful vendor(s) will be required to enter into a contract with the City that will include and/or comply with the provisions set forth below. As to the contract items below, by submitting a proposal the Vendor acknowledges it has read the materials contained in those items and will agree to the contract requirements set forth therein.

A. Prohibition Against Contingent Fees

Vendor warrants that it has not employed or retained any company or person, other than a bona fide employee working for Vendor, to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award or making of this Agreement.

B. Cash Basis Law

The City is obligated only to make payments under this Agreement as may be lawfully made from funds budgeted and appropriated for the purposes as set forth in this Agreement during the City's current budget year. In the event the City does not so budget and appropriate the funds, the parties shall be relieved from all obligations, without penalty, under this Agreement.

C. Term of Agreement

The initial term of this Agreement shall be from January 1, 2020 to December 31, 2024 with the City's option to extend the Agreement as needed.

D. Termination

1. **Termination for Convenience.** Unless the parties have otherwise agreed, the City may without reason or without cause and solely for the City's convenience terminate this Agreement at any time by providing the Vendor notice in writing at least thirty (30) days prior to the effective date of such termination for convenience.
2. If the City terminates for its convenience as herein provided, the City shall compensate Vendor for all services completed to date of its receipt of the termination notice and any additional services requested by the City to complete any necessary work. Compensation shall not include anticipatory profit or consequential damages, neither of which will be allowed.
3. Termination for Cause. Without in any manner limiting the right of the City to terminate this Agreement or declare the Vendor in default thereof for any reason set forth herein, if the

work to be done under this Agreement shall be abandoned by Vendor, or if this Agreement shall be assigned by Vendor otherwise than as herein provided; or if the Vendor should be judged as bankrupt; or if a general assignment of its assets should be made for the benefit of its creditors; or if a receiver should be appointed for the Vendor or any of its property; or if at any time the City determines that the performance of the work under this Agreement is being unnecessarily delayed, that the Vendor is violating any of the conditions or covenants of this Agreement, that it is executing the same in bad faith or otherwise not in accordance with the terms of said Agreement; then, in addition to other rights the City may choose to exercise, the City may, at its option, serve written notice upon the Vendor of the City's intention to terminate this Agreement, and, unless within ten (10) days after the serving of such notice upon the Vendor a satisfactory arrangement be made for the continuance thereof, this Agreement shall cease and terminate unless the City otherwise agrees to continue the Agreement. In the event of such termination, the City shall immediately serve notice thereof upon the Vendor and the City may take over the work and prosecute same to completion by contract with another vendor or otherwise and in such event the City may take possession of and utilize in completing the work any and all documents and other materials as may be necessary therefore. When Vendor's services have been so terminated, such termination shall not affect any rights or remedies of the City against vendor then existing or which may later accrue. Similarly, any retention or payment of monies due Vendor shall not release Vendor from liability.

If the City terminates for cause or default on the part of Vendor, the City shall compensate Vendor for the reasonable cost of services completed to date of its receipt of the termination notice. Compensation shall not include anticipatory profit or consequential damages, neither of which will be allowed.

E. Compliance with Equal Opportunity Laws, Regulations and Rules and Other Law

Vendor agrees that:

1. The Vendor shall observe the provisions of the Kansas Act Against Discrimination (K.S.A. 44-1001 et seq.) and shall not discriminate against any person in the performance of work under the present Agreement because of race, religion, color, sex, national origin, ancestry or age.
2. In all solicitations or advertisements for employees, the Vendor shall include the phrase, "equal opportunity employer," or a similar phrase to be approved by the Kansas Human Rights Commission ("Commission").
3. If the Vendor fails to comply with the manner in which the Vendor reports to the commission in accordance with the provisions of K.S.A. 44-1031 and amendments thereto, the Vendor shall be deemed to have breached the present Agreement and it may be canceled, terminated or suspended, in whole or in part, by the City.
4. If the Vendor is found guilty of a violation of the Kansas Act Against Discrimination under a decision or order of the commission which has become final, the Vendor shall be deemed to have breached the present Agreement and it may be canceled, terminated or suspended, in whole or in part, by the City; and

5. The Vendor shall include the provisions of paragraphs (1) through (4) above in every subcontract or purchase order so that such provisions will be binding upon such subcontractor or vendor.

The Vendor further agrees that the Vendor shall abide by the Kansas Age Discrimination In Employment Act (K.S.A. 44-1111 et seq.) and the applicable provision of the Americans With Disabilities Act (42 U.S.C. 1201 et seq.) as well as all other federal, state and local laws, ordinances and regulations applicable to this Project and to furnish any certification required by any federal, state or local laws, ordinances and regulations applicable to this Project and to furnish any certification required by any federal, state or local governmental agency in connection therewith.

F. Assignment of Agreement

This Agreement shall not be assigned or transferred by the Vendor without the written consent of the City.

G. Applicable Law

This Agreement is entered into, under and pursuant to, and is to be construed and enforceable in accordance with the laws of the State of Kansas.

H. Miscellaneous Legal Issues

The City will not agree to indemnify and/or hold harmless the vendor. The City will not agree to resolve disputes through an arbitration process.

I. Right to Audit

The City reserves the right to audit, including but not limited to a claims audit, either directly or through its authorized agent(s), the Vendor's compliance with the terms of the agreement. The City further reserves the right, either directly or through its authorized agent(s), to conduct a chart audit or other appropriate review to assess the quality of any services performed by the Vendor or its affiliated providers upon reasonable advance notice to the Vendor. Upon providing appropriate assurances as to confidentiality and proper use of medical information, the Vendor agrees to provide the City or its authorized agent(s) with the records maintained by the Vendor as well as any data needed to perform audits or other reviews. Any audits will be completed with no additional cost to the City for the services provided or internal costs incurred by you relative to the audit.

J. Confidentiality

The Vendor agrees to maintain the confidentiality of all medical, financial and other patient specific data pertaining to Members, as required by state and federal law. The Vendor agrees that, except as otherwise provided herein, such data will not be released to individuals or entities other than the Member to which the data relate or such Member's authorized representative, except as required by law or as may be required by order of a court having jurisdiction over the Member. The Vendor also agrees that the City has the right to use and disclose all medical, financial and other patient-specific data pertaining to members and the benefits as defined by law and upon providing appropriate assurances as to compliance with HIPAA and other privacy standards.

K. Insurance/Liability

To protect the City or any of its affiliates or Members from incurring liability for payment of any fees and costs which are the legal obligation of the Vendor, the Vendor agrees to maintain and demonstrate the maintenance of all of the following protections:

1. Insolvency insurance at an amount, which is sufficient, based on relevant industry standards, to cover obligations of providers for services provided to members.
2. Liability insurance at an amount, which is sufficient, based on relevant industry standards, to cover obligations of providers for services provided to members.
3. Contractual arrangements with health care providers affiliated with the Vendor prohibiting such providers from holding any Member liable for the payment of any fees, other than co-pays and deductibles as set forth in the Plan.
4. Other protections for its Members from liability as provided by applicable state or federal laws.

L. Member Complaints

The Vendor agrees to act promptly in response to complaints received from Members. The Vendor will maintain electronic and written records of all complaints. The records will include, but not be limited to, the date and nature of the complaint filed and the date and manner by which the Vendor responded. The Vendor shall have a grievance and appeal procedures for addressing complaints and shall make such process available when addressing complaints. The City shall have the right to inspect such written records, including transcripts of member telephone calls, during normal business hours by providing advance written notice to the Vendor.

M. Hold Harmless/Unauthorized Claims

The administrator(s)/carrier(s) will not charge against experience those claim payments not authorized under the benefit plan (except when authorized by the City in writing) if such payments were the result of error, negligence, reckless or willful acts or omissions by the administrator, its agents, officers or employees.

The administrator(s)/carrier(s) will reimburse on an immediate basis any overpayments that were the result of error, negligence, reckless or willful acts or omissions by the administrator, its agents, officers or employees.

The administrator(s)/carrier(s) will indemnify, hold harmless and save the City, its agents, officers and employees from liability of any kind or nature (including costs, expenses or attorney's fees) for damages suffered by any entity or person as a result of error, negligence, reckless or willful acts or omissions of the administrator, its agents, officers or employees.

N. Compliance

The selected vendor must be prepared to assist the City with all state and federal compliance issues, including negotiating, in good faith, appropriate Business Associate and similar “chain-of-trust” agreements and contractual provisions (“Agreements”) in order to comply with the HHS final health care privacy and security regulations and, if necessary, any applicable state law. These Agreements may include (i) addenda to the vendor contract to provide the required Business Associate contractual provisions under the HHS privacy and security regulations and (ii) similar Business Associate agreements with any subcontractors (as approved by the City) of the selected vendor and other service vendors to the City.

Vendors must demonstrate their capability and plan for compliance with all federal regulations governing employer-sponsored plans.