

From: [Martha Salazar](#)
To: ["Gary Looney"](#); ["Flora Vazquez"](#); raul.silguero@co.hidalgo.tx.us
Cc: ["Rene Ramirez"](#); ac.cuellar@co.hidalgo.tx.us; ["The Honorable Hector "Tito" Palacios, Commissioner, Precinct No. 2"](#); ["The Honorable Jose M. Flores, Commissioner, Hidalgo County Precinct No. 3"](#); ["The Honorable Oscar L. Garza Jr., Commissioner, Hidalgo County Precinct No. 4"](#); valde.guerra@co.hidalgo.tx.us; ["Rigo Villarreal"](#); raul.lozano@co.hidalgo.tx.us; ["Humberto Garza"](#); mona.parras@co.hidalgo.tx.us; mingo.villarreal@co.hidalgo.tx.us; gloria.beltran@co.hidalgo.tx.us; ["Yolanda Velasquez"](#); ["Darlene Betancourt"](#); ["Oscar Garza"](#); ["Evangelina Garcia"](#)
Subject: Modification to Group Health Procurement Packet
Date: Wednesday, August 25, 2010 1:27:10 PM
Attachments: [ADDENDUM 1 \(101 KB\).msg](#)
Importance: High

TO ALL PARTIES ADDRESSED:

Yesterday, August 24, 2010 at approximately 4:45 pm, Ms. Flora Vasquez, Director, Employee Benefits Division notified Ms. Yolanda Velasquez (Buyer for the Group Health Project) that a provision included in the RFP for the Group Health Plan needed to be removed. Ms. Vasquez' concern is the acceptance of proposals from Agents as opposed to direct submission of proposals from Carriers. The published release date for interested parties to request and receive the RFP packets is Wednesday, August 25, 2010 at 10:00 am. Ms. Flora stated that she had requested Alamo Insurance (County's consultant for this project) to remove the Agent provision some time back (around June). The request to remove the agent factor is based on discussions between herself and Mr. Raul Silguero (Budget Officer) that the agent commissions are an expense that the County could remove in order to achieve lower overall project costs.

However, because Commissioner's Court approved the final packet as presented on 8-17-10 with no objections or modifications requested, the Purchasing Department cannot alter the packet without CC discussion and action.

In order for Commissioner's Court to hear Ms. Flora's recommendations on the matter and take action on same (Tuesday, August 31, 2010), it has become necessary to issue the attached Addendum which informs any vendors requesting packets that the published release date has been changed from 10:00am, Wednesday, August 25, 2010 to 10:00am, Wednesday, September 1, 2010. In addition, all other RFP packet dates (i.e. pre-proposal conference, questions/response, acceptance dates, etc.) will have to be changed and become part of the Addendum.

The following issues may be the focus of the Agent vs Direct Carrier Submission of Proposals:

- 1) Can the County solicit participation directly from Insurance Carriers without Agent's participation?
- 2) Is the cost associated with commission fees to Agents a significant cost included in premiums?



3) Does the elimination of the Agent in any way affect services?

I ask that Ms. Vaquez, Mr. Silguero and Alamo Insurance be in attendance at next week's CC meeting (8-31-10@9:00am) to discuss the request to remove the agent provision including any other matters pertinent to same (a few of which are included herein).

I have included the Addendum issued this morning for your project file.

Yours truly,

Martha L. Salazar, CPPB
Hidalgo County Purchasing Agent
2812 S. Bus Hwy 281
Edinburg, Tx 78539
956-292-7000 Ext 4862
956-318-2629 Fax
martha.salazar@co.hidalgo.tx.us

From: [Martha Salazar](#)
To: ["Rene Ramirez"; ac.cuellar@co.hidalgo.tx.us; "The Honorable Hector "Tito" Palacios, Commissioner, Precinct No. 2"; "The Honorable Jose M. Flores, Commissioner, Hidalgo County Precinct No. 3"; "The Honorable Oscar L. Garza Jr., Commissioner, Hidalgo County Precinct No. 4"; valde.guerra@co.hidalgo.tx.us](#)
Cc: ["Rigo Villarreal"; raul.lozano@co.hidalgo.tx.us; "Humberto Garza"; mona.parras@co.hidalgo.tx.us; mingo.villarreal@co.hidalgo.tx.us; gloria.beltran@co.hidalgo.tx.us; "Monica Badillo"; "Yolanda Velasquez"; "Evangalina Garcia"; "Darlene Betancourt"; "Oscar Garza"](#)
Subject: FW: Response to RFP Group Health & Requested Modification to Remove Agents
Date: Wednesday, August 25, 2010 3:47:06 PM
Importance: High

To All Addressed Parties:

Please review Alamo Insurance's response on subject. This subject will be placed on next week's agenda for discussion and action if warranted.

Thanks,
Marty Salazar

From: Gary Looney [mailto: glooney@alamoinsgrp.com]
Sent: Wednesday, August 25, 2010 3:32 PM
To: martha.salazar@co.hidalgo.tx.us; flora.vazquez@co.hidalgo.tx.us; Raul Silguero
Cc: Javier C. Guevara; Leticia Garcia
Subject:

Marty, I agree with your evaluation of the RFP circumstances. Mrs. Vazquez did request the elimination of the agents from the RFP process. When we prepared the RFP we discovered that the Commissioner's Court three years ago had requested that two agents be assigned by a proposing vendor and no more. It is appropriate for the Commissioner's Court to address the agent question.

As we discussed today I have a scheduled meeting in New York City for next Tuesday and will be unable to attend. Alamo Insurance will be represented by Javier Guevara and Leticia Garcia. I will make myself available by phone. If questions additional questions are asked please forward them to me. Here are the responses to the questions posed thus far:

The following issues may be the focus of the Agent vs Direct Carrier Submission of Proposals:

1) Can the County solicit participation directly from Insurance Carriers without Agent's participation?

There should be no loss in the number of Major Insurance Company's offering proposals. There may be some reduction in the number of independent Third Party Administration companies that offer bids; however, these companies are typically smaller and less capable of managing a large group. I do not believe that we would significantly reduce the number of companies vying for the County's business.

2) Is the cost associated with commission fees to Agents a significant cost included in premiums?

The commission expense incurred by the County is based on a capitation fee of \$1.80/ee/mth. This equates to approximately \$80,000 per year.

3) Does the elimination of the Agent in any way affect services?

This response will have to come from Flora, she is actively involved on a daily basis with the "service" element of the plan.

I ask that Ms. Vasquez, Mr. Silguero and Alamo Insurance be in attendance at next week's CC meeting (8-31-10@9:00am) to discuss the request to remove the agent provision including any other matters pertinent to same (a few of which are included herein).

Gary Looney REBC

*Senior Vice President
ALAMO INSURANCE GROUP
3201 Cherry Ridge Street Suite D405
San Antonio, Texas 78230
210.524-7104 voice
210.524-7183 fax*

Confidentiality Notice: Protected Health Information Enclosed:

Protected Health Information (PH) is personal and sensitive Individually-identifiable information related to a person's health care. It is being faxed/emailed to you after appropriate authorization from the individual or under circumstances that do not require authorization. You, the recipient, are obligated to maintain it in a safe, secure and confidential manner. Re-disclosure without authorization or as permitted by law is prohibited. Unauthorized re-disclosure or failure to maintain confidentiality could subject you to penalties described in federal and state law.

IMPORTANT WARNING:

This message is intended for the use of the person or entity to which it is addressed. If you are not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any disclosure, copying or distribution of this information is strictly prohibited. Please notify the sender immediately to arrange for the return or destruction of these misdirected documents.

Hidalgo County
Request for Proposal
No: 2010-228-09-22-YZV

“Third Party Administration, Individual Stop Loss & Aggregate Stop Loss for Self Funded Medical Plan,
Group Term Life and
Accidental Death & Dismemberment”

PLEASE ACKNOWLEDGE RECEIVING THIS RFP BY RETURNING THIS FORM

In order to allow a fair and competitive bid process an agent or agency will not be allowed to access markets prior to the release date of this RFP. The new official date and time of release is SEPTEMBER 01, 2010 at 10:00 A.M (AS PER ADDENDUM 1).

Any agent other than the incumbent agent in contact with a current provider, contacting markets prior to this date will not be allowed to present a proposal. If it is determined that markets were approached in advance of the release date, then, that insuring entity shall immediately notify our insurance consultant of the date and time of receipt of this Request for Proposal. Failure to disclose the early request will result in disqualification of the vendor. Disclosure will result in reassignment of the insuring entity to another agent or agency.

FAX or Mail TO: Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
2802 South Hwy 281
Hidalgo County New Administration Building
Edinburg, Texas 78539

_____ WILL RESPOND*

_____ WILL NOT RESPOND*

COMMENTS: _____

COMPANY NAME: _____ COMPANY FAX: _____

COMPANY PHONE: _____ Email Address _____

SIGNATURE: _____

Hidalgo County
Request for Proposal
2010-228-09-22-YZV

NOTICE TO INSURING ENTITY

Information provided in these specifications is to be used for purposes of preparing a proposal detailing costs of providing the services and insurance specified. It is further expected that each INSURING CARRIER will read these specifications with care, since failure to meet each condition or a combination of specified conditions may disqualify proposal.

Information provided on Hidalgo County:

1. Current census
2. Plan Information
3. Rate history
4. Standard Loss Information

Hidalgo County (hereinafter referred to as) reserves the right to reject any or all proposals or any portion thereof and to accept the proposal deemed most advantageous to Hidalgo County.

An Insuring entity is required to submit quotations on the basis of these specifications. Alternative quotations (for service on a basis different from requested in these specifications) will receive consideration if such alternatives are clearly explained. Any exceptions to coverage requested herein must be clearly noted in writing and be included as a part of the proposal.

Hidalgo County **does not intend to name the servicing agent for the contract(s) you are proposing to the County.**

The Insuring Carrier is allowed to name a maximum of TWO (2) agents or agency representatives to be responsible for servicing the contract on behalf of the Insuring carrier. An individual agent or agency may be named to service the insurance contract but only two agents may be named to represent the insuring carrier. If more than two agents are named in the proposal the proposal will be rejected and returned to the insuring carrier.

Hidalgo County believes that the data contained in these specifications is sufficient for preparation for a proposal. The information is believed to be accurate and is based upon the latest available information, but it is not to be considered in any way as a warranty. Requests for additional information should be directed in writing to Hidalgo County's purchasing department as described in the RFP.



Hidalgo County Purchasing Department
2812 S. Business Highway 281
New Administration Building
Edinburg, Texas 78539
(956) 318-2626/ Fax: (956) 318-2629

August 25, 2010

Re: Addendum No. 1
RFP No: 2010-228-09-22
Hidalgo County-"Third Party Administration, Individual
Stop Loss & Aggregate Stop Loss for Self Funded Medical
Plan, Group Term Life and Accidental Death & Dismemberment"

Dear Proposer:

Attached you will find **ADDENDUM NO. 1**, in connection with "**HIDALGO COUNTY**" Request for Proposals for "Third Party Administration, Individual Stop Loss & Aggregate Stop Loss for Self Funded Medical Plan, Group Term Life and Accidental Death & Dismemberment".

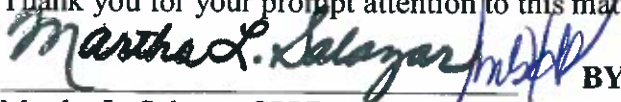
Please add this **ADDENDUM NO. 1** to your procurement packet, to permit your company to submit a complete packet. See original packet LEGAL NOTICE page 3 paragraph 9.

Acknowledge receipt of ADDENDUM NO. 1 by signing and returning this notice to us VIA FAX AT (956) 318-2629 or VIA E-MAIL TO: yolanda.velasquez@co.hidalgo.tx.us

If you do not receive all pages of **ADDENDUM NO. 1** please notify us immediately at (956) 318-2626 x-4881.

Please be advised that this **ADDENDUM NO. 1** will complete your RFP packet for **HIDALGO COUNTY**-"Third Party Administration, Individual Stop Loss & Aggregate Stop Loss for Self Funded Medical Plan, Group Term Life and Accidental Death & Dismemberment".

Thank you for your prompt attention to this matter.


BY: _____

Martha L. Salazar, CPPB
Hidalgo County Purchasing Agent

ADDENDUM NO 1
ACKNOWLEDEMENT OF RECEIPT

Firm Name

MLS/yzv
Enclosures

ADDENDUM NO. 1

AUGUST 25, 2010

HIDALGO COUNTY
RFP No. 2010-228-09-22-YZV

Third Party Administration, Individual Stop Loss & Aggregate Stop Loss for Self Funded Medical Plan, Group Term Life and Accidental Death & Dismemberment

1. Scheduled release date for RFP packet distribution has changed from:
Wednesday, August 25, 2010-10:00A.M. to, Wednesday, September 01, 2010-10:00 A.M..
2. Proposal Acceptance date has been extended to:
Wednesday, September 22, 2010-9:30 A.M., to Wednesday, September 29, 2010-9:30 A.M.
3. Pre-Proposal Conference has been re-scheduled from:
Thursday, September 02, 2010-10:00A.M. to Thursday, September 09, 2010-10:00 A.M. at the Hidalgo County Purchasing Department Conference Room at 2812 S. Business Highway 281, Edinburg, Texas 78539.

I, _____, acknowledge receipt of ADDENDUM NO. 1 dated, *August 25, 2010 RFP NO.:2010-228-09-22-YZV-Hidalgo County-“Third Party administration, Individual Stop Loss & Aggregate Stop Loss for Self Funded Medical Plan, Group Term Life and Accidental Death & Dismemberment”*

Printed Proposer Name

Date

NOTE: PLEASE SUBMIT THIS ADDENDUM WITH YOUR PACKET IN ORDER TO COMPLETE YOUR PROPOSED PACKET.