

PUBLIC NOTICE

CITY OF LEXINGTON

INVITATION TO BID

Sealed bids will be received at the office of the City Recorder, City Hall, 33 First Street, Lexington, TN 38351 until 2:00 pm., C.D.T., Friday; October 16, 2026, at which time they will be opened for the following:

To obtain competitive proposals for medical coverage and related risk-management funding arrangements, including HRA, stop-loss coverage, gap/reimbursement coverage, cobra, or other legally permissible alternatives. City prefers to maintain BlueCross BlueShield as the medical provider. The city will consider quotes from other qualified providers when the alternative offers materially comparable benefits.

Specifications are available and on file at the office of the City Recorder, City Hall, Lexington, Tennessee. Specifications may be provided electronically to bidders. Bidders may request printed copies of the specifications.

The City of Lexington reserves the right to reject any and all bids and to waive formalities.

Only qualified bidders should submit bids; The City of Lexington will comply with all nondiscrimination laws.

Catherine Keck
City of Lexington Purchasing Agent /
Interim City Recorder
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CITY OF LEXINGTON, TENNESSEE
REQUEST FOR QUOTES (RFQ)
GROUP HEALTH INSURANCE / EMPLOYEE BENEFITS
Insurance Provider and/or Broker/Agent Services

SEALED QUOTES

Quotes Due: Friday, October 16, 2026 at 2:00 P.M. Central Time
Public Opening: City Hall, 33 First Street, Lexington, Tennessee 38351

1. NOTICE TO BIDDERS

The City of Lexington, Tennessee ("City") is soliciting sealed quotes from qualified and responsible insurance carriers, health plans, brokers, agents, third-party administrators, and other qualified benefit providers for the City's employee group health insurance program. The City intends to obtain competitive proposals for medical coverage and related risk-management funding arrangements, including an HRA, stop-loss coverage, gap/reimbursement coverage, Cobra, or other legally permissible alternatives.

This solicitation is structured using an MTAS-aligned municipal solicitation format for clarity, uniformity, documented evaluation, and public accountability. Because the procurement is for insurance rather than architectural/engineering or other professional services subject to qualifications-based selection, the award will be made in accordance with the City's Purchasing Policy and the terms of this RFQ, to the lowest responsive and responsible bidder. Tennessee CTAS guidance states that insurance products are not professional services that are exempt from competitive bidding.

The City currently prefers to maintain BlueCross BlueShield of Tennessee ("BCBST") as the medical provider, if a responsive BCBST option provides appropriate benefits and competitive total cost. The City will, however, consider quotes from other qualified providers when the alternative offers materially comparable or superior benefits, acceptable provider access/network, appropriate financial protection, and/or lower total cost. No provision of this RFQ guarantees award to BCBST or any other named provider.

The City's stated preference is a procurement objective for comparison purposes only and shall not be construed to require a bidder to offer BCBST coverage or to exclude otherwise responsive and responsible competing providers.

2. PROCUREMENT AUTHORITY AND POLICY REQUIREMENTS

The City of Lexington Purchasing Policy (Resolution R201301, as amended by Resolutions R201715 and R201817) requires formal sealed bids for purchases and contracts estimated to be in excess of \$25,000, with bids submitted at a specified time and place. The policy requires public notice in a newspaper of general circulation in Henderson County at least once and for at least five days preceding the last day to receive bids, and requires full specifications to be available at the applicable City business office.

Accordingly, this RFQ establishes a fixed closing date and time, a physical submission location, a public opening, and availability of complete specifications at City Hall. The City's Charter likewise provides that purchases are made in accordance with the Municipal Purchasing Law of 1983 and purchasing procedures approved by the governing body.

The City may also use additional notice or distribution methods at the Purchasing Agent's discretion, consistent with the Purchasing Policy.

3. SOLICITATION SCHEDULE

Milestone	Date / Requirement
RFQ available at City Hall	October 1, 2026
Vendor questions due	October 7, 2026 at 4:00 P.M. Central Time
Last date for City addenda, if needed	October 9, 2026
Sealed quotes due / bid closing	October 16, 2026 at 2:00 P.M. Central Time
Public opening	October 16, 2026 at 2:00 P.M. Central Time, City Hall

Anticipated award consideration	Next regularly scheduled Board of Mayor and Aldermen meeting or special called meeting, subject to City procedures
Anticipated contract effective date	January 1, 2027

4. AVAILABILITY OF RFQ DOCUMENTS

Complete RFQ specifications and required response forms will be available at City Hall, 33 First Street, Lexington, Tennessee 38351, during normal business hours. The City may also provide copies electronically or by other means as determined by the Purchasing Agent. The official procurement file maintained by the City shall control.

Questions shall be directed in writing to the City Recorder/CFO. Bidders shall not rely on oral statements that modify this RFQ. Any material clarification or change will be issued by written addendum.

5. SCOPE OF SERVICES / COVERAGE TO BE QUOTED

The bidder shall provide a complete, written quote for employee group health coverage and/or administration responsive to the City's specifications. The quote should identify all proposed carriers, plan designs, funding arrangements, administrative services, fees, commissions, exclusions, and assumptions.

- Medical plan options currently available to City employees, including plan design, deductible, coinsurance, copays, out-of-pocket maximums, prescription drug benefits, and eligibility provisions.
- BCBST option(s), if offered, using the City's current coverage as the baseline for an apples-to-apples comparison.
- HRA options, including fully insured HRA arrangements and/or employer-funded reimbursement structures, with all administrative costs and funding assumptions.
- Stop-loss coverage, including specific and aggregate attachment points, contract basis, terminal liability, lasers/exclusions, reimbursement terms, run-in/run-out provisions, and renewal limitations.
- Gap or supplemental insurance arrangements proposed to reduce the City's exposure to deductibles, claims volatility, or other defined plan liabilities.
- Alternative carrier/provider options, with clear identification of network, geographic access, disruption analysis, prescription drug arrangement, and any material differences from the current plan.
- Broker/agent services, including implementation, enrollment, employee communication, claims advocacy, renewal support, compliance support, and ongoing account management, if applicable.
- All one-time and recurring costs, including premiums, administrative fees, commissions, HRA funding, stop-loss premiums, gap coverage premiums, taxes, assessments, network/access fees, and any other charges.
- Three-year rate/renewal history or projections, where available, and a clear description of any rate guarantees or renewal protections.
- Implementation requirements, transition timing, employee enrollment support, and any disruption or continuity-of-care considerations.

6. REQUIRED BID RESPONSE

To promote a fair comparison, each bidder shall organize its response using the following sections. Missing required information may cause the response to be deemed nonresponsive.

- 1. Cover Letter and Bid Certification – identify the bidder, confirm that the response is in response to this RFQ, state the proposed contract term, and confirm authority to bind the bidder.
- 2. Organizational Information – legal name, address, telephone, website, email, ownership/organizational information, and the office/personnel that will manage the City account.
- 3. Licenses and Authority – applicable Tennessee insurance producer/agency and carrier licenses, certificates, or other evidence of authority to offer the quoted products.
- 4. Relevant Governmental/Municipal Experience – experience providing comparable employee health benefits to municipalities or public entities, including references.
- 5. Key Personnel and Account Management – names, titles, qualifications, experience, and availability of personnel assigned to the City.

- 6. Plan and Provider Information – detailed benefit summaries, networks, formularies, service area, provider disruption information, and plan documents.
- 7. Funding and Risk Structure – fully insured, self-funded, level-funded, HRA, stop-loss, gap, or other proposed funding arrangement, as applicable.
- 8. Pricing Proposal – complete annualized and monthly pricing, including all fees and assumptions, employee/dependent tiers, commissions, and proposed rate guarantees.
- 9. Implementation and Service Plan – enrollment, communications, transition, claims support, account management, renewal process, and performance reporting.
- 10. Exceptions and Assumptions – list every exception, limitation, exclusion, condition, or assumption that materially affects the quote.
- 11. Required Forms – signed bid certification and any City-provided pricing/comparison forms.

7. BCBST BASELINE AND ALTERNATIVE PROVIDERS

The City requests that bidders make it possible for the City to compare the quoted plan against its current BCBST arrangement. Where a bidder is not quoting BCBST, the bidder shall clearly identify all material differences in benefits, network, prescription coverage, administrative services, member disruption, and financial risk.

For any alternative arrangement, the bidder should provide a side-by-side comparison showing: (1) total projected City cost; (2) employee cost, if applicable; (3) expected claims/risk exposure; (4) stop-loss or other protection; (5) administrative costs; (6) network and prescription differences; (7) implementation requirements; and (8) contractual rate guarantees.

8. PRICING AND COST DISCLOSURE

Pricing shall be complete and sufficiently detailed for the City to determine the total cost of the proposed arrangement. A bidder shall not omit or separately disclose fees in a manner that prevents the City from determining total annualized cost.

If the proposal includes an HRA, stop-loss policy, gap coverage, or other risk-financing component, the bidder shall separately state the cost of each component and explain how it affects the City's maximum and expected financial exposure.

The City may request clarification of pricing, but bidders may not materially alter their sealed quote after the closing deadline except as permitted by applicable law and the City's Purchasing Policy.

9. EVALUATION AND AWARD

All timely bids will first be reviewed for responsiveness and responsibility. The City may use the evaluation criteria below as an administrative comparison tool; however, the final award shall comply with the City's Purchasing Policy. For competitively bid purchases, the policy provides for submission to the Board with a recommendation as to the lowest responsive bidder.

Evaluation Area	Maximum Points	Purpose
Required information / responsiveness	Pass/Fail	All mandatory information, forms, signatures, licenses and pricing included.
Qualifications and relevant experience	20	Comparable municipal/public-sector experience and qualifications.
Plan/provider and network adequacy	20	Benefits, network, prescription coverage, access and material differences.
Funding/risk structure	20	HRA, stop-loss, gap coverage, risk limits, guarantees and financial protection.
Service/implementation capability	15	Account management, enrollment, advocacy, implementation and ongoing service.
References / past performance	10	Documented performance with comparable clients.

Cost / total annualized price	60	Total City cost, all fees and funding components; pricing must be sufficiently complete for comparison.
Proposal completeness / clarity	5	Clear, organized and responsive presentation.
TOTAL	150	Administrative comparison score; award remains subject to the City's procurement requirements.

The City shall not award solely on a mathematical score if doing so would conflict with the City's Purchasing Policy or the requirement to award to the lowest responsive and responsible bidder. The City may determine that a bidder is not responsive or responsible based on material omissions, inability to meet specifications, inadequate licensing or authority, unacceptable contractual terms, or other documented procurement considerations.

10. LOWEST RESPONSIVE AND RESPONSIBLE BIDDER

Subject to the City's Purchasing Policy and applicable law, the contract will ultimately be awarded to the lowest responsive and responsible bidder. In determining responsiveness and responsibility, the City may consider conformity with specifications, completeness of the quote, licensing and authority, financial and operational capability, ability to provide the quoted benefits and services, references and past performance, contractual exceptions, provider/network adequacy, implementation capability, and total quoted cost.

The City's preference for BCBST does not create a guaranteed award or a preference that overrides the lowest-responsive-and-responsible-bidder standard. An alternative carrier may be selected if its bid is responsive and responsible and otherwise satisfies the City's procurement requirements.

11. BID SUBMISSION REQUIREMENTS

- Submit the sealed quote to: City of Lexington, City Hall, 33 First Street, Lexington, TN 38351.
- Clearly mark the outside of the sealed package: "SEALED RFQ – GROUP HEALTH INSURANCE / EMPLOYEE BENEFITS – DO NOT OPEN BEFORE OCTOBER 16, 2026 AT 2:00 P.M."
- Quotes must be received by the stated closing date and time. The bidder bears responsibility for timely delivery.
- Late bids will not be accepted or opened.
- Bidder representatives may attend the public opening.
- Electronic, faxed, emailed, or otherwise unofficial submissions shall not be accepted unless the City issues a written addendum expressly authorizing another submission method.
- Each bidder shall submit one signed original and the number of copies, if any, specified by the City at the time the final RFQ package is issued.

12. ADDENDA AND CLARIFICATIONS

The City reserves the right to issue written addenda to this RFQ. Bidders are responsible for obtaining and acknowledging all addenda. Any material change to the specifications, closing date, or submission requirements will be made by written addendum.

13. CONTRACT TERM AND RENEWAL

The anticipated contract term will be stated in the final contract/award document. Any renewal, extension, rate guarantee, or amendment must be approved in accordance with applicable City procedures and shall be subject to available appropriations and applicable law.

14. GENERAL CONDITIONS

- The City reserves the right to reject any or all bids, in whole or in part, when permitted by law and the City's Purchasing Policy.
- The City may waive minor informalities that do not affect the fairness or substance of the procurement.
- The City may request clarification of a bid when necessary to determine responsiveness, provided the clarification does not permit an improper material change to the sealed bid.
- The City may cancel, postpone, or modify the solicitation by written notice or addendum.

- All bidders shall comply with applicable federal, state, and local laws, regulations, licensing requirements, nondiscrimination requirements, and insurance requirements.
- Any contract resulting from this RFQ shall be subject to final approval by the City and execution by authorized City officials.
- The bidder shall disclose all commissions, compensation, overrides, rebates, administrative fees, or other remuneration associated with the placement or administration of the City's coverage.
- The City may request certificates, licenses, financial information, references, plan documents, actuarial information, or other documentation necessary to verify responsibility or responsiveness.
- Nothing in this RFQ obligates the City to purchase any specific product or to award the contract to any particular carrier or broker.

15. BIDDER CERTIFICATION

The undersigned certifies that the information contained in this quote is true and complete; that the bidder has examined this RFQ and all acknowledged addenda; that the bidder is authorized to submit the quote; that the quoted products and services can be provided as represented; and that the bidder agrees to comply with the City's procurement requirements.

Legal Name of Bidder:	
Authorized Representative:	
Title:	
Signature:	
Date:	
Telephone / Email:	
Tennessee License / NPN (if applicable):	

16. CITY CONTACT / PROCUREMENT FILE

City of Lexington, Tennessee
City Hall
33 First Street
Lexington, Tennessee 38351
Phone: (731) 968-6657

Complete RFQ documents will be available at City Hall. The City's official procurement file and written addenda control over informal descriptions or oral communications.

APPENDIX A – REQUIRED PRICING COMPARISON

Component	Current/BCBST Quote	Alternative Quote	Notes / Assumptions
Medical premium – Employee			
Medical premium – Employee + Spouse			
Medical premium – Employee + Child(ren)			
Medical premium – Family			
HRA annual funding / allowance			
HRA administration			
Specific stop-loss premium			
Aggregate stop-loss premium			
Gap / supplemental coverage			
Broker / administrative fees			
Prescription / PBM costs			
Other fees / assessments			
TOTAL ANNUALIZED CITY COST			
Maximum stated City risk / exposure			

APPENDIX B – VENDOR RESPONSE CHECKLIST

- ☐ Cover letter and signed certification
- ☐ Organizational information and account-management office
- ☐ Applicable licenses/authority
- ☐ Municipal/public-sector references
- ☐ Plan summaries and provider/network information
- ☐ HRA details, if proposed
- ☐ Stop-loss details, if proposed
- ☐ Gap/supplemental coverage details, if proposed
- ☐ Complete pricing and all fees
- ☐ Implementation/service plan
- ☐ Exceptions and assumptions
- ☐ Acknowledgment of all addenda