



ALASKA RAILROAD CORPORATION
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THOMPSONL@AKRR.COM

September 9, 2016

REQUEST FOR PROPOSALS

16-31-205114

The Alaska Railroad Corporation (ARRC) is soliciting proposals from interested concerns for the following:

ARRC Employee Life Insurance

Sealed offers in **original and five (5) copies** will be received until **3:00 pm local time, October 6, 2016**. The envelope used for the submittal of your offer shall be plainly marked with the following information:

1. Offeror's name.
2. Offer number 16-31-205114
3. Date and time scheduled for the receipt of offers.
4. Sealed Offer: Consulting Services for Employee Benefits (Health and Life Insurance and Cafeteria Plan)

The ARRC may award a contract resulting from this solicitation to the responsible offeror whose offer conforming to this solicitation will be most advantageous to the ARRC.

ARRC may reject any or all offers if such action is in the best interest of ARRC, and waives informalities and minor irregularities in offers received. ARRC may award a contract on the basis of initial offers without discussions. Therefore, each initial offer should contain the offeror's best terms from a cost or price and technical standpoint. Any contract resulting from this solicitation shall incorporate the Standard Terms and Conditions contained in this solicitation package.

This Request for Proposals is not to be construed as a commitment of any kind nor does it commit the ARRC to pay for any cost incurred in the submission of an offer or for any other cost incurred prior to the execution of a formal contract.

1. **ALASKA BIDDER PREFERENCE:** Award will be made to the lowest responsive and responsible bidder after an Alaska bidder preference of five percent (5%) has been applied. The preference will be given to a person who: (1) holds a current Alaska business license at the time designated in the invitation to bid for bid opening; (2) submits a bid for goods or services under the name on the Alaska business license; (3) has maintained a place of business within the state staffed by the bidder, or an employee of the bidder, for a period of six months immediately

preceding the date of the bid; (4) is incorporated or qualified to do business under the laws of the state, is a sole proprietorship and the proprietor is a resident of the state, is a limited liability company organized under AS 10.50 and all members are residents of the state, or is a partnership under AS 32.06 or AS 32.11 and all partners are residents of the state; and, (5) if a joint venture, is composed entirely of ventures that qualify under (1) - (4) of this subsection.

2. ALASKA VETERAN PREFERENCE: If a bidder qualifies for the Alaska bidder preference and is a qualifying entity as defined herein, they will be awarded an Alaska veteran preference of five percent (5%). The preference will be given to a (1) sole proprietorship owned by an Alaska veteran; (2) partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans; (3) limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or (4) corporation that is wholly owned by individuals and a majority of the individuals are Alaska veterans, and may not exceed \$5,000. The bidder must also add value by actually performing, controlling, managing, and supervising the services provided, or for supplies, the bidder must have sold supplies of the general nature solicited to other state agencies, other governments, or the general public.

ARRC Disadvantaged Business Enterprise (DBE) Program: ARRC is an equal opportunity corporation that encourages the participation of DBEs as prime contractors and subcontractors on its contracts funded in whole or in part by the Federal Transit Administration (FTA) or the Federal Highway Administration (FHWA). The ARRC has a race neutral DBE Program and does not set DBE goals on individual solicitations. Nonetheless, the ARRC aspires to achieve an overall DBE participation on federal contracts of 0.0 % in FY 2015. If this contract is funded in whole or in part by funds from the FTA or the FHWA, it is imperative that you consult the Federal Terms and Conditions portion of this solicitation.

Any questions the bidders have must be submitted in writing to the Contract Administrator. Please direct all responses and/or questions concerning this ITB to C. Lee Thompson, Alaska Railroad Corporation, Contracts, 327 Ship Creek Avenue, Second Floor, Anchorage, AK 99501, telephone number 907-265-2608, fax number 907-265-2439 or at email address THOMPSONL@AKRR.COM.

Sincerely,

C. Lee Thompson
C. Lee Thompson
Manager, Contracts and Purchasing
Alaska Railroad Corporation

SOLICITATION INDEX

- SECTION A SCOPE OF SERVICES
- SECTION B PROPOSAL INFORMATION, CONDITIONS, INSTRUCTIONS & FORMAT
- SECTION C QUESTIONNAIRE
- SECTION D GENERAL TERMS & CONDITIONS (PROFESSIONAL SERVICES CONTRACTS)

Attachment – Census*

***To receive a copy of the Census not included in this document, please e-mail jcarlton@segalco.com.**

If you do not have a current Confidentiality Agreement on file with Segal, please complete the Exhibit 1 and submit it with your request.

- ATTACHMENTS -
- ARRC Life Disability Outline RFP2017.pdf
 - ARRC-Aetna LIFE_Insure_CoverageSummary_REF.pdf
 - ARRC-Aetna LIFE_Insure_GroupPlan-Certificate_REF.pdf
 - BenefitsJournal_ATDA-IBT-TCU-UTU_REF.pdf
 - BenefitsJournal_ARW-TCU-NonRep_REF.pdf

SECTION A

SCOPE OF SERVICES

GENERAL INFORMATION ABOUT THE ALASKA RAILROAD

The Alaska Railroad Corporation (ARRC) is a public corporation and an instrumentality of the State of Alaska formed pursuant to AS 42.40 and is the last full service (passengers and freight) railroad in the United States, with a route that runs from Seward and Whittier at tidewater to the interior of Alaska just beyond Fairbanks. The corporate headquarters are in Anchorage. The ARRC averages approximately 680 employees (year-round and seasonal), with employment reaching 750 in the summer season. Seventy-five percent (75%) of ARRC employees are represented by one of five (5) unions: Alaska Railroad Workers (ARW), American Train Dispatchers (ADTA), International Brotherhood of Teamsters (IBT), Transportation Communications Union (TCU), and the United Transportation Union (UTU). The remaining employees are non-represented and management personnel. The Railroad bargains benefit matters with all five labor organizations. As the ARRC is a public corporation of the State of Alaska, its benefit plans are governmental plans and not subject to the provisions of ERISA.

INTRODUCTION

The Alaska Railroad is soliciting proposals from life insurance providers (offerors) to provide a comprehensive life insurance program to include basic, accidental death & dismemberment (AD&D), and supplemental life insurance coverage for its employees.

Also included in this document is a section asking questions about a Long-term Disability plan. The Railroad currently does not offer its employee an LTD product and does not plan on providing an employer paid program. The purpose of the LTD section of this RFP is to explore the possibility of offering a fully employee paid voluntary program. While this section of the RFP will not be scored, it is possible that the successful life insurance offeror could be asked in the future to provide the voluntary LTD program.

LIFE ELIGIBILITY

There are four life insurance plan options; however, employees must enroll in Basic Life and Accidental Death and Dismemberment (AD&D) if they want to enroll in any of the others (the current life insurance plan documents have been included for reference)..

	NON-REPRESENTED	REPRESENTED
Eligibility dates	Eligible on hire date. Enroll within 31 days.	Eligible 90 days after hire date. Enroll within 31 days.
	Once eligible, and with approved Evidence of Insurability, may enroll in Basic Life/AD&D within 31 days from qualified life event or during Open Window. If enrolled in Basic Life, may add after-tax Optional Life (1X – 5X Life, Standard Life, and Dependent Life) any time of year with approved Evidence of Insurability.	

LIFE INSURANCE OPTIONS, AT A GLANCE

TYPE OF INSURANCE	WHO'S COVERED	BENEFIT	
Basic Life ¹ AD&D ¹	Employee	Under age 35: 2 x basic annual pay rounded to next \$1,000 + \$2,000 Age 35 & up: as above, with 10% per year reduction. Will not reduce below 1 x basic annual pay.	
		Maximum: \$75,000 / Minimum: \$10,000	
		Accidental death: Basic Life amount Dismemberment: Benefits vary	
Optional Life: 1–5x salary options ²	Employee	1x salary: \$50,000 max 2x salary: \$100,000 max 3x salary: \$150,000 max	4x salary: \$200,000 max 5x salary: \$250,000 max (no AD&D)
Standard Life ²	Employee	\$10,000 (no AD&D)	
Dependent Life ²	Legal spouse	\$5,000	
	Dependent children	\$100 – \$2,500 (depending on age)	

¹ Employee and ARRC share the premium cost. Employee's cost is approximately 2/3 of the total; qualifies for POP pretax payment.

² Employee pays full cost of premium; payment is after tax.

LIFE INSURANCE REQUIREMENTS

Following is a list of requirements that offerors should meet or fulfill to be considered a prospective vendor for life insurance services. The Alaska Railroad has determined that these requirements should be met or exceeded in an Offeror's proposal in order to meet the objectives outlined in this RFP. Failure to comply with or meet any one of the following items may be considered a deficiency (at the Railroad's sole discretion), or the Offeror's proposal may be removed from further consideration (at the Railroad's sole discretion). Please mark the box "Yes" alongside each item in the technical proposal; mark the "No" box if any item is not included in the proposal. For any requirements marked "No", include a separate statement describing the reasons the requirement is not/cannot be met and a description of any proposed alternative methods or strategies to satisfy the intent of the requirement.

Important Dates:

Selection – On or before October 31, 2016

Coverage Effective Date for Current Plan: January 1, 2017

Potential Coverage Effective Date for Alternate Plan Provisions: January 1, 2018

Benefits to be quoted:

1. Current Basic Life and AD&D, 1/3 Employer Paid, 2/3 Employee Paid (a voluntary offering)
2. Current Optional Life (no AD&D), 1-5x salary, 100% Employee Paid
3. Current Standard Life (no AD&D), \$10,000 on life of employee only, 100% Employee Paid
4. Current Dependent Life, flat amounts on life for spouse and child(ren), 100% Employee Paid
5. Alternate Basic Life and AD&D, see spreadsheet for requested options, 100% Employer paid
6. Alternate Spouse Life, see spreadsheet for requested options, 100% Employee Paid
7. Possible Product Offering – Voluntary LTD

List of RFP Documents

1. Benefit Journals – Employee benefits communication
2. Current Group Life Certificate – for quotes on current benefits
3. Current Group Coverage Summary – for quotes on current benefits
4. Census with Current Elections – as of March 2016 **To receive a copy of the Census not included in this document, please e-mail jcarlton@segalco.com.**
5. Outline of Alternate Designs – high level description of requested alternatives to current design
6. Life Insurance Questionnaire
7. Voluntary LTD Questionnaire – this questionnaire will not be scored.

Things to know:

1. Current Plan Life insurance quotes must match the current contract. If this is not possible, deviations must be noted.
2. A life insurance census files as of March 2016 **To receive a copy of the Census not included in this document, please e-mail jcarlton@segalco.com.**
 - no LTD coverage amounts are provided since LTD is not currently offered
 - life insurance file elements are self-explanatory; note pivot tables tab summarizing census data
3. Recent life insurance incurred loss ratios by plan (calendar) year; includes all current life benefits, excludes all current AD&D:
 - 2016 = 0% (through April)
 - 2015 = 1.37%
 - 2014 = 129%
 - 2013 = 0%
 - 2012 = 27.7%
4. Current rates are in the employee benefits journal
5. Rates should be quoted without commissions (even optional products)
6. The Railroad's goal is to compare renewals on our current plans to rates and features available under the most popular/competitive "best practices based" contracts.
7. The railroad does not have the funds available to fund an LTD offering

Please note if your Life Insurance quote includes:

- age-based reductions related to age 65+
- portability and conversion
- accelerated / partial death benefits
- domestic partner coverage
- dependent children coverage to age 26
- extended death benefits and true Waiver of Premium, no-loss no-gain, etc.
- standard range of AD&D benefits based on loss of body parts

- seat belt, airbag, dangerous hobby/activities, etc.,

LTD quotes should include standard features:

- all above that are applicable to LTD
- Continuity of Coverage
- Minimum Benefit \$100 per month
- Family Social Security offset
- 2-year Own Occupation
- 24 months mental/nervous limitation
- standard benefit duration for disabilities occurring at age 62 and older
- best practices rehabilitation programs, worksite modification, return to work provisions / incentives, partial benefit offsets, etc.
- dependent care benefits and lump-sum survivor benefit
- work life assistance program
- best practice pre-existing (but no less favorable than 3/12)

<u>OFFEROR'S CERTIFICATION</u>		RESPONSE Yes or No	
		YES	NO
1.	Offeror certifies that 100% of all services provided under the resulting contract by the offeror, joint venture partners, and all subcontractors shall be performed in the United States.		
2.	Offeror complies with the laws of the State of Alaska.		
3.	Offeror complies with the applicable portions of the Federal Civil Rights Act and the regulations issued thereunder by the federal government.		
4.	Offeror complies with the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government.		
5.	Offeror complies with the American with Disabilities Act and the regulations issued thereunder by the federal government.		
6.	Offeror complies with all terms and conditions set out in this RFP.		
7.	Offeror affirms that this response was independently arrived at, without collusion, under penalty of perjury.		
8.	Offeror response and cost schedule shall be valid and binding for 120 days following the response due date.		
9.	Offeror acknowledges that this engagement with the Alaska Railroad is subject to the Alaska Public Records Act, AS Title 40, Chapter 25 and that the Alaska Railroad may be required to disclose certain information in response to requests for public information made under the Act.		
10.	Offeror has reviewed the RFP for defects and objectionable material and has provided comments to the procurement officer.		
11.	Offeror agrees to not restrict the rights of the Alaska Railroad.		

<u>OFFEROR'S CERTIFICATION</u>		RESPONSE Yes or No	
		YES	NO
12.	Offeror understands and agrees to comply with all statutes, regulations, and policies regarding nondisclosure and confidentiality.		

<u>MINIMUM REQUIREMENTS</u>		RESPONSES	
		YES	NO
1.	The offeror will provide rates that are guaranteed for a minimum of two (2) years, with the option to renew for three additional one-year periods.		
2.	The offeror agrees to guarantee all in-force Basic, Optional and AD&D Life amounts (Employee, Spouse and Dependents) for proposals that replicate the current plan design. This includes employees on layoff, a leave of absence or workers compensation.		
3.	The offeror agrees that for the current plan there are no minimum participation requirements for the Basic, Optional Life and AD&D amounts (Employee, Spouse and Dependents)		
4.	The offeror agrees to waive actively at work requirements / non-hospital confinement rules for existing covered participants on the effective date. This includes employees on layoff, a leave of absence or workers compensation.		
5.	The offeror agrees that the life insurance products are net of commissions.		
6.	The offeror agrees that the rates quoted in their proposal are firm for the initial term unless enrollment changes by greater than 15%.		
7.	The offeror agrees that they may only terminate the contract early for non-payment of premium, or failure of other reasonable duties that would be expected of the Alaska Railroad.		
8.	The offeror agrees that the Alaska Railroad will generate its own monthly payment bill based on the information contained in its benefits/payroll system.		
9.	If the offeror answered "No" to any of the questions above, please provide an explanation below:		

<u>CONTRACTUAL/LEGAL QUESTIONS</u>	RESPONSES	
	YES	NO
1. The offeror understands that ARRC requires the following with each renewal package: a. any contract language changes requested b. specific justification of rate/fee changes including providing underwriting analysis c. all underwriting caveats d. if applicable, additional options for consideration		
2. Termination Provisions: a. ARRC wants a contract that allows them to terminate the vendor at any time (with at least 31 days advance notice) and that there will be no financial penalty for an early termination. Do you agree to both of these provisions and agree that your contract with ARRC will be worded as such? b. Do you agree that upon the termination of an agreement with ARRC, you will cooperate with ARRC and/or its subsequent service provider in order to effect an orderly transition of services from your organization to a subsequent service provider, at no added fee?		
3. Subcontracting or Partnering: a. Unless otherwise explained in this RFP, do you agree (including any partner firm) that you will not subcontract for any services without the prior written notification and approval of ARRC? b. Do you understand that if you use subcontractors or partners in the delivery of services under this proposal, your firm is responsible for the timeliness, accuracy, privacy, comprehensiveness and reporting components of the subcontractor/partner's services?		
4. Do you agree that you will not assign or transfer the rights or obligations of the contract or any portion thereof, without the prior written notice and approval of ARRC?		
5. Do you agree that the contract will contain a mutual indemnification/hold harmless provision?		
6. Do you agree to maintain proper licensure as required by any state law where it relates to the services that you will be performing for ARRC?		
7. Do you agree that you will maintain appropriate and sufficient insurance coverage (i.e., general liability, workers compensation, auto insurance, professional liability/errors and omission) for the duration of the contract?		
8. Do you agree to maintain electronic records for the term of the contract and for at least 6 years beyond the contract termination, or to the return all records to ARRC upon termination of the contract?		

BASIC/AD&D AND OPTIONAL LIFE	RESPONSES	
	YES	NO
1. Are you matching current basic life/AD&D benefits a. If not, list all deviations. References to attached plan designs may be provided in addition to listing deviations, but all deviations must be summarized.		
2. Are you matching current optional life benefits a. If not, list all deviations. References to attached plan designs may be provided in addition to listing deviations, but all deviations must be summarized.		
3. Do you agree that during the initial Open Enrollment period that Evidence of Insurability will not be required and you will waive pre-existing condition limitations for participants enrolling in the Optional plan?		

LIFE QUESTIONNAIRE

All offerors shall answer each question in this section and submit responses with the technical proposal. Each question will be answered in the order listed and numbered accordingly. Restate each question, and then provide an answer. Do not simply refer to an attached document to answer a question. Offerors may attach supplemental materials to enhance understanding of responses, but answers will be evaluated on offeror’s specific written responses to questions.

1. Provide a summary of your firm's history and please complete the following background information about your organization:
 - a. Organization’s name
 - b. Address of your corporate headquarters
 - c. Address of the location that will service the Alaska Railroad’s account
 - d. Date your firm became operational
 - e. Date your firm became operational for the services requested in this RFP
 - f. State in which your firm is incorporated
 - g. Ownership of your firm
 - h. Is your firm “for profit” or “not for profit”?
 - i. Indicate your firm’s website address

2. Complete the following information about the individual from your organization who will be the PRIMARY CONTACT DURING THE PROPOSAL PROCESS and to whom responses to questions about the RFP should be directed:
 - a. Name:
 - b. Title:
 - c. Address:
 - d. E-mail:
 - e. Phone:
 - f. Fax:
 - g. Hours of availability

3. Complete the following information about the individual from your organization who will be assigned as the OVERALL ACCOUNT MANAGER for the Alaska Railroad:

- a. Name:
 - b. Title:
 - c. Address:
 - d. E-mail:
 - e. Phone:
 - f. Fax:
 - g. Hours of availability
4. Complete the following information about the individual from your organization who will be assigned as the PRIMARY DAY TO DAY CONTACT for the Alaska Railroad:
- a. Name:
 - b. Title:
 - c. Address:
 - d. E-mail:
 - e. Phone:
 - f. Fax:
 - g. Hours of availability
5. Indicate any potential conflicts of interest your firm may have in providing life insurance products to the ARRC.
6. Describe your firm's experience and the team's experience in the Alaskan market and experience with offering life insurance to a seasonal employment/fluctuating workforce.
7. How many in-force group life insurance contracts does the offeror currently have in the State of Alaska?
8. Do you currently have railroad clients (500+ eligible employees)? If yes, please list name and coverage provided/administered.
9. Provide the following reference information about two (2) current Life Insurance clients:
- a. CLIENT ONE
 - i. Company name
 - ii. Contact name
 - iii. Address
 - iv. Phone number
 - v. Email address
 - vi. Number of covered employees
 - vii. Contract start date
 - b. CLIENT TWO
 - i. Company name
 - ii. Contact name
 - iii. Address
 - iv. Phone number
 - v. Email address
 - vi. Number of covered employees
 - vii. Contract start date
10. Provide the following reference information about two (2) current Terminated clients:
- a. TERMINATED CLIENT ONE
 - i. Company name
 - ii. Contact name

- iii. Address
 - iv. Phone number
 - v. Email address
 - vi. Number of covered employees
 - vii. Contract start date
 - viii. Coverage Type
- b. TERMINATED CLIENT TWO
- i. Company name
 - ii. Contact name
 - iii. Address
 - iv. Phone number
 - v. Email address
 - vi. Number of covered employees
 - vii. Contract start date
 - viii. Coverage Type
11. Complete the following chart regarding your organization's financial ratings:
- a. A.M. Best
 - b. Standard & Poor's
 - c. Moody's
 - d. Other
12. Provide the most current audited financial statement or other financial report indicating the financial stability of your organization.
13. Has your organization acquired, been acquired by, or merged with another organization in the past 24 months?
14. Is your firm anticipating restructuring or reorganizing in the next two years? (Include any major staff relocations or office closings.)
15. List any services related to this RFP that you currently subcontract (or plan to subcontract or partner with another firm for this contract) and the name of the vendor(s) to whom you subcontract/partner. Is the relationship a subcontract or partnering firm?
16. Explain any of your current contractual relationships with a third-party firm in which the third party firm will be paid by ARRC either directly or indirectly (e.g. % of savings) during the course of the contract with ARRC?

IMPLEMENTATION

17. Provide a general timetable of the major events that need to take place during implementation (along with estimated dates) in order to coordinate a smooth implementation of your services by the effective date of the contract with ARRC.
18. Do you foresee any difficulty in implementing the Railroad's program (e.g. can your program accommodate the volume/demands of work of an employer of our size and complexity, number of bargaining groups) by the effective date of the contract with the Alaska Railroad?
19. List any transition issues the Railroad should consider with respect to moving services from an existing vendor to your services.
20. Do you agree to have a representative available as needed for employee open enrollment meetings (usually in November) and wellness/information fairs (date yet to be determined)? The Alaska Railroad operates 24/7, so evening and weekends may be required.
21. If your company is awarded this business, how soon after notification of the award would you be able to have a draft of the insured products:
- a. Master Policy

- b. Certificate booklet
- 22. Explain how your Actively-at-Work provision is administered upon takeover for the following:
 - a. Employee is absent from work on the effective date due to sickness.
 - b. Employee is absent from work on effective date due to maternity leave.
 - c. Employee is absent from work on effective date due to family and medical leave under federal and/or Alaska state provisions
 - d. The employee is absent from work on the effective date due to a worker's compensation injury.
 - e. Employee is on layoff
 - f. Employee is on a leave of absence
 - g. Employee is on Worker's Compensation
 - h. List any other takeover limitations and/or restrictions.
- 23. Please explain what will happen in the future if participation falls below your minimum participation levels.

PLAN DESIGN

- 24. What is your plan's guaranteed issue amount?
- 25. Required minimum participation:
 - a. What are your minimum participation requirements, if any?
 - b. Please confirm you will underwrite the program based on the Railroad's current life enrollments
 - c. If the current participation is below your minimum, will you agree to your proposed rates using current participation as your minimum?
- 26. How much can employees increase their optional life insurance amount during open enrollment without submitting evidence of insurability?
- 27. Does your organization's proposal require an employee to elect employee Optional life before electing coverage for their dependents (i.e. spouse only life insurance coverage)?
- 28. Does your plan allow an employee who experiences a family status change to increase coverage up to the guarantee issue amount without evidence of insurability?
- 29. What benefit improvements are you willing to provide for the **basic** life/AD&D benefit at no change to your proposed rates?
- 30. What benefit improvements are you willing to provide for the **basic** life/AD&D benefits at no change to your proposed rates?
- 31. Does your contract include a Waiver of Premium provision and for which life insurance products?
- 32. If an employee qualifies for the Waiver of Premium under your contract, will the premium for dependents also be waived?
 - a. Is an elimination period required for your firm's Waiver of Premium Provision?
 - b. If yes, what is it?
- 33. If approved for Waiver, are premiums waived back to the date of disability or only after the elimination period is satisfied?
- 34. What improvements are you willing to make to your Waiver of Premium benefit at no change to your proposed rates?
- 35. Indicate any enhanced services (financial planning, EAP, funeral services) included in your proposal. Include marketing materials you feel would further explain these services.
- 36. Does your proposal include a portability feature?

- a. Are there any restrictions around participants who wish to port upon termination and if so, indicate your requirements to qualify including any definition of disability or “good health” you would use?
 - b. What are your port rates for ARRC?
37. Does your accelerated death benefit? If yes, please describe the provisions/requirements and additional cost for each:
- a. Basic Life
 - b. Standard life
 - c. Optional Employee Life
 - d. Optional Spouse Life
 - e. Optional Dependent Life
 - f. List any other coverage types
38. Does your contract include a conversion option to whole life and on which lines of coverage do you allow conversion?
- a. What is the conversion charge per \$1,000 of face value?
 - b. Is the conversion charge amount guaranteed for the length of the initial contract?
 - c. Is the conversion charge included in your renewal analysis?
 - d. What provisions apply to the conversion option if the master contract is terminated?
39. Indicate the services you provide, including online service tools that would simplify administration for the Railroad’s benefit staff.
40. Please describe the process a beneficiary would go through in order to file a claim.
41. Does offeror restrict benefits in certain countries based upon State Department travel warnings (i.e., war risk countries)?
- a. If so, please provide a current list of countries and the restrictions.
42. Please provide a copy of your Evidence of Insurability forms and procedures.
43. In addition to providing benefits for Accidental Death & Dismemberment and/or loss of speech, hearing, and vision, does the offeror’s policy provide benefits for significant loss of other functions, as in the following list?

Please provide a response to each condition listed here.

<i>Condition</i>	<i>Yes</i>	<i>No</i>	<i>Percentage Payable</i>
1. Quadriplegia			%
2. Hemiplegia			%
3. Paraplegia			%
4. Coma			%
5. Other (list)			%

44. Please describe any no-cost benefits associated with offeror’s AD&D product.

ADMINISTRATIVE AND CUSTOMER SERVICES

45. Please describe how an employee would contact your firm (via phone, or web, etc.) for assistance with a life insurance issue.
46. Indicate the hours and days your customer service telephone line is staffed by live personnel (e.g., 24 hrs/day, 8 hrs M-F, etc. based on Alaska Time zone).
47. What type of system is available for receipt of calls outside of your normal working hours?
48. Indicate if you have ways to accommodate the special needs of the following types of participants:
 - a. Deaf or hearing impaired
 - b. Non-English speaking
 - c. Blind or visually impaired
 - d. Other types of accommodations possible:
49. Indicate what web tools you have for employee use.

CLAIMS PROCESSING

50. The Railroad manages enrollment with its own basic and optional benefit enrollment form and beneficiary forms that are not vendor-specific. Confirm that this practice is acceptable.
51. What is the average turnaround-time for a life insurance claim?
52. Provide a copy of an example of the benefit claim form(s) the offeror proposes to use for the Alaska Railroad.
53. Provide a demonstration login to your company's employer portal or access site for claims management and other administrative functions.

FINANCIAL ACCOUNTING RECONCILIATION PACKAGE

53. Do you agree to provide a year-end financial accounting reconciliation information including?
 - a. Paid premium for the period
 - b. Paid claims for the period
 - c. A separate listing of all claims
 - d. A full accounting of all reserves
 - e. The following detail on all open claims:
 - i. Date of injury/death
 - ii. Gross benefit
 - f. Are there any special banking requirements?
 - i. If so, please state them.

VOLUNTARY LONG TERM DISABILITY SECTION

The Railroad is exploring the idea of offering a voluntary long-term disability plan that will be fully paid by the participant. The following set of questions are optional.

Possible LTD Plan Designs

	Option 1	Option 2	Option 3
% of Pay	66.67%	60.00%	50.00%
Benefit Max (monthly)	\$5,000	\$5,000	\$5,000
Elimination Period	6 months		
Benefit Duration	"standard" death, recovery or SSNRA - any occupation; 2 years own occupation		
Return to Work	"standard" partial offsets for other / part-time employment income, retraining incentives, etc.		

VOLUNTARY LONG TERM DISABILITY (LTD) QUESTIONS
INFORMATIONAL ONLY

As stated in the introduction section of this RFP. The Railroad currently does not offer its employee an LTD product and does not plan on providing an employer paid program. The purpose of the LTD section of this RFP is to explore the possibility of offering a fully employee paid voluntary program. While this section of the RFP will not be scored, it is possible that the successful life insurance offeror could be asked in the future to provide the voluntary LTD program.

1. Describe the long term disability benefit you are proposing? Are there other options?
2. Does your LTD contract include integration with any other sources of income? If so, please outline those integration provisions. The Railroads Pension plan has a disability benefit (more information upon request).
3. If your LTD contract contains an exclusion or limitation for alcoholism, drug abuse or psychiatric treatment, please outline the specific exclusion(s).
4. Outline any other exclusions you are including in your proposal.
5. How do you evaluate if an individual qualifies for LTD disability payments?
6. How often will you verify the disability status of an LTD claimant?
7. What options do you offer with respect to Social Security offsets? For example, can the offset be frozen as of the date of disability?
8. What support do you give individuals with the Social Security application process?
9. Describe any temporary benefit included in your offer.
10. Describe any partial disability benefit included in your offer.
11. Does your policy have any restrictions for pre-existing conditions?
12. Are there actively-at-work and/or non-hospital confinement provisions in your contract?
13. W-2s and Withholding
 - a. Does your administration include W-2 and any other withholding or reporting requirements?
 - b. Outline these services and any additional fees.
14. Outline your vocational and general rehabilitation services that are available to LTD claimants.
15. Subcontracting
 - a. Do you subcontract with any outside vendors to administer your LTD plan?

- b. If so, list the subcontractors and define their roles in your LTD plan.
16. Does your quote include a conversion privilege?
 17. Does your quote include waiver of premium provision?
 18. How do you define eligibility for Waiver of Premium (own job, own occupation, any occupation)?
 19. How do you administer a recurrent disability?
 20. Does your quote include a reasonable accommodation benefit?
 21. Does your quote include a death benefit?
 22. What information do you need from the Railroad to implement your insured LTD services?

SELECTION PROCESS AND EVALUATION CRITERIA

The selection of a firm to perform the requested services will be made by an ARRC appointed committee which will evaluate the proposals in accordance with the evaluation criteria specified herein and establish a ranking. Proposals will be evaluated on the basis of advantages and disadvantages to ARRC using the criteria described in this Section.

ARRC reserves the right to select the top ranked firm based solely on the scoring of the written proposals and to enter directly into negotiations with said firm. However, at its sole discretion, ARRC may require the highest ranked firms to make an oral presentation to the evaluation committee. In this event, oral presentations will be scheduled at ARRC’s Board Room located at 327 West Ship Creek Avenue, Anchorage, Alaska. The selected firms will have an opportunity to summarize the information provided in their written proposals, expand on their capabilities, experience and proposed approach and work plan and answer questions from the selection committee. It is important that the primary individuals servicing the contract are present for this presentation. Scores obtained in the initial phase will not carry over to the presentation phase. Upon completion of the oral presentations, the evaluation committee will review the material presented and determine a ranking order for the firms interviewed

EVALUATION CRITERIA

Evaluation Criteria for Life Insurance	Weight
Experience of the Offeror (Questions 1 – 16 of Questionnaire)	10%
Plan Design, Implementation, and Administration (Questions 17 – 53 of the Life Insurance Questionnaire)	30%
PRICE/Rate Response Form(s)	60%

RATE SHEET

BASIC LIFE & AD&D

MONTHLY COST (PER \$1,000 OF COVERAGE)

	Year 1	Year 2
Non-Tobacco User Rate		
Tobacco User Rate		

OPTIONAL LIFE INSURANCE

MONTHLY COST (PER \$1,000 OF COVERAGE)

If the offeror has a different age banding table, please include it.

Non-Tobacco User

AGE	YEAR 1	YEAR 2
Under 35		
35 – 39		
40 – 44		
45 – 49		
50 – 54		
55 – 59		
60 & Over		

Tobacco User

AGE	YEAR 1	YEAR 2
Under 35		
35 – 39		
40 – 44		
45 – 49		
50 – 54		
55 – 59		
60 & Over		

STANDARD LIFE

MONTHLY COST (FLAT RATE)

	YEAR 1	YEAR 2
Non-tobacco user rate per \$1,000		
Tobacco user rate per \$1,000		

DEPENDENT LIFE

MONTHLY COST (FLAT RATE)

	YEAR 1	YEAR 2
Rate		

RATE SHEET

VOLUNTARY LONG-TERM DISABILITY – POSSIBLE OPTIONS

	Option 1	Option 2	Option 3
% of Pay	66.67%	60.00%	50.00%
Benefit Max (monthly)	\$5,000	\$5,000	\$5,000
Elimination Period	6 months		
Benefit Duration	"standard" death, recovery or SSNRA - any occupation; 2 years own occupation		
Return to Work	"standard" partial offsets for other / part-time employment income, retraining incentives, etc.		

MONTHLY PER \$100 OF COVERAGE

	YEAR 1	YEAR 2
Option 1		
Option 2		
Option 3		

The following forms are provided for reference only.



Life Insurance Plans
Designation of Beneficiary

ARRC ID #	Last Name	First Name	M.I.
Social Security Number	Work Phone	Status (check one): <input type="checkbox"/> Initial Designation <input type="checkbox"/> Change	Page ____ of ____

I, the individual named above, do hereby cancel any and all previous Designations of Beneficiary made by me for **Life Insurance** in my Personnel File, Human Resources Department, Alaska Railroad Corporation. I now designate the beneficiary(ies) named below to receive the designated amount of my **Life Insurance** due and payable at my death. I understand that this Designation of Beneficiary will remain in full force and effect with respect to any amount payable unless or until canceled by me in writing or until such time as it is automatically canceled.

Beneficiary Last Name	Beneficiary First Name	M.I.	Beneficiary Home Phone
Beneficiary Address	City and State		Zip Code
Relationship	Designation (check one): <input type="checkbox"/> Primary <input type="checkbox"/> Contingent	Percentage	
Beneficiary Last Name	Beneficiary First Name	M.I.	Beneficiary Home Phone
Beneficiary Address	City and State		Zip Code
Relationship	Designation (check one): <input type="checkbox"/> Primary <input type="checkbox"/> Contingent	Percentage	
Beneficiary Last Name	Beneficiary First Name	M.I.	Beneficiary Home Phone
Beneficiary Address	City and State		Zip Code
Relationship	Designation (check one): <input type="checkbox"/> Primary <input type="checkbox"/> Contingent	Percentage	

Unless otherwise indicated above, I hereby direct that if more than one beneficiary is named, the share of any beneficiary(ies) who may die before a lump sum benefit becomes payable shall be distributed equally among the surviving beneficiaries or entirely to the survivor. If no beneficiary is alive when the lump sum benefit becomes payable, this designation is void and payment will be determined by the life insurance company.

Participant's Signature	Date
-------------------------	------

SECTION B

PROPOSAL INFORMATION, CONDITIONS, INSTRUCTIONS & FORMAT

1. Pre-Submission Proposal Inquires

Proposers shall promptly notify ARRC of any ambiguity, inconsistency, conflict, or error which they may discover upon examination of the solicitation documents. Verbal inquiries regarding this RFP are not permitted. All inquiries must be made in writing and received at ARRC's offices prior to November 17, 2014 and the written inquiries must be submitted as follows:

C. Lee Thompson
Manager, Contracts and Purch.
Alaska Railroad Corporation
327 W. Ship Creek Ave., 2nd Floor
Anchorage, Alaska 99501
Fax 907-265-2608
Email: ThompsonL@akrr.com

ARRC will respond to all or part of the written inquiries received through the issuance of a written Addendum to the RFP, if in the opinion of ARRC, such information is deemed necessary to submit proposals or if the lack of it would be prejudicial to other prospective proposers. Oral and all other non-written responses, interpretations and clarifications shall not be legally effective or binding. Any Proposer who attempts to use or uses any means or method other than those set forth above to communicate with ARRC or any director, officer, employee or agent thereof, regarding this RFP shall be subject to disqualification.

2. Proposal Submission Deadline

Sealed proposals must be received by ARRC no later than 3:00 p.m., local time, on November 15, 2015 at:

Alaska Railroad Corporation
Purchasing Department
327 W. Ship Creek Avenue, 2nd Floor
Anchorage, AK 99501

One (1) original and five (5) copies of each proposal must be submitted. The sealed envelope or package used in submitting a proposal shall be clearly marked with the following information:

1. Proposer's Name
2. RFP Number 15-52-204316
3. Date and Time Scheduled for Receipt of Proposals: 11/19/15; 3:00 p.m.
4. Sealed Proposal: Consulting Services for Employee Benefits

Proposals received after the time and date set forth above shall be rejected. All proposals submitted in response to this solicitation must be signed by an individual with the legal authority to submit the offer on behalf of the company.

3. Proposal Open and Subject to Acceptance

All proposals shall remain open and subject to acceptance by ARRC for ninety (90) days after the deadline for proposal submission.

4. Proposal Opening

Proposals will be opened privately at ARRC's convenience on or after the proposal due date.

5. Reserved Rights

In addition to other rights in this RFP, ARRC reserves, holds and may exercise at its sole discretion, the following rights and options:

- (a) To supplement, amend, or otherwise modify or cancel this RFP with or without substitution of another RFP.
- (b) To issue additional or subsequent solicitations for proposals.
- (c) To conduct investigations of the Proposers and their proposals.
- (d) To clarify the information provided pursuant to this RFP.
- (e) To request additional evidence or documentation to support the information included in any proposal.
- (f) To reject any and all proposals, or parts thereof, and/or to waive any informality or informalities in any of the proposals or the proposal process for the RFP, if such rejection or waiver is deemed in the best interest of ARRC.
- (g) To award a contract or contracts resulting from this solicitation to the responsible Proposer whose proposal conforming to this solicitation will be most advantageous to ARRC.
- (h) To negotiate any rate/fee offered by a Proposer. ARRC shall have the sole right to make the final rate/fee offer during contract negotiations. If the selected Proposer does not accept ARRC's final offer, ARRC may, in its sole discretion, reject the proposal and start negotiations with the next highest ranked Proposer.
- (i) If an award is made and, prior to entering into a contract, subsequent information indicates that such award was not in the best interest of ARRC, ARRC may rescind the award without prior notice to proposers and either award to another proposer or reject all proposals or cancel the RFP
- (k) To terminate the contractor at any point in the evaluation process or after award if the approved personnel become unavailable, are switched off project by the firm, or the qualifications are generally found to be inadequate. All personnel reassignments to and from the project will be approved by ARRC.

6. Proposal Costs

Each Proposer shall be solely responsible for all costs and expenses associated with the preparation and/or submission of its proposal, and ARRC shall have no responsibility or liability whatsoever for any such costs and expenses. Neither ARRC nor any of its directors, officers, employees or authorized agents shall be liable for any claims or damages resulting from the solicitation or collection of proposals. By submitting a proposal, Proposer expressly waives (i) any claim(s) for such costs and expenses, and (ii) any other related claims or damages.

7. Taxes

Pursuant to AS 42.40.910, ARRC is exempt from all forms of state or local sales, property and other taxes. Accordingly, any Proposer who submits a proposal shall not include any such tax in any of its proposal prices or in any calculation thereof.

8. Proposal Format

Interested firms shall submit one (1) original proposal and five (5) copies, containing a statement of qualifications and a concise narrative that fully addresses each evaluation criteria. Proposals shall have a maximum of thirty (30) pages, exclusive of resumes and exhibits. A signed cover letter of a maximum two (2) pages should introduce the proposed firm, summarize the main qualifications of the firm, and include any other information the Contractor deems will emphasize the Contractor's ability to successfully perform the services required and demonstrate why selection of Contractor would be advantageous to ARRC. A limited number of larger (11x17) sheets are acceptable for graphics or charts. The page limit excludes cover sheets, cover letter, table of contents, forms required by ARRC, resumes or other attachments required herein.

Important Instructions: To be considered responsive, Proposers must submit the Questionnaire in Section E. Pricing shall be submitted in a separate envelope labeled "Pricing".

9. Capacity to Perform

Any Proposer considered for award as a result of this solicitation may be required to make assurance to the Contract Administrator concerning the Proposer's capacity and capability to perform. Previous contracts of a like nature, financial solvency, and other information may be requested of the considered Proposer. Failure to provide assurances requested in a timely manner may be cause for rejection of the Proposal.

10. Costs

Other direct costs (ODC) on contracts incurred shall be billed at cost. Any travel and travel related expenses shall be billed at cost with coach airfare only, no first class or business class. Lodging and meal expenses must be reasonable. ARRC will not pay for alcohol, valet parking or other expenses it considers to be exorbitant.

11. Purchase Obligation

ARRC and responding firms expressly acknowledge and agree that ARRC has made no express or implied promises to expend any dollar amounts with respect to the services addressed by this RFP. By submitting a proposal in response to this RFP, each firm acknowledges and agrees that the provisions of this RFP, and/or any communication, statement, act or omission by representatives of ARRC (including consultants) in the selection process, shall not vest any right, privilege, or right of action in any Proposer.

12. Exceptions to Terms, Conditions and Specifications

Any contract resulting from this solicitation shall incorporate the General Terms and Conditions contained in this solicitation package. Each Proposer shall indicate all exceptions to terms, conditions, and specifications of this solicitation individually in its proposal. Exceptions received or placed after the proposal submission date will be considered as counter offers and as such will render the entire proposal non-responsive.

13. Public Information

All submitted proposals will be considered confidential until notice of intent to award is issued. After notice of intent to award is issued, all proposals will become public information.

14. Qualifications of Proposers

Proposers will be evaluated by ARRC based upon their experience in performing the services requested, financial stability, appropriate personnel, responsiveness, technical knowledge and general organization. ARRC reserves the right to take any actions it deems necessary to determine if Proposers have the ability to perform the services outlined in the Scope of Work in a satisfactory manner. Such actions will include an evaluation of the Proposer's qualifications and references prior to Contract Award. Proposers may be disqualified, and their Proposals rejected, for any reason deemed appropriate by ARRC including, but not limited to, the following:

- (a) Evidence of collusion between a Proposer and any other Proposer(s).
- (b) An unsatisfactory performance record on prior projects for ARRC, or any other organization.
- (c) The appearance of financial instability (in the opinion of ARRC) and/or evidence that Proposer may not be financially able to complete the work required by the Scope of Work in a satisfactory manner.
- (d) If Proposer has failed to complete one or more public contracts in the past.
- (e) If Proposer has been convicted of a crime arising from previous public contracts.
- (f) If Proposer is not authorized to perform work in the State of Alaska.

15. References

Provide a representative list of clients including addresses, contact names and phone numbers. In case of a business entity client, provide the name of an individual familiar with the nature of your services to the entity.

16. Clients

How many clients have begun using your firms' services in the past three years? How many clients have stopped using your firm's services in the past three years? Why?

17. Conflict of Interest

Disclose any information that may pose an actual conflict of interest in providing these services or give the appearance of a conflict of interest.

Please provide any other relevant information that may assist ARRC in the selection process.

SECTION C

QUESTIONNAIRE
(Revised 2-27-06)

Note: Failure to provide the information requested in this questionnaire may be cause for rejection of your bid or offer on the grounds of non-responsiveness and/or non-responsibility.

Solicitation Number _____

Business Name: _____

Street Address: _____

Mailing Address if Different: _____

City: _____ State: _____ Mailing Zip: _____

Telephone: _____ Fax: _____ E-Mail: _____

Date Firm Established: _____

How many years has the business been under the above name? _____

Previous business name(s) if any: _____

Federal Tax ID Number: _____

Business License Number: _____

Bid Acceptance Period _____ **Days. (Bids providing less than thirty-day (30) calendar days for acceptance may be considered non-responsive and may be rejected.)**

Discount for prompt pay _____ % _____ days.

List any variations from or exceptions to the Terms, Conditions or Specifications of the Solicitation

Continued on the next page

Are you acting as a broker or the primary supplier in this transaction?

- Broker
- Primary Supplier

Business Information (Please check all that apply):

- The business is Individual
- The business is a Partnership
- The business is a Non-Profit
- The business is a Joint-Venture
- The business is a Corporation incorporated under the laws of the State of _____
- The business is full-time
- The business is part-time
- The business is not a certified Disadvantaged Business (DBE)
- Business is a certified DBE
- DBE was certified by State DOTPF
- DBE was certified by the Municipality of Anchorage
- Business is an 8(a)/WBE/MBE and is certified by SBA
- B business was certified by _____
- DBE Certification # is _____

Firms Annual Gross Receipts:

- <\$500,000
- \$500,000 - \$999,999
- \$1,000,000 - \$4,999,999
- \$5,000,000 - \$9,999,999
- \$10,000,000 - \$16,999,999
- >\$17,000,000

Completed by: _____ Title: _____

Signature: _____ Date: _____

**APPENDIX D
GENERAL TERMS AND CONDITIONS
(Professional Service Contracts)
(Revised 3/4/08)**

The following terms and conditions supersede the terms and conditions on the reverse side of ARRC's purchase order to the extent that they are inconsistent therewith and shall be deemed to have the same force and effect as though expressly stated in any such purchase order into which this document is incorporated.

1. Definitions.

"ARRC" shall mean the Alaska Railroad Corporation.

"Contractor" shall mean the person or entity entering into the contract to perform the work or services specified therein for ARRC.

"Contract" shall mean these General Terms and Conditions, the contract form to which they are annexed, and all other terms, conditions, schedules, appendices or other documents attached to the contract form or incorporated by reference therein.

"Services" shall mean any work, direction of work, technical information, technical consulting or other services, including but not limited to design services, analytical services, consulting services, construction management services, engineering services, quality assurance and other specialized services furnished by Contractor to ARRC under the contract.

2. Inspection and Reports. ARRC may inspect all of the Contractor's facilities and activities under this contract in accordance with the provisions of ARRC Procurement Rule 1600.9. The Contractor shall make progress and other reports in the manner and at the times ARRC reasonably requires.

3. Claims. Any claim by Contractor for additional compensation or equitable adjustment arising under this contract which is not disposed of by mutual agreement must be made by Contractor in accordance with the time limits and procedures specified in sections 1800.12 et seq. of ARRC's Procurement Rules, which by this reference are hereby incorporated herein.

4. Nondiscrimination.

4.1 The Contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical or mental handicap, sex, marital status, change in marital status, pregnancy or parenthood when the reasonable demands of the positions do not require distinction on the basis of age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood. To the extent required by law, the Contractor shall take affirmative action to insure that the applicants are considered for employment and that employees are treated during employment without unlawful regard to their race, color, religion, national origin, ancestry, physical or mental handicap, age, sex, marital status, changes in marital status, pregnancy or parenthood. This action must include, but need not be limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The Contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting out the provisions of this paragraph.

4.2 The Contractor shall cooperate fully with ARRC efforts which seek to deal with the problem of unlawful discrimination, and with all other ARRC efforts to guarantee fair employment

practices under this contract, and promptly comply with all requests and directions from the State Commission for Human Rights or any of its officers or agents relating to prevention of discriminatory employment practices.

4.3 Full cooperation in Paragraph 4.2 includes, but is not limited to, being a witness in any proceeding involving questions of unlawful discrimination if that is requested by any official or agency of the State of Alaska; permitting employees of the Contractor to be witnesses or complainants in any proceeding involving questions of unlawful discrimination, if that is requested by any official or agency of the State of Alaska; participating in meetings; submitting periodic reports on the equal employment aspects of present and future employment; assisting inspection of the Contractor's facilities; and promptly complying with all State directives considered essential by any office or agency of the State of Alaska to insure compliance with all federal and state laws, regulations, and policies pertaining to the prevention of discriminatory employment practices.

4.4 Failure to perform under this section constitutes a material breach of the contract.

5. Cancellation/Termination.

5.1 ARRC may, for its sole convenience, cancel this contract in whole or in part, at any time by giving written notice of its intention to do so. In the event of such cancellation, Contractor shall be entitled to receive payment in accordance with the payment provisions of this contract for services rendered or charges incurred prior to the effective date of termination. Contractor shall not be paid for any work done after receipt of a notice of cancellation or for any costs incurred by Contractor's suppliers or subcontractors which Contractor could reasonably have avoided. In no event shall ARRC be liable for unabsorbed overhead or anticipatory profit on unperformed services.

5.2 In addition to ARRC's right to cancel this contract for its convenience, ARRC may, by written notice of default to Contractor, terminate the contract in whole or in part in the following circumstances:

(1) The Contractor refuses or fails to perform its obligations under the contract, or fails to make progress so as to significantly endanger timely completion or performance of the contract in accordance with its terms, and Contractor does not cure such default within a period of ten (10) days after receipt of written notice of default from ARRC or within such additional cure period as ARRC may authorize; or

(2) Reasonable grounds for insecurity arise with respect to Contractor's expected performance and Contractor fails to furnish adequate assurance of due performance (including assurance of performance in accordance with the time requirements of the contract) within ten (10) days after receipt of a written request by ARRC for adequate assurance; or

(3) Contractor becomes insolvent or makes an assignment for the benefit of creditors or commits an act of bankruptcy or files or has filed against it a petition in bankruptcy or reorganization proceedings.

5.3 Upon receipt of a notice of cancellation or termination, Contractor shall immediately discontinue all service and it shall immediately cause any of its suppliers or subcontractors to cease such work unless the notice directs otherwise and deliver immediately to ARRC all reports, plans, drawings, specifications, data, summaries or other material and information, whether completed or in process, accumulated by Contractor in performance of the contract. In the event of termination for default, Contractor shall not be entitled to receive any further payment until the work is finished. If the unpaid balance of the amount to be paid on this contract exceeds the expense of finishing the work, compensation for additional managerial and administrative services and such other costs and

damages as ARRC may suffer as a result of Contractor's default, such excess shall be paid to Contractor. If such expense, compensation, costs and damages shall exceed such unpaid balance, Contractor shall be liable for and shall pay the differences to ARRC. The rights and remedies of ARRC provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law.

6. No Assignment or Delegation. The Contractor may not assign, subcontract or delegate this contract, or any part of it, or any right to any of the money to be paid under it, except with the prior written consent of ARRC. The hiring or use of outside services, subcontractors or consultants in connection with the work shall not be permitted without the prior written approval of ARRC. No such approval shall relieve Contractor from any of its obligations or liabilities under this contract.

7. Independent Contractor. The Contractor's relationship to ARRC in performing this contract is that of an independent contractor and nothing herein shall be construed as creating an employer/employee relationship, partnership, joint venture or other business group or concerted action. The personnel performing services under this contract shall at all times be under Contractor's exclusive direction and control and shall be employees of the Contractor, and not of ARRC.

8. Payment of Taxes. As a condition of performance of this contract, the Contractor shall pay all federal, state, and local taxes incurred by the Contractor and shall require their payment by any subcontractor or any other persons in the performance of this contract. Satisfactory performance of this paragraph is a condition precedent to payment by ARRC under this contract.

9. Ownership of Work Product. Except for items that have preexisting copyrights, all exhibits, drawings, plans, specifications, notes, reports, data, recommendations, artwork, memoranda and any other information prepared or furnished by Contractor to ARRC in the performance of this contract (collectively "Work Product") shall become the property of ARRC and may be used by ARRC for any other purpose without additional compensation to the Contractor. Contractor hereby grants ARRC an irrevocable, perpetual, royalty-free, fully assignable license (with full sublicense rights) to use all proprietary and confidential information and other intellectual property that may be incorporated into any of Contractor's Work Product for ARRC. Should ARRC elect to reuse said Work Product, ARRC shall indemnify, hold harmless and defend Contractor and its subcontractors against any damages or liabilities arising from said reuse. When Work Product produced by the Contractor and its Subcontractors under this Contract are reused by ARRC, the Contractor's and Subcontractor's signatures, professional seals, and dates shall be removed. If such Work Product requires professional signature and seal, it will be signed, sealed, and dated by the professional who is in direct supervisory control and responsible for the new project for which such Work Product is being reused.

Contractor hereby represents and warrants to and for the benefit of ARRC and its successors and assigns that no part of its work product for ARRC will infringe any patent rights or copyrights or utilize any proprietary, confidential or trade secret information or other intellectual property for which Contractor does not have the unqualified right to grant ARRC the license and sublicensing rights referred to above. Contractor shall defend, indemnify and hold harmless ARRC, its successors and assigns, and their respective representatives, agents and employees from and against, any and all claims, defenses, obligations and liabilities which they may have or acquire under or with respect to any patent, copyright, trade secret, proprietary or confidential information, or any other form of intellectual property that may be asserted by Contractor or any other person which arises out of, results from or is based upon the manufacture, use or sale by ARRC or any of its successors or assigns of any of Contractor's work product for ARRC. ARRC shall have the right to select its legal counsel and control its defense in any litigation resulting from any such claim.

10. Governing Law. This contract, and all questions concerning the capacity of the parties, execution, validity (or invalidity) and performance of this contract, shall be interpreted, construed and enforced in all respects in accordance with the laws of the State of Alaska.

11. Alaska Executive Branch Ethics Act Requirements. No officer or employee of the State of Alaska or of the ARRC and no director of the ARRC or legislator of the state shall be admitted to any share or part of this contract or to any benefit that may arise therefrom. Contractor shall exercise reasonable care and diligence to prevent any actions or conditions which could be a violation of Alaska Statute 39.52 et seq. Contractor shall not make or receive any payments, gifts, favors, entertainment, trips, secret commissions, or hidden gratuities for the purpose of securing preferential treatment or action from or to any party. This obligation will apply to the activities of Contractor's employees and agents in their relations with ARRC employees, their families, vendors, subcontractors, and third parties arising from this contract and in accomplishing work hereunder. Certain gratuities may be given or accepted if:

- (1) there is no violation of any law or generally accepted ethical standards;
- (2) the gratuity is given as a courtesy for a courtesy received and does not result in any preferential treatment or action;
- (3) the gratuity is of limited value (less than \$150) and could not be construed as a bribe, payoff or deal; and
- (4) public disclosure would not embarrass ARRC.

ARRC may cancel this contract without penalty or obligation in the event Contractor or its employees violate the provisions of this section.

12. Non-Disclosure of Confidential Information. Contractor acknowledges and agrees that for and during the entire term of this contract, any information, data, figures, projections, estimates, reports and the like received, obtained or generated by Contractor pursuant to the performance of this contract shall be considered and kept as the private, confidential and privileged records of ARRC and will not be divulged to any person, firm, corporation, regulatory agency or any other entity except upon the prior written consent of ARRC. Furthermore, upon termination of this contract, Contractor agrees that it will continue to treat as private, privileged and confidential any information, data, figures, projections, estimates, reports and the like received, obtained or generated by Contractor during the term of the contract and will not release any such information to any person, firm, corporation, regulatory agency or any other entity, either by statement, deposition or as a witness except upon the express written authority of ARRC. ARRC shall be entitled to an injunction by any competent court to enjoin and restrain the unauthorized disclosure of such information.

Contractor's agreement of non-disclosure as specified in this section applies except to the extent required for (1) performance of services under this contract; (2) compliance with professional standards of conduct for preservation of the public safety, health, and welfare (so long as Contractor has given ARRC prior notice of the potential hazard and ARRC has had a reasonable opportunity to correct the hazard prior to disclosure); (3) compliance with a court order or subpoena directed against Contractor (so long as Contractor has given ARRC prior notice of such and ARRC has had an opportunity to contest the same in a court of law); or (4) Contractor's defense against claims arising from performance of services under this contract.

13. Covenant Against Contingent Fees. Contractor warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this contract, and that it has not paid or agreed to pay any person, company, individual, or firm

any commission, gift, percentage, fee, contingent upon or resulting from the award or making of this contract. For the breach or violation of this warranty, ARRC may terminate this contract without liability and, at its discretion, deduct from the contract price or otherwise recover the full amount of the commission, percentage, gift, or fee.

14. Standard of Performance. Contractor shall perform its services with care, skill and diligence in accordance with normally accepted industry standards and shall be responsible for the professional quality, technical accuracy, completeness, and coordination of all reports, designs, drawings, plans, information, specifications and other items and services furnished under this Contract. Contractor shall comply with all applicable federal, state and local laws and ordinances, codes, and regulations in performing its services. If any failure to meet the foregoing standard of performance appears within one (1) year after the services are accepted by ARRC, Contractor shall, at a minimum, reperform the work at no cost to ARRC and shall reimburse ARRC for any additional costs that may be incurred by ARRC or any of its contractors or subcontractors as a result of such substandard work. If Contractor should fail to reperform the work, or if ARRC determines that Contractor will be unable to correct substandard services before the time specified for completion of the project, if any, ARRC may correct such unsatisfactory work itself or by the use of third parties and charge Contractor for the costs thereof. The rights and remedies provided for in this section are in addition to any other remedies provided by law.

15. Warranty. In the event Contractor supplies equipment, goods, materials or other supplies in addition to services under this contract, Contractor warrants that said items: (a) shall be of good quality and free from all defects and deficiencies in workmanship, material and design; (b) shall be fit, suitable and operate successfully for their intended purpose; (c) shall be new; (d) shall be free from all liens, claims, demands, encumbrances and other defects in title; and (e) shall conform to the specifications, if any, stated in the contract. Contractor shall honor all guarantees and warranties offered by the manufacturer of the equipment, goods, materials or other supplies provided under this contract. The rights and remedies provided for in this section are in addition to any other remedies provided by law.

16. Indemnification. Contractor shall defend, indemnify and hold ARRC harmless from and against all claims and actions asserted by a third party (or parties) and related damages, losses and expenses, including attorney's fees, arising out of or resulting from the services performed or neglected to be performed by Contractor or anyone acting under its direction or control or in its behalf in the course of its performance under this contract and caused by any error, omission or negligent act, provided that Contractor's aforesaid indemnity and hold harmless agreement shall not be applicable to any liability based upon the independent negligence of ARRC. If there is a claim of, or liability for, the joint negligent error or omission of the Contractor and the independent negligence of ARRC, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. The term "independent negligence" is negligence other than ARRC's selection, administration, monitoring, or controlling contractor and in approving or accepting Contractor's work.

17. Insurance. Without limiting Contractor's indemnification, it is agreed that Contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this contract the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Contractor's policy contains higher limits, ARRC shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the ARRC contracting officer prior to beginning work and must provide for a 30-day prior notice of cancellation, non-renewal or material change. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach and grounds for termination of the Contractor's services.

17.1 Workers' Compensation Insurance: The Contractor shall provide and maintain, for all

employees of the Contractor engaged in work under this contract, worker's compensation insurance as required by applicable law. The Contractor shall be responsible for worker's compensation insurance for any subcontractor who directly or indirectly provides services under this contract. This coverage must include statutory coverage for states in which employees are engaging in work and employer's liability protection not less than \$100,000 per person, \$100,000 per occurrence. Where applicable, coverage for all federal acts (i.e. U.S.L. & H. and Jones Acts) must also be included.

17.2 Comprehensive (Commercial) General Liability Insurance: With coverage limits not less than \$1,000,000 combined single limit per occurrence and annual aggregates where generally applicable and shall include premises-operations, independent contractors, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements. Said policy shall name ARRC as an additional insured and contain a waiver of subrogation against ARRC and its employees.

17.3 Comprehensive Automobile Liability Insurance: Covering all owned, hired and non-owned vehicles with coverage limits not less than \$100,000 per person/\$300,000 per occurrence bodily injury and \$50,000 property damage. Said policy shall name ARRC as an additional insured and contain a waiver of subrogation against ARRC and its employees.

17.4 Professional Liability (E&O) Insurance: Covering all errors, omissions or negligent acts of the Contractor, its subcontractor or anyone directly or indirectly employed by them, made in the performance of this contract which result in financial loss to ARRC. Limits required are per the following schedule:

<u>Contract Amount</u>	<u>Minimum Required Limits</u>
Under \$100,000	\$ 500,000 per Occurrence/Annual Aggregate
\$100,000-\$499,999	\$1,000,000 per Occurrence/Annual Aggregate
\$500,000-\$999,999	\$2,000,000 per Occurrence/Annual Aggregate
Over \$1,000,000	Negotiable-Refer to Risk Management

18. ARRC's Rights Not Waived by Payment. No payment made by ARRC shall be considered as acceptance of satisfactory performance of Contractor's obligations under this contract. Nor shall any payment be construed as acceptance of substandard or defective work or as relieving Contractor from its full responsibility under the contract.

19. Nonwaiver. A party's failure or delay to insist upon strict performance of any of the provisions of this contract, to exercise any rights or remedies provided by this contract or by law, or to notify the other party of any breach of or default under this contract shall not release or relieve the breaching or defaulting party from any of its obligations or warranties under this contract and shall not be deemed a waiver of any right to insist upon strict performance of this contract or any of the rights or remedies as to any subject matter contained herein; nor shall any purported oral modification or rescission of this contract operate as a waiver of any of the provisions of this contract. The rights and remedies set forth in any provision of this Agreement are in addition to any other rights or remedies afforded the nonbreaching or nondefaulting party by any other provisions of this contract, or by law.

20. Savings Clause. If any one or more of the provisions contained in thee contract shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this contract, but this contract shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

21. Headings. The headings of sections and paragraphs of this contract are for convenience of reference only and are not intended to restrict, affect, or be of any weight in the interpretation or

construction of the provisions of such sections or paragraphs.

22. Forum Selection. The parties shall not commence or prosecute any suit, proceeding or claim to enforce the provisions of the contract, to recover damages for breach or default under the contract, or otherwise arising under or by reason of the contract, other than in the courts of the State of Alaska for the Third Judicial District at Anchorage. The parties hereby irrevocably consent to the jurisdiction of said courts.

23. Conflict of Interest. Contractor shall act to prevent any actions or conditions which could result in a conflict with ARRC's best interests. This obligation shall apply to the activities of Contractor's employees and agents in their relationships with ARRC's employees, their families, vendors, subcontractors and third parties accomplishing work under this contract.

24. Publicity. Contractor shall not release any information for publication or advertising purposes relative to this contract or to the material, equipment and/or services furnished under this contract without the prior written consent of the ARRC.

25. Audit. ARRC has the right to audit at reasonable times the accounts and books of the Contractor in accordance with the provisions of ARRC Procurement Rule 1600.10.

26. Internal Controls and Record Keeping. Contractor shall keep full and accurate records and accounts of all of its activities in connection with this contract, including, without limitation, reasonable substantiation of all expenses incurred and all property acquired hereunder.

27. Force Majeure. Neither ARRC nor Contractor shall be responsible for failure to perform the terms of this contract when performance is prevented by force majeure, provided that: (1) notice and reasonably detailed particulars are given to the other party and (2) the cause of such failure or omission is remedied so far as possible with reasonable dispatch. The term "force majeure" shall mean acts of God, earthquakes, fire, flood, war, civil disturbances, governmentally imposed rules, regulations or other causes whatsoever, whether similar or dissimilar to the causes herein enumerated, which is not within the reasonable control of either party and which through the exercise of due diligence, a party is unable to foresee or overcome. In no event shall force majeure include normal or reasonably foreseeable or reasonably avoidable operational delays.

28. Permits and Licenses. The Contractor shall, at its own expense, obtain all necessary permits, licenses, certifications and any other similar authorizations required or which may become required by the government of the United States or any state or by any political subdivision of the United States or of any state except where laws, rules or regulations expressly require the ARRC to obtain the same.

29. Environmental Protection. When performing all obligations under the contract, Contractor shall comply with all specific instructions of ARRC with regard to environmental concerns, regardless of whether such instructions are based upon specific law, regulation or order of any governmental authority.

30. Set Off. If ARRC has any claim against the Contractor related or unrelated to this contract, it may set off the amount of such claim against any amount due or becoming due under this contract.

31. Observance of Rules. The contractor's personnel performing work or services hereunder on ARRC's premises shall observe all fire prevention, security, and safety rules in force at the site of the work.

32. No Third-Party Beneficiary Rights. No provision of this contract shall in any way inure to the benefit of any third parties (including the public at large) so as to constitute any such person a third-party beneficiary of the contract or of any one or more of the terms hereof, or otherwise give rise to

any cause of action in any person not a party hereto.

33. Entire Agreement. This contract represents the entire and integrated agreement between ARRC and the Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. This contract may be amended only by a written instrument signed by both ARRC and the Contractor.

34. Key Personnel Changes. Contractor shall secure prior written approval from ARRC for any changes of key personnel assigned to perform services under this contract. ARRC reserves the right to reject any of Contractor's employees whose qualifications and/or experience in ARRC's good faith and reasonable judgment do not meet the standards necessary for the performance of the services required under this contract.

ATTACHMENTS

ARRC Life Disability Outline RFP2017.pdf
ARRC-Aetna LIFE_Insure_CoverageSummary_REF.pdf
ARRC-Aetna LIFE_Insure_GroupPlan-Certificate_REF.pdf
BenefitsJournal_ATDA-IBT-TCU-UTU_REF.pdf
BenefitsJournal_ARW-TCU-NonRep_REF.pdf

ATTACHMENT

Attachment – Census*

***To receive a copy of the Census not included in this document, please e-mail jcarlton@segalco.com.**

If you do not have a current Confidentiality Agreement on file with Segal, please complete the Exhibit 1 and submit it with your request.

Exhibit 1
CONFIDENTIALITY AGREEMENT
To Be Used by Entities Responding to the RFP
To Be Returned Directly to The Segal Company

ARRC is a State Government entity, subject to the State of Alaska Open Records Act AS 40.25. Data that you consider confidential may require an open records disclosure. Please send all data or other confidential information only to Segal.

Date: _____

Name: _____

Job Title: _____

Company Name: _____

Business Address: _____

This confidentiality agreement is between The Segal Group, Inc., the parent of The Segal Company, on behalf of The Segal Company operating subsidiaries, (hereafter "Segal") and , on behalf of itself and all of its subsidiaries and affiliates, (hereafter "Bidder") and is executed in connection with a bid that Bidder intends to submit a response to this RFP

In order to prepare a responsive bid, Bidder needs to receive certain Alaska Railroad Corporation health plan information and data, including individually identifiable health information pertaining to Alaska Railroad Corporation health plan participants and beneficiaries, as well as other Segal Proprietary Information consisting of the RFP questionnaire/RFP specifications and any associated financial spreadsheets (collectively "Segal's Proprietary Information"). Segal and Bidder agree that the term "individually identifiable health information" refers to any health information that is not "de-identified," as defined in 45 C.F.R. Section 164.514(b)(2). In addition, in order to evaluate the bids submitted by Bidder, Segal and Alaska Railroad Corporation may need to receive certain proprietary information from Bidder including, but not limited to provider-specific network allowances or provider-specific reimbursement arrangements and Maximum Allowable Cost ("MAC") list, including corresponding MAC pricing ("Bidder's Proprietary Information"). Segal's Proprietary Information and Bidder's Proprietary Information are collectively referred to as "Proprietary Information."

Segal and Bidder agree to provide the necessary Proprietary Information in connection with the RFP and the parties agree as follows:

1. Bidder will use Segal's Proprietary Information only for the purpose of preparing Bidder's bid/response to the RFP and subject to paragraph 5 of this Agreement. Segal will use Bidder's Proprietary Information only for the purpose of evaluating the bid/response submitted by Bidder and subject to paragraph 5 of this Agreement.

2. Bidder and Segal agree that only those individuals employed by Bidder or Segal (respectively) who have a need to know Proprietary Information to prepare the bid/response or evaluate the bid/response and have been made aware of the terms of this Agreement and have agreed to abide

by its terms will have access to Proprietary Information of the other party (“Bidder’s Representatives” and “Segal’s Representatives”).

3. Neither Bidder nor any of its Representatives will disclose Segal’s Proprietary Information to any person or entity outside of Bidder, unless such a disclosure is: (a) necessary to prepare the bid/response, Bidder obtains Segal’s prior written consent to the disclosure, which consent shall not be unreasonably withheld, and the recipient first executes a confidentiality agreement with provisions substantially equivalent to this one; or (b) required by law. Neither Segal nor any of its Representatives will disclose Bidder’s Proprietary Information to any person or entity outside of Segal (other than Alaska Railroad Corporation), unless such a disclosure is: (a) necessary to evaluate the bid/response, Segal obtains Bidder’s prior written consent to the disclosure, which consent shall not be unreasonably withheld, and the recipient first executes a confidentiality agreement with provisions substantially equivalent to this one; or (b) required by law.

SECTION IV

4. Bidder and Segal agree to use commercially reasonable efforts to maintain the security of the Proprietary Information of the other party.

5. Each party will return the other party’s Proprietary Information to the other party or destroy it by shredding upon completion of the RFP process if such return or destruction is feasible, except that each party may retain an archival copy of the other party’s Proprietary Information for its files, subject to its continued compliance with its obligations under this Agreement. If a party determines that return or destruction of some or all of the other party’s Proprietary Information is not feasible, such party agrees to: (a) extend the protections of this Agreement to any retained information for as long as the party retains it; and (b) limit further uses or disclosures to those that make the return or destruction infeasible.

6. Each party will report to the other party any use and/or disclosure of the other party’s Proprietary Information that is not permitted by this Agreement.

7. Each party shall regard and preserve as confidential all of the other party’s Proprietary Information that has been or may be obtained by such party during the course of the RFP process, whether Bidder or Segal has such information in memory, or in writing or in other physical form. Neither party shall, without written authority from the other party, use for such party’s benefit or purposes, either during the RFP process or thereafter, any Proprietary Information of the other party except as permitted herein.

8. With respect to the RFP and the Proprietary Information exchanged in connection therewith, the obligations assumed by the parties in this Agreement shall continue beyond completion of the RFP process.

9. Bidder shall and does hereby indemnify, defend and hold harmless Segal and the Alaska Railroad and their respective officers, directors, employees and from and against any and all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, and reasonable attorney fees and costs, that Segal and the Alaska Railroad may incur or suffer and that result from, or are related to, any breach or failure of Bidder and Bidder’s Representatives to perform any of the representations, warranties and agreements contained in this Agreement that pertain to individually identifiable health information.

10. Bidder recognizes that any breach of the covenants contained in this Agreement would irreparably injure Segal and the Alaska Railroad. Accordingly, Segal and the Alaska Railroad may, in

addition to

pursuing its other remedies, seek an injunction from any court having jurisdiction of the matter restraining any further violation and no bond or other security shall be required in connection with such injunction.

11. If any of the provisions herein become invalid or are declared invalid, such determination of invalidity as to the clause(s) shall not affect the other provisions of this Agreement. If any provision of this Agreement should be held invalid or unenforceable, the remaining provisions shall be unaffected by such a holding. If any provision is found inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances.

12. This Agreement shall be binding upon Segal and Bidder and their respective successors, assigns, heirs, executors and administrators.

13. This Agreement contains the entire understanding of the parties hereto and supersedes all previous communications, representations, or agreements, oral or written, with respect to the subject matter hereof.

No failure to exercise nor any delays in exercising any right or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy. Neither this Agreement nor any of its provisions may be amended, supplemented, changed, waived or rescinded except by a written instrument signed by the party against whom enforcement thereof is sought. No waiver of any right or remedy hereunder on any one occasion shall extend to any subsequent or other matter.

14. This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska applicable to contracts made on and performed within the State of Alaska.

Intending to be legally bound, the Parties have executed this Agreement.

The Segal Group, Inc.

Proposer

Signed: _____

Signed: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____