

CITY OF COLEMAN, TEXAS
REQUEST FOR PROPOSALS
Employee Benefits Consulting Services

RFP-2026-005
Issue Date: July 2, 2026

Issued by:
City of Coleman
200 W. Liveoak | Coleman, Texas 76834
city.secretary@cityofcolemantx.gov
(325) 625-4116

NOTICE TO PROPOSERS

The City of Coleman, Texas is soliciting proposals from qualified firms to provide employee benefits consulting services. Sealed proposals will be received at City Hall, 200 W. Liveoak, Coleman, Texas 76834, until 5:00 pm, Thursday, July 30, 2026, at which time they will be officially opened and read aloud.

The City reserves the right to accept or reject any or all proposals, to waive formalities, and to award the contract in the best interest of the City.

Questions regarding this RFP must be submitted in writing to:

James King, Acting City Secretary
City of Coleman
200 W. Liveoak | Coleman, Texas 76834
city.secretary@cityofcolemantx.gov
(325) 625-4116

SECTION 1 — INTRODUCTION AND PURPOSE

A. Introduction

The City of Coleman, Texas is soliciting proposals from experienced and qualified firms to provide employee benefits consulting services, including but not limited to medical, dental, vision, life, accidental death and dismemberment, long-term disability, and other ancillary coverages available to eligible City employees and retirees.

It is the goal of the City to provide competitive, high-quality, and fiscally responsible benefit programs accessible to all eligible employees. It is the intent of the City to select a single firm to accomplish all services outlined in this RFP.

B. Purpose

The purpose of this RFP is to establish minimum requirements, solicit proposals, and obtain sufficient information from which the City may evaluate each proposer's qualifications, services, and strategic capabilities as they pertain to the unique needs of the City of Coleman. The City is seeking a proactive, independent, and expert consulting partner — not simply a broker of record — who will serve as a genuine strategic advisor across the full spectrum of insurance funding models.

The words "must," "will," and "shall" in this RFP indicate mandatory requirements. Any exception taken to a mandatory requirement shall be grounds for rejection of the proposal.

SECTION 2 — BACKGROUND INFORMATION

A. About the City of Coleman

The City of Coleman is a small, rural community located in Coleman County in West-Central Texas, approximately 50 miles southeast of Abilene. Established in 1876 and incorporated in 1892, Coleman operates under a Council-Manager form of government. The City Council is comprised of a Mayor and four Council Members. The City Charter divides Coleman into four Wards, and each Council Member is required to reside in the Ward corresponding to their Place on the Council. All Council Members and the Mayor are elected by a citywide popular vote. The City Manager is responsible for executing the laws and administering City government in accordance with the City Charter.

Coleman is a community of approximately 4,000 residents. The City operates a full range of municipal services including public safety (police and fire), public works, parks and recreation, library services, and utilities. The City's adopted budget authorizes 65 full-time positions eligible for benefits. Due to normal staffing fluctuations across departments, the City typically carries between 52 and 60 employees actively enrolled in health coverage at any given time during the plan year. The City offers health coverage to

active employees and is committed to maintaining a competitive benefits program that supports the recruitment and retention of quality public servants while responsibly managing public resources.

B. Current Benefits Program

The City of Coleman currently participates in the TX Health Benefits Pool (TXHB) for its medical coverage, a non-profit risk pool established to provide health insurance benefits to Texas cities and political subdivisions. The City has been a TXHB member since October 1, 2021. The plan year runs October 1 through September 30.

The City sponsors the following benefits for eligible full-time employees:

Medical — Employer-Sponsored PPO Copay Plan

The City offers a PPO plan with a \$3,000 deductible, 80/50 coinsurance, and a \$30 office visit copay. The City contributes 100% of the employee-only monthly premium. Employees may enroll eligible dependents at the employee's sole expense (100% of the dependent premium).

Medical — Employer-Sponsored HSA-Qualified Plan

The City also offers a High Deductible Health Plan (HDHP) with a \$5,000 deductible, 80/50 coinsurance, and no copay (benefits apply after the deductible is met). The City contributes 100% of the employee-only monthly premium. The City also makes a contribution toward the employee's Health Savings Account (HSA). Employees may enroll eligible dependents at the employee's sole expense (100% of the dependent premium).

Dental — Voluntary

Voluntary dental insurance is available through United Health Care. Employees who elect this coverage are responsible for 100% of the monthly premium.

Vision — Voluntary

Voluntary vision insurance is available through Ameritas. Employees who elect this coverage are responsible for 100% of the monthly premium.

Basic Life and Accidental Death & Dismemberment (AD&D) — Employer-Sponsored

The City provides employer-paid basic term life insurance at 1.5 times the employee's annual salary, and AD&D coverage at 2 times the employee's annual salary. Coverage is provided through Mutual of Omaha and is payable only while the employee is actively employed in a full-time position with the City.

Supplemental Life Insurance — Voluntary

Voluntary supplemental life insurance is available through Mutual of Omaha. Employees who elect this coverage are responsible for 100% of the monthly premium.

Emergency Transportation Insurance — Voluntary

Voluntary emergency transportation insurance is available through MASA. Employees who elect this coverage are responsible for 100% of the monthly premium.

C. Why the City is Issuing This RFP

The City of Coleman is committed to ensuring that its employee benefits program is managed with the highest level of professional expertise, strategic independence, and fiscal accountability. As stewards of public resources, the City has a responsibility to its employees and its taxpayers to periodically evaluate all service relationships through a competitive process — and to ensure that the consultant guiding the City's benefits decisions is the best possible fit for where the City is today and where it needs to go.

The City is at a strategic inflection point. After several years of premium stability, the City is now navigating a period of elevated claims experience and a significant renewal increase. This environment demands a consulting partner who is not only experienced, but aggressive — one who will challenge assumptions, advocate forcefully on the City's behalf, and bring independent, data-driven perspective to every recommendation.

The City is specifically seeking a consultant who meets all of the following criteria:

- **Demonstrated experience with small, rural Texas municipalities.** The City has approximately 65 benefit-eligible employees across public safety, public works, parks, library, and utility operations. The successful consultant must have direct, recent experience serving similarly-sized Texas cities and must understand the unique fiscal, workforce, and political constraints of rural municipal government. Generalist firms whose primary client base is large metropolitan or mid-market employers are not well-suited to serve Coleman's needs.
- **Deep, independent expertise across all insurance funding models.** The City will not accept a consultant whose knowledge is limited to a single product type or whose recommendations are influenced by preferred carrier relationships. The successful consultant must bring genuine, hands-on expertise in fully insured carrier plans, public entity risk pool participation, level-funded plans, and self-funded/ASO arrangements — and must be capable of objectively evaluating each model against the City's specific risk profile, budget, and workforce demographics without bias.
- **A fee-based or transparently disclosed compensation structure.** The City expects its consultant to be a fiduciary advocate, not a commissioned salesperson. The successful consultant must fully disclose all forms of compensation received from

any carrier, pool, TPA, or vendor, and must be prepared to demonstrate how their compensation structure supports — rather than conflicts with — the City's best interests.

- **Proactive advocacy and year-round engagement.** The City is not seeking a consultant who appears at renewal time and disappears for the remaining eleven months of the year. The successful consultant will monitor claims and utilization data on a quarterly basis, bring proactive recommendations to staff and Council, and function as a genuine partner in managing the City's long-term benefits strategy.
- **Institutional depth and service continuity.** The City intends to establish a long-term consulting relationship and requires a firm with the organizational depth to ensure continuity of service regardless of personnel changes within the firm. The successful consultant must be able to demonstrate that the City's account will be protected and expertly managed for the duration of the contract and any renewals.

The City is seeking a relationship — not a transaction. Consultants who cannot clearly demonstrate all of the above qualities through their proposal and references are encouraged to carefully evaluate whether this engagement is the right fit before submitting.

SECTION 3 — SCOPE OF WORK

A. General Services

The selected consultant shall provide comprehensive benefits consulting services including, but not limited to, the following:

Strategic Advisory and Planning

- Serve as the City's primary advisor on all matters relating to employee benefits strategy, plan design, and long-term cost management
- Evaluate the City's current benefits program on an ongoing basis for competitiveness, appropriateness, regulatory compliance, and overall value to plan participants
- Provide an annual strategic benefits review and written recommendation to the City Manager and City Council
- Assist the City in developing a multi-year benefits strategy that accounts for the City's fiscal constraints, workforce demographics, and long-term cost trajectory
- Provide national, regional, and local medical inflation data and compare those trends to the City's specific plan experience

Funding Model Analysis — A Critical Requirement

The City places particular emphasis on the consultant's ability to objectively evaluate and advise across multiple insurance funding models. The selected consultant must have demonstrated expertise and recent client experience in all of the following:

- **Fully Insured / Fully Funded Plans** — Traditional group insurance with commercial carriers such as Blue Cross Blue Shield of Texas, United Healthcare, Aetna, or Cigna
- **Public Entity Risk Pool Participation** — Including but not limited to the TX Health Benefits Pool (TXHB), with knowledge of pool pricing methodologies, loss ratio targets, experience rating, and stop-loss structures
- **Level-Funded Plans** — Fixed monthly funding arrangements with year-end claims reconciliation and stop-loss protection, suitable for small and mid-size employer groups
- **Self-Funded / Administrative Services Only (ASO) Plans** — Full self-insurance with third-party administrator (TPA) arrangements, stop-loss insurance procurement, and claims oversight

The consultant shall provide a written comparative analysis of funding model options at least once per contract year, or whenever a material change in the City's risk profile or market conditions warrants such a review.

Renewal Management and Market Analysis

- Manage all annual and mid-year renewals on behalf of the City, including negotiation with current carriers or pool administrators
- Conduct a comprehensive market analysis at least every two (2) years, or upon the City's request, soliciting competitive proposals from qualified carriers and pools across all appropriate funding models
- Prepare and manage formal RFPs for insurance carrier or pool selection in compliance with Chapter 252 of the Texas Local Government Code
- Provide written analysis comparing renewal terms against market alternatives, with a recommendation and supporting data

Claims and Utilization Management

- Review utilization data and claims reports on a quarterly basis, providing written analysis to City staff
- Identify trends in utilization that may affect future renewal rates and recommend corrective actions
- Assist the City in implementing and promoting cost-containment programs including telehealth, direct primary care, imaging cost management, disease management, and wellness initiatives
- Conduct periodic benchmarking of the City's loss ratio and per-member-per-month costs against comparable groups

Budget and Financial Planning

- Assist the City in developing annual health insurance premium projections for budget purposes
- Review the City's long-term benefits contribution philosophy and make recommendations that balance employee benefit value with fiscal sustainability
- Provide scenario modeling for plan design changes and their projected budgetary impact

Plan Administration and Compliance

- Assist with plan design changes, open enrollment planning, and employee benefit communications
- Ensure the City remains in compliance with applicable federal and state law including ERISA, HIPAA, COBRA, ACA, and Texas Insurance Code requirements
- Review stop-loss coverage levels and recommend adjustments as appropriate
- Oversee vendor performance and intercede on the City's behalf when service issues arise

Council and Staff Reporting

- Prepare periodic reports and presentations to the City Manager and City Council on plan performance, renewal status, and market conditions
- Be available to present at City Council meetings as requested
- Provide written deliverables that are clear, data-driven, and actionable

B. Contract Terms

The selected firm shall enter into a formal agreement with the City for an initial term of one (1) year, with the option to renew for two (2) additional one-year periods at the City's discretion. All fees shall be fixed for the initial contract term. Any proposed fee adjustments for renewal years must be disclosed in the original proposal.

C. Indemnification, Insurance, and Legal Requirements

Standard indemnification, insurance, and legal provisions consistent with Texas municipal contracting requirements shall apply. The selected firm shall maintain at minimum:

- Commercial General Liability: \$1,000,000 per occurrence
- Professional Liability (Errors & Omissions): \$1,000,000 per occurrence
- Workers' Compensation: Statutory limits
- Commercial Automobile Liability: \$1,000,000 combined single limit

Certificates of insurance must be provided within five (5) business days of award notification. The City reserves the right to terminate the contract without cause on thirty

(30) days' written notice. The contract shall automatically terminate upon change of ownership or management of the firm unless a mutual agreement is reached.

SECTION 4 — INSTRUCTIONS TO PROPOSERS

A. General Instructions

Proposals must be submitted in sealed form, clearly marked "RFP – Benefits Consulting Services – City of Coleman" on the outside of the envelope or package. Proposals received after the deadline will not be considered.

Proposals shall:

- Use 1-inch margins, single-spaced, Times New Roman 12-point font
- Be limited to no more than 50 pages, excluding resumes and sample documents
- Be single-sided with all pages numbered
- Include an organized, paginated table of contents

Vague and general proposals will be considered non-responsive and subject to disqualification. The City requires comprehensive, specific responses to every section.

B. Project Timeline

Milestone	Date
RFP Issued	July 2, 2026
Deadline for Written Questions	July 23, 2026
Addenda Issued (if any)	July 24, 2026
Proposal Submission Deadline	Thursday, July 30, 2026, 5:00 PM CDT

SECTION 5 — PROPOSAL FORMAT AND REQUIRED TABS

TAB A — Firm Qualifications and Experience

- i. Provide a brief introduction to your firm including its history, organizational structure, number of staff, and office locations.
- ii. Provide an organizational chart identifying the core team members who will serve the City of Coleman. Include names, titles, and roles.
- iii. Identify the lead consultant who will be the City's primary point of contact. This individual must be clearly named and must be present at any interviews conducted. The City requires continuity of service; any proposed change in the lead consultant assignment after contract award requires written notice and City approval.
- iv. Provide resumes for all individuals assigned to this engagement, including professional designations, certifications, and licenses (including Texas General Lines Agent for Life and Health, if applicable).

- v. Describe your firm's experience in the last 36 months providing benefits consulting services to entities similar in size and scope to the City of Coleman. The City places significant weight on demonstrated experience with small, rural Texas municipalities (50–150 benefit-eligible employees). Describe at least three (3) such engagements specifically.
- vi. Describe your firm's experience and current client base across each of the following funding models: fully insured carrier plans, public entity risk pool participation, level-funded plans, and self-funded/ASO plans. Provide specific client examples for each model where applicable.
- vii. Provide a copy of your firm's most recent audited financial statements or equivalent financial documentation.

TAB B — Company Operational and Ethics Disclosure

- i. Disclose whether your firm, or any firm previously affiliated with your firm, has ever been subject to investigation by a regulatory agency. Describe the outcome.
- ii. Disclose whether your firm has ever lost an account due to concerns of improper billing practices, fraud, or breach of contract.
- iii. Describe your firm's ownership and succession plan. The City is specifically seeking a long-term consulting relationship with institutional depth — please address how the firm ensures service continuity in the event of key personnel departure, retirement, or firm ownership changes.
- iv. Disclose all financial relationships — including commissions, fees, overrides, and contingency compensation — with any insurance carrier, risk pool, TPA, or other vendor from whom you may recommend services to the City. The City expects full transparency and will view undisclosed compensation relationships as disqualifying.

TAB C — Rates, Fees, and Compensation

- i. Provide a detailed fee schedule for all services described in the Scope of Work. Clearly distinguish between services included in a flat retainer or base fee and services billed separately.
- ii. Disclose all forms of compensation your firm receives or anticipates receiving in connection with services provided to the City, including carrier commissions, broker fees, volume bonuses, and administrative fees from any vendor.
- iii. The City strongly prefers a fee-based consulting structure that eliminates or minimizes commission-driven compensation, ensuring the consultant's recommendations are made solely in the City's interest. Please describe how your firm's compensation model supports or conflicts with this preference, and propose alternatives if applicable.
- iv. Identify any special services not included in the base fee and their associated costs.

TAB D — Project Design and Methodology

- i. Provide a detailed work plan describing how your firm will approach the first year of engagement, from contract award through the October 1, 2026 renewal and beyond.
- ii. Describe your firm's specific methodology for: evaluating and comparing insurance funding models for a small Texas city; managing annual renewals and negotiating with carriers and risk pools; conducting market analyses and preparing competitive RFPs under Texas competitive bidding law; monitoring utilization and claims data on an ongoing basis; and preparing Council presentations and staff reports.
- iii. Describe how your firm would approach assisting a city that is currently in a public entity risk pool and needs to objectively evaluate whether to remain in the pool or transition to an alternative funding model.
- iv. Describe the technology platforms or tools your firm uses for data analysis, reporting, and client communication. What access will City staff have to these tools?
- v. Clearly define the respective roles and responsibilities of your firm and City staff under the proposed engagement.

TAB E — References

Provide references for five (5) governmental or public entity clients, including at minimum three (3) Texas municipalities with fewer than 75 benefit-eligible employees. For each reference, provide:

- Agency name and location
- Dates of service
- Brief description of services provided
- Contact name, title, phone number, and email address

The City will contact references as part of its evaluation process.

TAB F — Consultant Qualifications Questionnaire

Please provide specific, detailed responses to the following questions. Vague or general answers will negatively affect your evaluation score.

- F.1 What specifically qualifies your firm to serve a small, rural Texas municipality with approximately 65 benefit-eligible employees? Describe what differentiates your approach from larger consulting firms that primarily serve metropolitan or mid-market clients.
- F.2 Describe your firm's experience and philosophy regarding public entity risk pool participation. Have you assisted clients in evaluating entry into, continuation with, or exit from a public entity risk pool? Describe a specific example.

- F.3 Describe your firm's experience with self-funded health plans for small Texas municipalities or similar-sized public entities. What is the minimum group size for which you would recommend self-funding, and under what conditions?
- F.4 Describe your approach to working with a client whose recent claims experience has been elevated relative to their peer group. How would you advise a client in developing a utilization management strategy and preparing for a more competitive future renewal?
- F.5 Identify the number and types of insurance RFPs your firm has completed in the past 24 months for Texas cities or public entities. Provide at least one real example of measurable savings or improved plan terms achieved as a direct result of your firm's market analysis or RFP process.
- F.6 Describe your firm's approach to independence. How do you ensure that your recommendations are free from bias toward any particular carrier, pool, or funding model? How do you manage conflicts of interest in situations where commission-based compensation may create competing incentives?
- F.7 What is your firm's plan for service continuity? Specifically, if the lead consultant assigned to the City were to leave the firm or retire within the contract term, how would the City's account be managed?
- F.8 Describe your familiarity with the TX Health Benefits Pool, its pricing methodology, its experience rating approach, and the options available to member cities for plan design modification.

TAB G — Conflict of Interest Questionnaire

Provide a completed copy of the Texas Ethics Commission Conflict of Interest Questionnaire (Form CIQ), as required by Chapter 176 of the Texas Local Government Code.

TAB H — Bidder Certification and Addenda Acknowledgment

The authorized representative of the proposing firm must sign and date the Bidder Certification, certifying compliance with all applicable laws including Texas antitrust statutes and federal antitrust laws.

Field	Response
Name of Firm/Company:	
Representative's Name:	
Representative's Title:	
Mailing Address:	
City, State, ZIP:	
Phone Number:	
Email Address:	
Authorized Signature:	
Date:	

Addendum Acknowledgment: #1 _____ #2 _____ #3 _____ #4 _____

SECTION 6 — EVALUATION CRITERIA AND PROCESS

All proposals will be reviewed by an evaluation committee appointed by the City Manager. Proposals will be scored on a 100-point scale using the following criteria:

Evaluation Category	Weight
Qualifications and Experience (including small city / rural Texas experience)	30%
Funding Model Expertise and Strategic Methodology	20%
Project Design, Work Plan, and Consultant Questionnaire Responses	20%
Rates, Fees, and Compensation Structure	15%
References	10%
Company Operational Information and Ethics Disclosure	5%
TOTAL	100%

The evaluation committee may invite shortlisted proposers to participate in oral interviews at the proposer's own expense. After interviews, the committee may request a Best and Final Offer (BAFO) from finalists. The City reserves the right to negotiate final contract terms with the highest-ranked proposer and, if negotiations are unsuccessful, to proceed to the next-ranked proposer.

The City reserves the right to reject any and all proposals, to waive formalities, and to award the contract in the manner deemed most advantageous to the City of Coleman.

SECTION 7 — GENERAL TERMS AND CONDITIONS

The General Terms and Conditions governing this RFP and any resulting contract shall include standard City of Coleman contract provisions consistent with Texas law, including but not limited to:

- Independent Contractor status
- Indemnification and hold harmless
- Insurance requirements as specified in Section 3.C
- Termination for cause and termination for convenience (30-day written notice)
- Compliance with Chapter 176, Texas Local Government Code (Conflict of Interest)
- Compliance with Chapter 252, Texas Local Government Code (Competitive Procurement)
- Non-appropriations clause

- Governing law: State of Texas; venue in Coleman County, Texas
- Confidentiality subject to the Texas Public Information Act
- Assignment requires prior written City approval
- Management or ownership change may result in contract termination unless mutually agreed otherwise

A sample contract agreement will be incorporated as Exhibit A to this RFP upon finalization.

*City of Coleman | 200 W. Liveoak | Coleman, Texas 76834 | (325) 625-4116
RFP No. ____-2026 | Employee Benefits Consulting Services*