



ALASKA RAILROAD CORPORATION
327 W. Ship Creek Avenue
Anchorage, AK 99501
Phone 907-265-2608
Fax 907-265-2439
THOMPSONL@AKRR.COM

September 22, 2016

REQUEST FOR PROPOSALS

16-33-205131

ARRC Stop Loss Insurance for Healthcare

FAX COVER SHEET

Response Required: This page must be completed and returned ensuring receipt of future addenda or additional information. Please fax this form to (907) 265-2439. All addenda will be forwarded to the contact name and number listed below.

Firms that have not returned the cover sheet will not be informed of addenda and will only be alerted of addenda by checking with the ARRC procurement officer or by checking ARRC's internet site: www.akrr.com, select Suppliers and then Solicitations. Bidders must acknowledge the receipt of all issued addendums in their proposal/bid submittal.

Company Name _____

Mailing Address _____

City, State, Zip _____

Contact Name _____

Phone Number _____ Fax _____

Email Address _____

The Alaska Railroad Corporation web site www.akrr.com



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16-33-205131

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

ARRC Stop Loss Insurance for Healthcare

Sealed offers in **original and five (5) copies** will be received until **3:00 PM local time, October 13, 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 16-33-205131
3. Date and time scheduled for the receipt of offers.
4. Sealed Offer: Consulting Services for Employee Benefits (Stop Loss Insurance for Healthcare)

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.

This announcement does not commit the Alaska Railroad Corporation to award a contract or to pay any costs incurred in the preparation of a proposal. The Alaska Railroad Corporation reserves the right to accept or reject, in whole or in part, all proposals submitted and/or to cancel this announcement. Any contract awarded shall be based upon the proposal most advantageous to the ARRC.

Please read the enclosed requirements and specifications as the Alaska Railroad Corporation reserves the right to accept or reject any or all proposals, waive minor informalities, cancel or re-bid and accept any contract deemed to be in their best interest. The submission of a proposal will indicate that the vendor is accepting of all terms and conditions and can meet the specifications and requirements stated in this RFP.

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

It is anticipated that the stop loss insurance will be effective on January 1, 2017. Any resultant contract shall be in effect for the period of one year, with the option to renew annually for a maximum contract length of five years.

Proposals will be evaluated on the following criteria:

20%	Contractual Requirements Questions
10%	General Requirements Questions
10%	General Information Questions
20%	Specific Stop Loss Questions
40%	Pricing and Attachment Point
100.00%	

Your proposal should be submitted in the following format:

- Cover Letter
- Section 1: Vendor Information Sheet
- Section 2: Rate Quotation Form
- Section 3: Questionnaire Responses
- Section 4: Offer and Acceptance Form
- Section 5: Required attachments (sample Stop loss contract)
- Section 6: Any additional attachments/marketing information not required but that you want to present.

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.

If you do not have a current Confidentiality Agreement on file with Segal Consulting, you will be required to complete and return the Exhibit 2 form to receive census and claims experience data.

OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE REQUEST FOR PROPOSAL PRIOR TO ASKING QUESTIONS OR REQUESTING ADDITIONAL DOCUMENTATION.

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SECTION VI: PROPOSAL INFORMATION, CONDITIONS, INSTRUCTIONS & FORMAT

Exhibit 1 – Vendor Information Sheet

Exhibit 2 – Confidentiality Agreement

Exhibit 3 – Rate Quotation Form

Exhibit 4 – Confidential/Proprietary Submittal Form

Exhibit 5 – Vendor Information

ATTACHMENTS

***Attachment A – Census**

Attachment B – Current Benefit Summary and Plan Amendments

***Attachment C – Historical Claims and Enrollment Experience**

***To receive the Attachments 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 2 and submit it with your request.

SECTION I

INSTRUCTIONS TO PROPOSERS

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, and 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.

SECTION II

GENERAL INFORMATION

The Alaska Railroad Corporation (ARRC) is a public corporation and an instrumentality of the State of Alaska formed pursuant to AS 42.40. ARRC 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. Even though ARRC is an ERISA-exempt organization, proposers should be mindful that adherence to ERISA guidelines for appeals and other program features are requirements of the proposal and requested services.

Medical and Pharmacy

The Railroad sponsors two self-funded medical programs for active and retired represented and non-represented employees and a grandfathered self-funded medical program for certain active and retired represented employees only (UTU and ATDA). Premera (BCBS) provides the claims administration and network. Pharmacy Benefit Management is provided by Express Scripts and is a bundled part of the contract with Premera.

The current specific stop-loss attachment point is \$400,000. There is no aggregate.

	Current Contract 1/1/16 – 12/31/16
Specific Stop-Loss Insurance Individual Specific Deductible Aggregating Specific Deductible Contract Basis Covered Benefits	\$400,000 \$0 PAID Medical and Rx

As outlined in Exhibit 3 ARRC is seeking specific Stop-Loss insurance bids to cover individual medical and prescription drug claims. Stop-Loss insurance would cover active employees, dependents, retirees and COBRA participants and ARRC is also looking for alternatives, which includes exclusion of pharmacy and new aggregating specific and varying specific attachment points.

ELIGIBILITY

For the Blue and Gold plans an "eligible employee" is an employee represented by a union which has agreed to offer this plan as a health benefit option, and who has completed his or her benefits eligibility period as defined in the applicable collective bargaining agreement, or, is a non-

represented employee who is not special services; and, to the extent allowed by law, is actively at work on the date he or she becomes eligible.

The eligibility for the Grandfathered Heritage plan is an employee represented by a union which has agreed to offer this plan as a health benefit option, and who has completed his or her benefits eligibility period as defined in the applicable collective bargaining agreement; and, to the extent allowed by law, is actively at work on the date he or she becomes eligible.

Retirees

The retirees are vested in the Alaska Railroad Corporation Pension Plan after they earn five years of eligible vesting service. This means once they are vested, if they leave their job for any reason, they are eligible to receive a future pension benefit for the years and months of service earned before they ended their employment, unless they withdraw their contributions. No vesting service is earned while in layoff status. Survivor and disability benefits are available after they're vested.

Credited service is used to calculate the amount of their actual pension benefit. It includes their years of service during which they participated in the Plan and contributed. They cannot earn credited service while on leave of absence, workers' compensation or layoff.

A vested participant may receive a pension benefit at early or normal retirement age. Retirement age is dependent upon whether they are in Tier 1 or Tier 2. The Retiree Medical Plan is not available to Tier 2 retirees - ARW- and non-represented employees hired after November 4, 2014, TCU-represented employees hired after March 31, 2015, IBT-represented employees hired after April 26, 2016 and UTU-represented employees hired after March 4, 2016.

A vested participant hired prior to those dates is eligible for medical coverage as a retiree under the ARRC programs only if they retire directly from active employment. Tier 1 retirees are included in the census and designated as retirees.

An Eligible Dependent shall include an Eligible Employee's:

- A Lawful spouse, provided they are not legally separated
- B An eligible child under 26 years of age including: natural offspring of either or both the subscriber and/or spouse; a legally adopted child of either or both the subscriber and/or spouse; a child placed with the subscriber and/or spouse for the purpose of legal adoption in accordance with state law. "Placed" for adoption means assumption and retention by the subscriber and/or spouse of a legal obligation for total or partial support of a child in anticipation of adoption of such child. A minor or foster child for whom the subscriber and/or spouse has a legal guardianship. There must be a court order or other order signed by a judge or state agency, which grants guardianship of the child to the subscriber or spouse as of a specific date. When the court order terminates or expires, the child is no longer an eligible child. Any other child(ren) whom you support and who live(s) with you in a parent-child relationship.
- C Coverage may continue beyond the limiting age for a dependent child who cannot support himself or herself because of a developmental or physical disability. The child will continue to be eligible if all of the following are met: The child became disabled before reaching the limiting age of 26; the child is incapable of self-sustaining employment by reason of developmental disability or physical handicap and is chiefly dependent upon the subscriber for support and maintenance; the subscriber remains covered under this plan; the child's subscription charges, if any, continue to be paid.

Within 31 days of the child reaching the limiting age, the subscriber furnishes the Group with a Request for Certification of Handicapped Dependent form. The Group must approve the

request for certification for coverage to continue. The subscriber provides proof of the child's disability and dependent status when requested. Proof won't be requested more often than once a year after the 2-year period following the child's attainment of the limiting age.

Attached are the 2016 Blue, Gold and Heritage (Grandfathered) plan booklets and the 2016 plan SBCs.

TIMELINE	
Release Date	September 20, 2016
Vendor Questions Due	Close of Business October 4, 2016
Response to Vendor Questions	October 7, 2016
Proposals Due(Anchorage, AK)	October 13, 2016 3:00 PM

SECTION III

Questionnaire Instructions to Vendors:

*****DO NOT ALTER THE QUESTIONS OR QUESTION NUMBERING*****.

- Provide answers to the questionnaires in MS Word format.
- Provide an answer to each question even if the answer is “not applicable” or “unknown.”
- Answer the question as directly as possible.
 - If the questions asks “How many” provide a number
 - If the question asks “Do you” indicate Yes or No **first**, followed by your additional narrative explanation.
- Lengthy responses may be truncated when displayed. Be concise in your response. Use bullet points as appropriate. Reconsider how to word any response that exceeds 200 words in length so that the response contains the **most important points** you want displayed.
- Where you desire to provide additional information to assist the reader in more fully understanding a response, refer the reader of your RFP response to your appendix/attachments.
- Proposer will be held accountable for accuracy/validity of all answers.
- Remember, RFP responses will become part of the contract between the winning Vendor and the Alaska Railroad Corporation.

SECTION III

CONTRACTUAL REQUIREMENTS

Following is a list of requirements that offerors should meet or fulfill to be considered a prospective vendor. 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).

Indicate "Yes" or "No" as to your organization's ability to meet the minimum requirements. **Failure to complete this form and include it with your response may result in elimination from consideration.**

A "YES" response shall result in the provision being adopted in the final contract. No deviations will be accepted for "YES" answers in this section.

CONTRACTUAL REQUIREMENTS	YES	NO
1. Proposal, Interview, and Best and Final Responses Become Part of Contract: Do you agree that your written response to this RFP, written information provided as part of a finalist interview (if requested by Alaska Railroad Corporation) and written responses provided during a Best and Final negotiation become part of the contract between your organization and the Alaska Railroad Corporation		
2. Effective Date of Offer: Proposal terms are guaranteed for at least 90 days from the proposal due date.		
3. Variance Provision: Any provisions relating to reevaluation of proposed rates due to variation in enrollment or other contingencies of the quote must be clearly noted in the financial section of your proposal.		
4. Proper Licensure: Do you agree to maintain proper licensure as required by state law where it relates to the services that you will be performing for the ARRC?		
5. Prior Notice of Major Operational Changes: Do you agree to provide no less than 30 day notice to the ARRC for any changes involving the sale, merger, data breaches, large layoffs, participating provider facility terminations, consolidation or outsourcing of services to foreign workers that will impact the ARRC?		
6. Subcontracting: Unless otherwise explained in this RFP, do you agree that you will disclose all subcontractor arrangements, and any additional fees associated with the subcontractor arrangements, that involve the services provided to the ARRC?		
7. Mutual Indemnification: Do you agree that the contract will contain a mutual indemnification/hold harmless provision?		

CONTRACTUAL REQUIREMENTS	YES	NO
8. HIPAA Compliance: Vendor attests to meeting all applicable HIPAA EDI, Privacy, Security, and HITECH requirements and agrees to hold the ARRC harmless for breaches that are the result of vendor actions. As it relates to this arrangement, for the service specified in this proposal, vendor will become a HIPAA Business Associate of the ARRC.		
9. No-Loss, No-Gain & Waiver of Actively-at-Work: All current participants in any of the ARRC's sponsored health care plans will be provided coverage on a "no-loss, no-gain" basis. Any "actively-at-work" or non-confinement requirements will be waived on the effective date for all employees, retirees and dependents participating in the plan immediately prior to the effective date of your contract with the ARRC.		
10. Eligibility Rules and Uncertain Claimant Eligibility Situations: The vendor agrees to the specified eligibility rules established by the ARRC. The vendor must communicate directly with the ARRC regarding any uncertain claimant eligibility and will not communicate directly with the claimant.		
11. Eligibility Rules and Procedures for Retroactive Termination and Reconciliation: The vendor agrees to the specified eligibility rules established by the ARRC. Upon receipt of a retroactive termination, the vendor must review the applicable patient histories and initiate recovery efforts for any overpayments resulting from the late termination notice.		
12. No Member Communication Without Alaska Railroad Corporation Consent: The vendor will not automatically enroll the ARRC in any programs that involve any type of communication with members, without express written consent from the ARRC.		
13. Claims and Appeals Regulations: Do you agree that your systems, internal operations, correspondence, and services will be compliant with ERISA Claims and Appeals Regulations (as applicable) and the ARRC's plan document?		
14. Rights to Claims Data: All member claim records are the sole property of the ARRC other than vendor proprietary pricing information. Selling of the ARRC's data to outside entities must be disclosed and approved in writing in advance by the ARRC. All claims data obtained during the contract period and for up to seven years after the contract termination is the property of the ARRC and must be available upon request.		

CONTRACTUAL REQUIREMENTS	YES	NO
15. Maintenance, Ownership, and Transfer of Records: <ul style="list-style-type: none"> a) The vendor will be required to maintain all pertinent records for seven years. This is in conjunction with prudent business practice and (as applicable) ERISA provisions; and b) The vendor will be charged with the safekeeping of plan experience information; and c) In the event of contract termination, and related to contract termination, the vendor will be required to cooperate with the ARRC, or their representative, in the prompt, accurate, and orderly transfer of the ARRC 's plan experience, claims and utilization information to ARRC or its designated succeeding health plan/carrier at no added fee. 		
16. Termination Provisions: The ARRC may terminate the contract at any time after the first complete plan year without cause. The ARRC can terminate with cause with 30 day notice unless proper remedy is provided by the vendor. The vendor may only terminate for cause with proper legal minimum notice requirements.		
17. Renewal Notification: The vendor must provide a preliminary renewal at least 90 days and a firm renewal at least 60 days prior to a contract anniversary in writing with full justification. Additionally, the vendor must provide the following with each renewal package: <ul style="list-style-type: none"> a. Any contract language changes requested b. Specific justification of rate/fee changes c. Current enrollment by rate class d. Additional options for consideration e. All underwriting caveats 		
18. Assignment or Transfer of Rights: 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 approval of the ARRC?		
19. Commissions: The vendor confirms that their proposal is submitted net of commissions.		
20. Contract Performance: Confirm that you acknowledge that the firm will perform all duties contracted for in accordance with the standard of care for a professional with expertise in all areas contracted for.		
21. Accept Responsibility: Confirm that you will accept responsibility for all damages caused by proposer's own negligence, gross negligence, willful misconduct and/or breaches of the contract. The proposer will not require the ARRC to indemnify proposer for its own negligence.		

CONTRACTUAL REQUIREMENTS	YES	NO
22. Contract Content: Confirm that the Contract shall represent the complete contractual understanding of the parties and changes must be signed by both parties. The contract shall not incorporate policies or documents that are subject to unilateral change or are not agreed to in advance.		
23. Direct and Indirect Compensation: Confirm you will disclose all direct and indirect compensation, fees, commissions, incentive awards, rebates, payments, fees or remuneration of any sort, however characterized, as a result of or arising from the ARRC account.		
24. Contract Termination: Confirm that upon termination you agree that you have a duty to cooperate with the ARRC in transitioning services to a successful vendor in a manner designed to mitigate disruption to participants and beneficiaries.		

CONTRACTUAL REQUIREMENTS	
If you answered "No" to any of the questions above, please provide an explanation below	
Requirement No.	Explanation

SECTION III

GENERAL REQUIREMENTS

- Complete this form and include it with your response.
- Indicate “**yes**” or “**no**” as to your organization’s ability to meet the general requirements.
- Offeror will be held accountable for accuracy/validity of all answers.

GENERAL REQUIREMENTS		YES	NO
1.	Rates are guaranteed for a minimum of 12 months.		
2.	The rates quoted in your proposal are firm and will not be recalculated based on actual enrollment for the first 12 months of the contract.		
3.	The vendor’s stop loss covered expense uses definitions, exclusions and limitations that are not <u>more restrictive</u> than the ARRC’s underlying plan document/SPD.		
4.	Any early termination provisions contained in your contract cannot be tied to renewal or financial provisions or penalties.		
5.	The vendor agrees not to laser any claimants at renewal unless requested as an option by the ARRC.		
If you answered “ No ” to any of the questions above, please provide an explanation below:			
Question No.	Explanation		

SECTION III

GENERAL INFORMATION	VENDOR RESPONSE	
1. What are the most recent ratings for your company by the following: Standard and Poor's Duff and Phelps A.M. Best Moody's	Rating	Date
2. Confirm that all employees and dependents will be covered on the effective date and that you will waive any pre-existing condition limitation to the extent satisfied under the current plan?		
3. Do you agree to waive actively at work for employees and non-hospital confinement rules for dependents as of the effective date of the plan?		
4. Do you agree that the ARRC's 2016 plan documents (including any signed amendments) and plan design changes effective for 2017 will be the sole determinant of what is covered or not covered as a reimbursable expense by your stop loss policy?		
5. Are there any exclusions or limitations under your contract(s) that are covered expenses under ARRC's self-funded plans?		
6. Do you agree that: <ul style="list-style-type: none"> a. If you were provided any individually identifiable health information (IIHI) in order to price this proposal, you are prohibited from using the IIHI for any purpose other than as required by law and further, agree to promptly destroy such IIHI if you are NOT the successful proposer? b. If you receive individually identifiable health information (IIHI) in order to perform underwriting, premium rating, or other activities relating to the renewal or replacement of a contract of health insurance or health benefits, that you will protect such IIHI as required by HIPAA Privacy regulations? 		
7. Define clearly the terms and conditions of your contract as they apply to termination.		

SECTION III

SPECIFIC STOP LOSS	VENDOR RESPONSE
1. Are there any ARRC individuals who are being excluded from coverage or provided different/limited coverage under your contract?	
2. Does your contract allow you to limit or exclude coverage on covered persons at renewal?	
3. Please describe any underwriting contingencies.	
4. Does your contract allow you to limit or exclude coverage for individuals who are disabled/receiving treatment that you were not made aware of through this RFP process or that occurred after you were awarded the contract, but prior to the contract effective date?	
5. a. Will your firm reinsure any of the risk? b. If so, identify what reinsurer(s) would be involved and at what levels of reinsurance.	
6. a. Describe your annual renewal underwriting methodology? b. Will premiums be established solely on the basis of the experience of your pool or are other factors such as the plan's own experience and ongoing large claim activity considered as well? c. Will you require lasers?	
7. What is your current leverage trend for the stop loss deductible being proposed?	
8. Confirm that a disclosure statement will not be required at renewal.	

SPECIFIC STOP LOSS	VENDOR RESPONSE
9. If a disclosure statement is required to be completed, what is the maximum number of days in advance of the effective date it can be completed? Please provide a copy of the disclosure statement form.	
10. What reporting information and frequency of reports do you require from the claims administrator regarding claims activity?	
11. Will you accept claim filings directly from the claim administrator on behalf of the ARRC?	
12. a. Provide a detailed description of all reporting and/or notification requirements for which the Alaska Railroad will be responsible. b. Indicate the frequency and include samples of any forms that must be completed.	
13. Will you accept the data from the claim administrator directly?	
14. How will you interface with the claim administrators on large, individual claims to ensure treatment is medically necessary, reasonable, and appropriate for the patient's condition?	
15. Confirm that there are no data exchange or data interface fees? a. If Premera will charge ARRC for exchanging data with your firm, would you be willing to pay that fee?	
16. Confirm that no additional fees will be charged for specialized or other case management services?	
17. a. How would you coordinate with Premera's as case manager for the Alaska Railroad or another firm should changes be made in the future regarding a large claim? b. Who would contact the claimant? c. How would a case management plan be established?	

SPECIFIC STOP LOSS	VENDOR RESPONSE
18. Is the current claims administrator, Premera Blue Cross Blue Shield of Alaska, approved by your company?	
19. Verify that your firm will approve any claims administrator selected by the ARRC.	
20. Please provide a description of your process to collaboratively and effectively work with the current claims administrator.	
21. Describe your procedures and time frame for reimbursement to ARRC of claims exceeding the specific stop loss level.	
22. Clearly describe your interaction with the Premera (ARRC's claims administrator), Premera's utilization review group, and Premera's large case management team.	
23. a. Based on your book of business, what was the average time from receipt of claim to payment of claim in 2014 and 2015? b. Based on your book of business, what was the average time from receipt of claim to payment of claim for 2016 year-to-date?	
21. Define clearly the terms and conditions of your contract as they apply to termination.	
22. After termination, what is the maximum time allowed for submission of a valid claim that was paid by the administrator within the contract period?	
23. Will you accept the Alaska Railroad's records as the final authority on eligibility? If not, what documentation is required?	
24. Do you require eligibility files, or do you rely on verification of eligibility at the time of a specific claim? If you require eligibility files, what format is required?	
25. Does your program include access to transplant centers of excellence so the Alaska Railroad can utilize any pre-negotiated discounts?	

SPECIFIC STOP LOSS	VENDOR RESPONSE
<p>26. a. Do you agree to provide to the Alaska Railroad and their consulting firm monthly reports showing reimbursements your organization has made?</p> <p>b. Do you agree that such reports will include claimant name, date payments made, and amount paid?</p>	
<p>27. Please include a sample specific stop loss contract that is inclusive of any contract related responses above.</p>	

SECTION III

To receive the Exhibits and/or Attachments 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 2 below and submit it with your request.

Attachments

*** Attachment A – Census**

Attachment B – Current Benefit Summary

*** Attachment C – Historical Claims and Enrollment Experience**

Exhibits

Exhibit 1 – Vendor Information Sheet

Exhibit 2 - Confidentiality Agreement

Exhibit 3 – Rate Quotation Form

Exhibit 4 - Confidential/Proprietary Submittal Form

Exhibit 5 – Vendor Information

SECTION IV

Exhibit 1

VENDOR INFORMATION SHEET

Organization Name:	
Date Founded	
Contact Person's Name (Please Print)	
Title	
Address	
City/State/Zip	
Phone Number	
E-mail Address	
Fax Number	
Website	

CURRENT CLIENT REFERENCES				
Name	Contact Name	Phone Number and Client Location (City/State)	Number of Members	Contract Start Date

RECENTLY TERMINATED CLIENTS

Name	Contact Name	Phone Number	Termination Reason	Termination Date

Authorized Signature

SECTION IV

Exhibit 2

**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.
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: _____

SECTION IV

Exhibit 3

**RATE QUOTATION
FORM
SPECIFIC AND AGGREGATE STOP-LOSS INSURANCE**

Scenario A w/ Aggregating Specific and Rx	Option 1	Option 2	Option 3
Specific Stop-Loss Insurance			
Specific Deductible	\$350,000	\$400,000	\$450,000
Contract Basis (Quote all three)	Paid 18/12 15/12	Paid 18/12 15/12	Paid 18/12 15/12
Aggregating Specific	\$125,000	\$125,000	\$125,000
Covered Benefits	Med/Rx	Med/Rx	Med/Rx
Specific Composite Rate (PEPM)	\$ _____	\$ _____	\$ _____
Rate Guarantee	12 months	12 months	12 months

Scenario A without Aggregate and Rx	Option 1	Option 2	Option 3
Specific Stop-Loss Insurance			
Specific Deductible	\$350,000	\$400,000	\$450,000
Contract Basis (Quote all three)	Paid 18/12 15/12	Paid 18/12 15/12	Paid 18/12 15/12
Aggregate	None	None	None
Covered Benefits	Med/Rx	Med/Rx	Med/Rx
Specific Composite Rate (PEPM)	\$ _____	\$ _____	\$ _____
Rate Guarantee	12 months	12 months	12 months

Scenario A w/ Aggregating Specific, no Rx	Option 1	Option 2	Option 3
Specific Stop-Loss Insurance			
Specific Deductible	\$350,000	\$400,000	\$450,000
Contract Basis (Quote all three)	Paid 18/12 15/12	Paid 18/12 15/12	Paid 18/12 15/12
Aggregating Specific	\$125,000	\$125,000	\$125,000
Covered Benefits	Med	Med	Med
Specific Composite Rate (PEPM)	\$ _____	\$ _____	\$ _____
Rate Guarantee	12 months	12 months	12 months

Scenario A without Aggregate, no Rx	Option 1	Option 2	Option 3
Specific Stop-Loss Insurance			
Specific Deductible	\$350,000	\$400,000	\$450,000
Contract Basis (Quote all three)	Paid 18/12 15/12	Paid 18/12 15/12	Paid 18/12 15/12
Aggregate	None	None	None
Covered Benefits	Med	Med	Med
Specific Composite Rate (PEPM)	\$_____	\$_____	\$_____
Rate Guarantee	12 months	12 months	12 months

Assumptions:

Total	613
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Authorized Signature

Company

Date

SECTION IV

Exhibit 4

**CONFIDENTIAL/PROPRIETARY
SUBMITTAL FORM**

Confidential/Proprietary Submittals (mark one):

_____ No confidential/proprietary materials have been included with this offer

_____ Confidential/proprietary materials included. Vendors should identify below any portion of their proposal deemed confidential or proprietary. The Alaska Railroad Corporation (ARRC) will only review the specific areas listed below and will not review the entire proposal for confidential information indicators. Identification in this section does not guarantee that disclosure will be prevented but that the items will be subject to review by the Vendor and ARRC prior to any public disclosure. Requests to deem the entire proposal or price as confidential will not be considered.

Questionnaire Number	Page Number

Firm

Authorized Signature

Date

SECTION IV

Exhibit 5

Vendor Information
(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: _____

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SECTION V

REQUIRED ATTACHMENT SAMPLE STOP LOSS CONTRACT



ALASKA RAILROAD CORPORATION
327 W. Ship Creek Avenue
Anchorage, AK 99501
Phone 907-265-2608
Fax 907-265-2439
THOMPSONL@AKRR.COM

ALASKA RAILROAD CORPORATION
PROFESSIONAL SERVICES CONTRACT Sample
Contract Number: Project Number 104521

This **CONTRACT**, between the ALASKA RAILROAD CORPORATION, herein called ARRC, acting by and through its Contracting Officer, and **Contractor, Inc.**

2009 Spar Ave.

Anchorage, AK 99501

a Corporation, incorporated under the laws of the State of Alaska, its successors and assigns, hereinafter called the Contractor, is effective the date of the signature of the Contracting Officer on this document.

Billing Information: Invoices shall be submitted to Accounts Payable, Alaska Railroad Corporation, PO Box 107500, Anchorage, AK 99510-7500. Please reference the contract number on all invoices and correspondence.

WITNESSETH: That the Contractor, for and in consideration of the payment or payments herein specified and agreed to by ARRC, hereby covenants and agrees to furnish and perform all the work and services required for the following project: **OK Lumber DOT Building, Fairbanks, AK Limited Invitation to Bid 11-35-63217** at the prices bid by the Contractor for the respective items aggregating approximately the sum of **Time and Material, Not to Exceed Eighty Eight thousand three hundred two dollars and 00/cents Dollars (\$88,302.00)**, and such other items as are mentioned in the original Bid, which Bid and prices named, together with the Contract Documents (Solicitation, Addenda and Contractor's Bid) are made a part of this Contract and accepted as such.

It is distinctly understood and agreed that no claim for additional work, supplies, materials and/or equipment done or furnished by the Contractor and not specifically herein provided for, will be allowed by ARRC, nor shall the Contractor do any work or furnish any items not covered by this Contract, unless such work or item is ordered in writing by ARRC. In no event shall ARRC be liable for any items furnished or used, or for any work or services performed, unless the items, work, or services are required by the

Contract or on written order furnished by ARRC. Any such work or items which may be done or furnished by the Contractor without written order first being given shall be at the Contractor's own risk, cost, and expense and the Contractor hereby covenants and agrees to make no claim for compensation for work or items done or furnished without any such written order.

IN WITNESS WHEREOF, the parties hereto have executed this Contract and hereby agree to its terms and conditions.

CONTRACTOR

Name of Contractor

Signature

Date

Name and Title

(Corporate Seal)

ALASKA RAILROAD CORPORATION

Contracting Officer (Signature)

Date

Typed or Print Name

SECTION VI

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 October 13, 2016 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 PM., local time, on October 13, 2016 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 16-33-205131
3. Date and Time Scheduled for Receipt of Proposals: 10/13/2016; 3:00 PM
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.