

Addendum No. 1 to RFP 21-21



CITY OF SOMERVILLE, MASSACHUSETTS
Department of Purchasing
JOSEPH A. CURTATONE
MAYOR

To: All Parties on Record with the City of Somerville as Holding
RFP 21-21 Flexible Spending Account Administration

From: Thupten Chukhatsang

Date: 10/9/2020

Re: **Questions & Answers**
Attachment: Specifications/Requirement: Services Outline (Corrected Numbering)

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Please acknowledge receipt of this Addendum by signing below and including this form in your proposal package. Failure to do so may subject the proposer to disqualification.

NAME OF COMPANY / INDIVIDUAL: _____

ADDRESS:_____

CITY/STATE/ZIP:_____

TELEPHONE/FAX/EMAIL:_____

SIGNATURE OF AUTHORIZED INDIVIDUAL:_____

ACKNOWLEDGEMENT OF ADDENDA:

Addendum #1 _____ **#2** _____ **#3** _____ **#4** _____

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Questions & Answers:

1. Please clarify: At least three (3) years of experience as an account manager for COBRA clients. In the event of an absence, an alternate must be designated and communicated to the County in advance. Is the City bidding for both FSA and COBRA?

To be clear this question refers to FSA Cobra. The City will continue to offer FSA COBRA to terminated employees as part of this program. The FSA vendor will not be expected to provide health plan COBRA.

2. Please advise which medical carrier the City uses.

The City's health plan administrator is the Group Insurance Commission and they offer several plans which I have listed below:

HMO-TYPE

**UniCare Community Choice
Tufts Health Plan Spirit
Fallon Health Direct Care
Fallon Health Select Care
Harvard Pilgrim Primary Choice
Health New England
AllWays Health Partners Complete**

PPO-TYPE

**UniCare State Indemnity Plan/PLUS
Tufts Health Plan Navigator
Harvard Pilgrim Independence**

INDEMNITY

UniCare State Indemnity Plan/Basic with CIC (Comprehensive)

3. The RFP requires the successful bidder to develop and provide a Plan Document, Summary Plan Description Plan and plan highlights. Will a basic plan document template based on the features and options chosen by the City be adequate?

No, there is an annual requirement that the detailed summary plan description is sent to participants which we need the vendor to provide. In addition, we will need plan description documents/brochures that are accessible to employees.

4. In addition to providing all necessary plan documents, the RFP requires the successful bidder to provide all necessary descriptive literature. Please be more specific as to the type of literature anticipated.

Summary plan document, employee brochures with plan highlights outlined, non-exhaustive listing of FSA eligible items to be provided to employees along with the brochure.

5. If a bidder does not meet the hourly wage set forth in the Somerville Living Wage Ordinance, can that requirement be waived?

No, the Living Wage Ordinance is a requirement for all service contracts.

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6. Would all employees who spend any time at all servicing the City under this contract, such as a customer service representative who answers participant's calls, be considered a covered employee under the Somerville Living Wage Ordinance?

Yes, all employees are covered under the Living Wage Requirements.

7. The RFP requires that all services, delivery, and other required support shall be conducted in Somerville and other locations designated by the Department of contact. Please expand upon where the City expects services to be performed. Will the City be designating the bidders' locations as acceptable places from which to perform the services?

To be clear, this question is referring to the annual perks fair and annual open enrollment meetings. Virtual meeting will be acceptable during the current COVID-19 crisis, however in subsequent years the City would expect vendor attendance at the annual perks fair as well as several informational meetings during open enrollment in multiple locations. At present there are approximately 28 different City office locations, however we normally consolidate and have meetings for changes in about 7 locations as needed in any particular year.

8. Will the City consider requested modifications to the Somerville Standard Contract General Conditions?

Yes the City will consider reasonable modifications to the Standard Contract general Conditions. However this will be considered only with the awardee.

9. Will the City consider using the bidder's standard form of Master Service Agreement as a template of a contract if it includes the Somerville Standard Contract General Conditions?

The City will have its own contract and template but will also consider the Master Service Agreement of the selected vendor.

10. What is the claim funding arrangement and frequency of funding between the City and the vendor?

The city will send all employee deductions to the vendor electronically after each respective pay period. There are several pay frequencies 12, 21, 26, 42, 52 payrolls a year.

11. Will the vendor have ACH access to a City bank account for claims? If not, will prefunding be provided?

The vendor will not have access to the City bank account and prefunding will not be provided.

12. Will the City supply the vendor with a payroll file of actual HRA contributions data? If so, will the City conform to the vendor file specs?

The City will provide the vendor with a paper listing of payroll contributions for each set of deductions check sent via mail. The City provides the backup information via physical mail.

13. Will the City provide an electronic open enrollment and ongoing file for new hires, terminations and changes? If so, will the City conform to the vendor file specs?

Open enrollment is both electronic and paper. Enrollment forms will be sent to the vendor for processing if employees do not enroll electronically. The City would expect to process changes electronically in the vendor portal or send changes directly to the account rep to be entered.

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14. Can you disclose the current FSA administrative Fee?
The current fee is \$3.25 a month per participant. There are no additional fees charged for additional services such as non-discrimination testing or benefit fair attendance.
15. Does this fee include the debit card or is there an additional fee?
This fee is inclusive of the debit cards. Employees are not charged for the cards.
16. Page 7 of the RFP mentions consecutive page numbers across tabs. Will the City require tabbed section dividers for the original and hard copies?
Tabbed section dividers will not be necessary as long as it is organized. You also have the option of sending in a bid remotely via Bidexpress.com.
17. Page 7 of the RFP mentions "Elaborate format and binding are neither necessary nor desirable". Does the City prefer unbound hard copies if not submitting electronically?
The City would like minimal binding of some sort to keep the pages together but prefers not to have large bulky 3-hole binders.
18. In the Services Outline on Page 12, item #4 states that the designated Account Manager "At least three (3) years of experience as an account manager for COBRA clients. In the event of an absence, an alternate must be designated and communicated to the County in advance." Can the City verify if this was meant to say FSA in place of COBRA and the City in place of the County?
Yes, we meant FSA COBRA in place of COBRA and City in place of County. However, we will need an account representative that is knowledgeable of both the FSA and FSA COBRA as the City intends to continue to offer that to employees who terminate employment.
19. In the Services Outline on Page 12, item #6 asks respondents to "Mail "Qualifying Event Election Notices" to all qualified beneficiaries and mail them to the homes of eligible COBRA beneficiaries." Can the City verify if this question was included by mistake or if the City is also interested in COBRA at this time?
COBRA in this context means FSA Cobra. The City will offer FSA COBRA to terminated employees as part of this program.
20. Can you confirm the correct question order in the Services Outline?
Yes, the numbering order for the Service Outline was incorrect. Please see the attached page, Specifications/Requirements: Services Outline (Corrected Numbering), which confirms the numerical order.
21. Approximately how many onsite FSA enrollment meetings are expected and at how many locations? In light of current conditions, will virtual meetings be expected?
Virtual meeting will be acceptable during the current COVID-19 crisis, however in subsequent years the City would expect vendor attendance at the annual perks fair as well as several informational meetings during open enrollment in multiple locations. At present there are approximately 28 different City office locations, however we normally consolidate and have meetings for changes in about 7 locations as needed in any particular year.

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22. When is the City's open enrollment?

The City's enrollment period is in the month of November, each year, for a January 1 effective start date.

23. What are the main reasons for marketing?

The City is marketing for 2 reasons. First and foremost the City strives to offer the best services at the best value to employees. In addition, there are procurement requirements that the City must abide to.

24. Any current pain points today?

No.

25. On a scale from 1 – 10, how likely is the City making a move this year?

The City will review the vendors and make a decision based on the proposals received. We do not know in advance of completing the process the likelihood of changing vendors.

26. Is the City utilizing any technology platforms for HRIS, ben admin, enrollment, or payroll? If so, who?

The City's HRIS platform is MUNIS. For FSA the vendor site is also used to make changes and pull reports.

27. Can you share the current carriers in place for medical, dental & vision?

Vision is with Vision Service plan

Dental is with Cigna

The City's health plan administrator is the Group Insurance Commission and they offer several plans which I have listed above in Q&A #2:

28. Is the City considering any carrier changes for 2021?

Not at this time.

29. Any other projects going on?

None related to the FSA at this time.

30. Does the City work with a consultant or broker? If so, who?

Yes, Gallagher Associates.

Specifications / Requirements

SERVICES OUTLINE (Corrected Numbering):

The successful bidder will:

1. Provide all necessary plan documents
2. Provide all descriptive literature
3. Meet during annual open enrollment and Perk fair with eligible employees in groups of appropriate size in various locations to orient and enroll employees
4. Receive and process all claims via fax, email, postal mail, online or phone application
5. Process and payout all claims within 5 business days
6. Have the ability to administer grace period and process claims simultaneously for different plan years. All reporting must be broken out by each plan year.
7. Administer online annual enrollment accepting enrollments both online portal and via paper. Enter paper enrollments and provide summarized enrollment report after open enrollment.
8. Process new enrollments entered by City Benefits Administrator or sent via paper ad hoc
9. Provide on-line account access for participants and/or City Benefits staff to obtain information on account balances, claims paid and claims received but not yet paid.
10. Determine and administer employee reimbursements. Providing the option of reimbursement via check, debit care and direct deposit options
11. Provide a designated Account Manager who has authority to act on behalf of the offerors' firm assigned to this account. This person must have:
 - a) The authority to make decisions regarding company policy;
 - b) The ability to obtain same-day decisions; and
 - c) At least three (3) years of experience as an account manager for FSA COBRA clients. In the event of an absence, an alternate must be designated and communicated to the City in advance.
12. Provide the City with written notice of any staffing changes among key members of its account team within fifteen (15) days of the change. The City reserves the right to review and approve any such replacements. The City may also at any time request a change in any member of its account team.
13. Mail "Qualifying Event Election Notices" to all qualified beneficiaries and mail them to the homes of eligible FSA COBRA beneficiaries.
14. Provide a paperless solution including web-based communications, enrollment and account access for both participants and plan sponsor. Must include user friendly reporting capabilities for plan sponsor.
15. Ability to receive qualifying event information electronically and/or by hard copy from City or third party provider.
16. Maintain accurate participant information (including Social Security numbers or other identifying numbers, enrollment dates, coverage election, participant addresses and eligibility,
17. Develop and provide the City with an appropriate Plan Document, Summary Plan Description and plan highlights
18. Provide points of contact for employees to call regarding questions, information, etc. via toll free number, online employee portal, phone application
19. Provide the City of Somerville with reports each pay period for 12, 21, 26, 42 and 52 pay period a year cycles as necessary for the administration of the Flexible Spending Account Plan, specifically:
 - a) Periodic reports by employee showing amounts credited to the employees account, the amount paid from the account, and the account balance;
 - b) an end of plan year report showing, by employee, amounts left unexpended;
 - c) other reports commonly provided, and
 - d) Pay period reports by employee showing amounts credited to the employees account
20. For the FSA, provide individual subscribers with reports, at least twice per year, showing amounts credited to individual accounts, claims received, payments made, and account balance
21. Provide other reports, services, etc. typically required in the administration of Flexible Spending Account balance
22. Provide discrimination testing once a year for both the Health Care Account and Dependent Care Accounts.