



City of Cambridge

PURCHASING DEPARTMENT

795 Massachusetts Ave. • Cambridge, Massachusetts 02139-3219

Amy L. Witts
Purchasing Agent

TO: All Bidders

FROM: City of Cambridge

DATE: October 19, 2016

RE: File No. 7415, Flexible Spending Services, Addendum No. 1

Please disregard the Quality Requirements found on page 6 of the Invitation for Bid and replace with the attached Revised Quality Requirements.

Please disregard the Price Proposal Section found on page 8 of the Invitation for Bid and replace with the attached Revised Price Proposal.

Failure to submit the Revised Quality Requirements and the Revised Price Proposal will result in rejection of your bid.

The following Questions were submitted and answered.

Question

(1) On the RFP it says that any company bidding company must have a local office with in 20 miles - If this is not able to be met will it resort in an automatic "No" or is this something that will not prohibit a company from being considered

Answer

The bidder must have a local office within a 50 mile radius of the City of Cambridge City Hall located at 795 Massachusetts Ave.

If bidder does not have a local office with a 50 mile radius of the City of Cambridge City Hall the bid submitted will not be considered.

Please submit the attached Revised Quality Requirements.

Question

Roughly, how many employees are eligible to participate in this program?

Answer

City employees 1500, School employees 1200.

Question

Roughly, How many employees do you anticipate participating?

Answer

The City currently has approximately 350 employees participating, School has approximately 180.

Question

The RFP states the submission envelope must be labeled in reference to the RFP being opened on the 20th. The RFP was released earlier. Was this a typo or is a further variation of the RFP coming?

Answer

Yes, the date October 20, 2016 is a typo error.

The Invitation for Bid must be submitted by Thursday, October 27, 2016 by 11:00 AM.

Question

In reference to the above question, THIS document mentions the actual RFP can be downloaded from the provided Cambridge.org hyper link, yet, when we click on the link for the RFP, it brings up the same document as this one. Might there be another document requiring a response?

Answer

The Invitation for Bid posted to the website and emailed to your firm as an attachment is the same document.

Question

The RFP is due on November 10, 2016 for an effective date of 1/1/2017. The city is allocating 45 days for RFP review. Assuming the allotted timeframe for communication and implementation is 30 days, is the City open to a short plan year in 2017 or a delayed enrollment so employees have sufficient time to understand their options, ask questions and enroll? How can proposing vendors help accelerate the decision timeline?

Answer

The City expects the start date of the new contract will be November 10, 2016. Open enrollment will commence after that, with participants actually enrolled in the plan for calendar year 2017.

Question

Section 2.2. Have the Open Enrollment fairs been scheduled? How many do you plan? For staffing purposes, are any being held at concurrent times and different locations? When is the enrollment window for employees?

4a) How many total employees are eligible for the program between the city and the school district? Do the plan designs vary? Do the medical/dental/ vision plans vary by carrier and / or by plan design i.e. copays?

Answer

We will schedule open enrollment once contract is awarded, hopefully to be held late Nov/early Dec. We usually like to have a 2 or 3 drop in sessions that last about 2 hours each. We can work with vendor to set up mutually convenient times. There are 1500 eligible employees on the City side, and 1200 eligible employees on the school side. Medical /dental plans do vary by vendor and offering.

Question

Under 2.6 the RFP states, "The Bidder will be expected to assume and accept fiduciary responsibility for the plan. Employee contributions to the plan will be remitted to the Bidder via vendor check with hard copy employee contribution report as frequently as they are withheld from paychecks (weekly, semi-monthly, and monthly), without requiring the City to set up or maintain a separate bank account. The Bidder will set up a claims account, from which reimbursements will be paid. The Bidder will be expected to maintain insurance policies to cover crime/theft of funds." The IRS has announced an increase in audits as part of the Affordable Care Act, is this process a firm requirement of the City's or would the city be open to discussing a more compliant solution?

Answer-

This is a requirement.

Question

Under 2.7, the city and the school are to be billed separately. Shall we also assume funding and plan management for each entity will be separate? Will the City desire separate "branding" for each group on its communications etc.?

Answer-

Yes. The City and School units are funded and administered separately.

Question

Bid Submission Requirements state: "Two references must be municipalities of Massachusetts" We are currently designated finalists for 3 Massachusetts municipal entities and provide services to two of Massachusetts largest employers. Is this requirement firm?

Answer-

Yes- this is a requirement.

Question

While our company is willing to sign the City's contract, any contract will need to also include certain additional terms and conditions that are contained in our companies standard contract, subject to negotiation between the parties. Is the City willing to include applicable provisions from the following documents, all of which are being submitted as an attachment to these questions, per the instructions on page 3 of the Invitation For Bid?

Standard Contract Documents:

- V5 Terms & Conditions of Service & BAA (*see current link in the Order Form Sample*)
- Funding Agreement Sample – ACH Credit
- Funding Agreement Sample – ACH Debit
- Order Form Sample
- Non Discrimination Services Description
- Form 5500 Service Description
- FSA Service Description
- Debit Card Service Description

Answer

The City will not consider additional terms and conditions. The bidder must be willing to sign the City's contract. The City will not sign a vendor's standard contract subject to negotiations between the parties.

Question

We must take exception to the following areas of the IFB:

1. Page 5 of the IFB; 2.6 FSA Plan Administration/Resources. Bidder confirms its ability to provide 'assistance' for the City in matters of IRS and DOL compliance, rather 'representation'.

Answer-

The requirement is "representation."

Question

Page 5 of the IFB; 2.6 FSA Plan Administration/Resources. Bidder accepts wire transfers as a remittance option, instead of paper checks. Under Bidder's standard funding model, the City would send payroll deduction files to the successful Bidder that will be used to update participant account balances, but the actual payroll deduction funds would be held by the City. As claims and card spend occurs against the participant balances, those payments would be aggregated on the City's weekly healthcare and dependent care *Funding* report. Because the successful Bidder is paying out claims prior to receipt of funding, Bidder would also require an initial funding amount from the City. An initial funding amount of 4% of annual elections is requested for clients that fund via ACH debit OR 6% for clients that fund via ACH credit or wire transfer. This initial funding is due approximately 15-30 days prior to the plan year start date. Weekly funding is due on Tuesday to replenish weekly card spend and claim payments for the prior week. All City payments to Bidder are net 30 days.

Answer-

At this time, the City will be submitting paper checks. The City will not pre-fund the benefit.

Question

Page 5 of the IFB; 2.6 FSA Plan Administration/Resources. Bidder can only accept employee eligibility and contribution data via a proprietary, electronic Program Sponsor File (PSF). Real-time, online update capabilities are available via the Bidder's employer website portal. Updates and changes made directly through the Bidder's system are effective immediately based on the updated coverage dates.

Answer-

The City will not send contributions electronically,

Question

Page 5 of the IFB; 2.7 Billing Information. Bidder can bill for administrative fees at the beginning of the month (in arrears) via email, based on the participant count on the 20th of the prior month,

Answer

(e.g. January invoice will be sent on February 1st.)

Question

Page 10 of the IFB; Bidder respectfully requests a waiver of the City's Criminal Offender Record Information (CORI) screening. Bidder can comply with the Background Checks and Consumer Credit Reports policy, which is attached to these questions.

Answer

Please fill out and submit the Cori Compliance For on page 14 of the Invitation for Bid. If a bidder submits a bid including a request for a waiver the City will consider the waiver as described in the Ordinance Number 1312, Section 2.112.064 ,Waiver.

Question

Page 18 of the IFB (page two of the Wage Theft Prevention Certification). The Massachusetts Wage and Hour Laws shall only apply to all Bidder's employees located in Massachusetts, who perform key services for this contract.

Answer

The Wage Theft Prevention Certification is established requirements for all City of Cambridge Contracts in an effort to prevent Wage Theft. All prospective vendors must provide the information requested.

Question

In order to prepare a fully-responsive bid, we respectfully request the following additional information: Instructions on page 1 of the IFB require that submission envelopes are marked with a Thursday, October 20th date. Please confirm that this is a typographical error, as the bid opening is identified elsewhere in the IFB as October 27th.

Answer

The date of October 20, 2016 referenced on page one of the Invitation for Bid is a typo error. The Invitation for Bid must be submitted by Thursday, October 27, 2016 by 11:00 AM.

Question

Page 4 of the IFB; Scope of Services I. General; gives the successful bidder approximately 14 days (from October 27 to November 10) to prepare to provide complete FSA services to the City. However, page 3 describes a 45 day period from the bid opening date, to the contract award date. Please confirm how much implementation time will be afforded to the successful bidder.

Answer

The City expects the start date of the new contract will be November 10, 2016. Open enrollment will commence after that, with participants actually enrolled in the plan for calendar year 2017.

Question

Page 4 of the IFB; 2.2 Orientation and Enrollment. Please confirm how many benefit fairs the successful Bidder will be required to conduct, and in how many locations? Please also provide the anticipated open enrollment dates.

Answer

We will schedule open enrollment once contract is awarded, hopefully to be held late Nov/early Dec. We usually like to have a 2 or 3 drop in sessions that last about 2 hours each. We can work with vendor to set up mutually convenient times.

Question

Page 5 of the IFB; 2.7 Billing Information. This section indicates that the City of Cambridge and Cambridge Public Schools will be billed separately. Will the successful Bidder also need to coordinate eligibility and funding data separately with each entity? Or will eligibility and funding data be provided from one central location?

Answer

The City and School units are funded and administered separately.

Question

The Bidder submitted an application on the City's www.Cambridgema.gov website but the Bidder's contact information is still not reflected on the Vendor Registry for this solicitation. Please provide specific technical guidance which will provide additional instructions on how to be included on the Vendor Registry for this solicitation.

Answer

Vendors shall visit the City's website at www.Cambridgema.gov, Purchasing Bid List. Online Services, Click on Invitation for bid. Vendor's who fill out the "vendor registry information" and submit the required information to the Purchasing Department will be added to the bidders list.

SEE REVISED QUALITY REQUIREMENTS AND REVISED PRICE PROPOSAL ATTACHED.

All other details remain the same.

Joan Dillon
Assistant Purchasing Agent for Goods and Services

ADDENDUM NO. 1

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REVISED QUALITY REQUIREMENTS

A "NO" response, a failure to respond, or a failure to meet any of the following Quality Requirements will result in a rejection of your bid. Circle Yes or No for each of the following Quality Requirements Items 1-7.

1; The Bidder has five or more years experience providing FSA services.

YES NO

2 The Bidder has a local office within a 50-mile radius of the City of Cambridge City Hall,795 Massachusetts Ave.

YES NO

Please list the address: _____

3. The Bidder is able to reimburse employees for expenses at least twice a month.

YES NO

4. The Bidder is able to reimburse employees for expenses via direct deposit weekly at no additional charge.

YES N

5. The Bidder is able to allow plan participants to obtain account information online via a secure process, at no additional charge.

YES NO

6. Bidder can provide, upon request, proof of insurance policy to cover crime/theft of funds.

YES NO

Please list dollar amount of current policy _____

7. Bidder can provide debit card services for medical reimbursement accounts to every participating employee at no additional cost.

YES NO

Name of Bidder: _____

ADDENDUM NO.1

REVISED PRICE PROPOSAL

The contract will be awarded to the responsive and responsible bidder offering the lowest total price for Year One and Year two. The City will renew Option year one (year three) depending on the performance of the contractor and the price. All prices are to remain firm for the entire contract period. The per employee cost shall include all costs associated with the administration of the FSA as detailed herein. No additional cost or charges shall be permitted.

Annual cost per participating employee

Year One (12 months) 500 Employees X \$ _____ /per participating employee = \$ _____

Total Year one \$ _____

Year Two (12 months) 500 Employees X \$ _____ /per participating employee = \$ _____

Total Year two: \$ _____

Total Year One and Year Two: \$ _____

Total in words for Year one and Year two: _____

Option year one (year Three) (12 months) 500 Employees X = \$ _____ /per participating employee =
\$ _____

Option year one

Total in words Option year one (year three): _____

Signature of bidder: _____

Name of Bidder: _____

Email Address: _____