|  |  |  |  |
| --- | --- | --- | --- |
|   |  **State of South Carolina** **South Carolina Public Employee Benefit Authority****Request For Proposal****Amendment Number One (1)** | Solicitation Number: Date Issued: Procurement Officer: Phone: E-Mail Address: | PEBA01520175/9/2017 David H. Quiat, CPPB803.734.0602dquiat@peba.sc.gov |

|  |
| --- |
| DESCRIPTION: **Third Party Administration of the State Flexible Benefits Plan.**  |

 SUBMIT OFFER BY (Opening Date/Time):   **5/23/2017 3:00 PM**

|  |
| --- |
| *The Term "Offer" Means Your "Proposal". Your offer must be submitted in a sealed package. The Solicitation Number & Opening Date should appear on the package exterior. See the clause entitled "Submitting Your Offer or Modification."* |

 SUBMIT YOUR SEALED OFFER TO EITHER OF THE FOLLOWING ADDRESSES:

|  |  |
| --- | --- |
| MAILING ADDRESS:South Carolina Public Employee Benefit AuthorityP.O. Box 11960Columbia, S.C. 29211-1960Attention: David H. Quiat  | PHYSICAL ADDRESS:South Carolina Public Employee Benefit Authority202 Arbor Lake DriveColumbia, S.C. 29223Attention: David H. Quiat  |

|  |  |
| --- | --- |
|  AWARD & AMENDMENTS | Award will be posted on **6/16/2017.**  The award, this solicitation, any amendments, and any related notices will be posted at the following web address: <https://procurement.sc.gov/vendor/contract-opps/other-solicitations/peba> |

|  |
| --- |
| You must submit a signed copy of this form with Your Offer. By submitting a proposal, You agree to be bound by the terms of the Solicitation. You agree to hold Your Offer open for a minimum of one hundred twenty (120) calendar days after the Opening Date.    (See the clause entitled "Signing Your Offer.") |
|  NAME OF OFFEROR   (Full legal name of business submitting the offer) | Any award issued will be issued to, and the contract will be formed with, the entity identified as the Offeror. The entity named as the offeror must be a single and distinct legal entity. Do not use the name of a branch office or a division of a larger entity if the branch or division is not a separate legal entity, i.e., a separate corporation, partnership, sole proprietorship, etc. |
|  AUTHORIZED SIGNATURE  (Person must be authorized to submit binding offer to contract on behalf of Offeror.) |  |
|  TITLE  (Business title of person signing above) |  STATE VENDOR NO.  (Register to obtain S.C. Vendor No. at www.procurement.sc.gov) |
|  PRINTED NAME  (Printed name of person signing above) |  DATE SIGNED |  STATE OF INCORPORATION  (If you are a corporation, identify the state of incorporation.) |

|  |
| --- |
|  OFFEROR'S TYPE OF ENTITY:   (Check one)                                                                   (See "Signing Your Offer" provision.)     \_\_\_ Sole Proprietorship                                  \_\_\_ Partnership                                  \_\_\_ Other\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    \_\_\_ Corporate entity (not tax-exempt)          \_\_\_ Corporation (tax-exempt)            \_\_\_ Government entity (federal, state, or local) |

 COVER PAGE (NOV. 2007)

SAP

SAP

 **PAGE TWO**

 **(Return Page Two with Your Offer)**

|  |  |
| --- | --- |
| HOME OFFICE ADDRESS (Address for offeror's home office / principal place of business)           | NOTICE ADDRESS (Address to which all procurement and contract related notices should be sent.)          \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Area Code  -  Number  -  Extension                    Facsimile  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ E-mail Address |

|  |  |
| --- | --- |
| PAYMENT ADDRESS (Address to which payments will be sent.)           \_\_\_\_Payment Address same as Home Office Address\_\_\_\_Payment Address same as Notice Address   **(check only one)** | ORDER ADDRESS (Address to which purchase orders will be sent)          \_\_\_\_Order Address same as Home Office Address\_\_\_\_Order Address same as Notice Address   **(check only one)** |

|  |
| --- |
| ACKNOWLEDGMENT OF AMENDMENTSOfferors acknowledges receipt of amendments by indicating amendment number and its date of issue. (See the clause entitled "Amendments to Solicitation") |
| Amendment No. | Amendment Issue Date | Amendment No. | Amendment Issue Date | Amendment No. | Amendment Issue Date | Amendment No. | Amendment Issue Date |
|   |   |   |   |   |   |   |   |
|   |   |   |   |   |   |   |   |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| DISCOUNT FOR PROMPT PAYMENT(See the clause entitled "Discount for Prompt Payment") | 10 Calendar Days (%) | 20 Calendar Days (%) | 30 Calendar Days (%) | \_\_\_\_\_Calendar Days (%) |

|  |
| --- |
|  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  PAGE TWO (SEP 2009) |  |  End of PAGE TWO |  |    |  |

# Amendment Number One (1)

**Third Party Administration of the State Flexible Benefits Plan**

**Solicitation Number PEBA0152017**

# Written Responses to Questions

Vendor #1

Could you please help me with the following questions:

1. Whether companies from Outside USA can apply for this? (like from India or Canada)

**Response: As stipulated in the Request for Proposal, Part 7 Terms and Conditions – B. Special, Paragraph 7.37 Information Security – Data Location (FEB 2015), the Contractor is prohibited from accessing, processing, transmitting, or storing government information, as defined in the clause titled Information Security, outside the United States. This obligation is a material requirement of this contract.**

1. Whether we need to come over there for meetings?

**Response: Yes. Please see the Request for Proposal, Part 3 Scope of Work, Part 3.6 Account Management, paragraph 3.6.5 and Part 3.8 Communications and Training, paragraphs 3.8.12, 3.8.13, and 3.8.14.**

1. Can we perform the tasks (related to RFP) outside USA? (like from India or Canada)

**Response: No. Please see the response to question number 1.**

1. Can we submit the proposals via email?

**Response: No. Offerors should submit:**

1. **One (1) original marked “original” and five (5) identical paper copies of your Technical Proposal.**
2. **Five (5) labeled CDs containing a copy of the Offeror’s Technical Proposal Response (in MS Word, MS Excel and/or PDF format where appropriate).**
3. **One (1) original marked “original” and two (2) paper copies of your Business Proposal.**
4. **Three (3) labeled CDs containing a copy of the Offeror’s Business Proposal.**
5. **One (1) CD labeled “original redacted” containing a redacted version of your original Technical Proposal.**
6. **One (1) CD labeled “original redacted” containing a redacted version of your original Business Proposal.**

Vendor #2

1. Has the incumbent administrator (Wageworks) indicated they will no longer provide administration for this contract? If yes, please describe why in as much detail as possible.

**Response: No.**

1. Did the incumbent administrator (Wageworks) submit a response to the most recent solicitation (PEBA0132016). If yes, please detail of all the reasons why the incumbent administrator was considered ‘non-responsive’.

**Response: Solicitation PEBA0132016 was cancelled after opening but prior to award because all proposals were classified as unacceptable. As such, the Register of Proposals, which includes the name of each Offeror, as well as any and all documents/information submitted in response to the solicitation will not be disclosed.**

1. How many total responses to solicitation PEBA0132016 were received by the State?

**Response: Please see the response to question number 6 above.**

1. Please provide a detailed list as to why each respondent to PEBA0132016 was considered non-responsive. Please include the names of each respondent.

**Response: As solicitation number PEBA0132016 was cancelled after opening but prior to award this information will not be disclosed. Please also see the response to question number 6 above.**

1. Please describe in detail why the past three (3) solicitations for these services have been cancelled without award.

**Response: The past two (2) solicitations have been cancelled.**

**Solicitation PEBA0092016 was cancelled July 13, 2016, prior to opening. Due to a tight timeline for the review and evaluation of proposals as well as an award and implementation of a contract PEBA determined it was in PEBA’s best interests to cancel the solicitation and resolicit at a later date for an effective contract date of January 1, 2018.**

**Solicitation PEBA0132016 was cancelled April 18, 2017, after opening but prior to award. All proposals were classified as unacceptable.**

1. What will potentially cause this solicitation to be cancelled?

**Response: The State intends to award a contract to the highest ranked, responsive and responsible Offeror whose offer is determined to be the most advantageous to the State.**

1. Please provide a complete list all changes, updates or additions which have been made from solicitation PEBA0132016 (Due 3.22.2017) to PEBA0152017 (due 5.23.2017).

**Response: Due to the possibility that, despite our best efforts, an error would be made in highlighting a change, update or addition, PEBA determined to issue a complete new solicitation document (PEBA0152017) without highlighting changes, updates or additions. This approach has been selected in an effort to ensure the clarity of the contract documents during both the “Pre-Award” and “Post Award” phases of this procurement. Prospective Offerors should discard solicitation number PEBA0132016 and use solicitation number PEBA0152017 when preparing their offer. Offerors are cautioned that they are responsible to review the content of the entire solicitation document.**

12. Section 5.1.4.2 Enrollment and Payroll Processing (b) states:

*(b) Describe, in detail, your approach to implementing one common mode (electronic data exchange file format) for processing and reporting (eligibility, enrollment and payroll data). Describe in detail the one common mode (electronic data exchange file format) for processing and reporting (eligibility, enrollment and payroll data) you will utilize, how you will train the payroll centers in its use, the support you will provide in their transition to the proposed format and a proposed timeline for the payroll centers transition during the initial contract term.*

Please describe in detail how payroll center employees were and are trained in the incumbents use of the payroll and enrollment system and what support they were provided in the transition to the incumbents format and the timeline followed during the transition during the initial contract term.

**Response: The requirement that the Contractor shall implement, over the initial 3 year term of the contract, one common mode (electronic data exchange file format) for processing and reporting (eligibility, enrollment and payroll data) is a new requirement for this contract (effective 1/1/2018). As such, Offerors should describe, in detail, their approach to training the payroll centers, the support they will provide in the payroll centers’ transition to the Offeror’s proposed format and a proposed timeline for the payroll centers transition during the initial contract term.**

**Please see the Request for Proposal, Part 3 Scope of Work, section 3.2 Enrollment and Payroll Processing, paragraph 3.2.1, and Part 5 Information for Offerors to Submit, Section 5.1.4.2 Enrollment and Payroll Processing, paragraph (b).**

Does the state require in person training or will webinar/phone training be acceptable? Please list any minimum requirements and expectations the State has for this process. Please describe the ideal process.

**Response: Offerors should propose, in detail, their approach to training the payroll centers. All offers will be evaluated by a review panel on the basis of the evaluation factors listed in the Request for Proposal, Part 6, Award Criteria.**

13. Section 5.1.4.8 Communications and Training

*(a) Describe, in detail, how you will work collaboratively with PEBA staff to develop a comprehensive communications plan to increase participation in the State Flexible Benefits Plan each calendar year. Describe how you will play a proactive role in managing the communications of the State Flexible Benefits Plan to increase participation. Are you proposing a performance measurement and related standard/liquidated damages regarding your ability to increase participation in the State Flexible Benefits Plan?*

Please describe in detail how the incumbent has worked collaboratively with PEBA state to develop a comprehensive communications plan to increase participation in the State’s plan each calendar year. Describe how the incumbent plays a proactive role in managing the communications of the plan to increase participation. Please provide any performance measurements and related standard/liquidated damages the incumbent offers regarding their ability to increase participant in the Plan. Has the incumbent ever failed to meet the agreed upon measures? If yes, provide details of the failure to meet the performance measurements and detail the amount of any liquidated damages as a result of non-performance.

**Response: The requirement that the Contractor shall work collaboratively with PEBA staff to develop a comprehensive communications plan to increase participation in the State Flexible Benefits Plan each calendar year is a new requirement for this contract (effective 1/1/2018). As such, Offerors should describe, in detail, how they will work collaboratively with PEBA staff to develop a comprehensive communications plan to increase participation in the State Flexible Benefits Plan each calendar year and how they will play a proactive role in managing the communications of the State Flexible Benefits Plan to increase participation.**

**Please see the Request for Proposal, Part 3 Scope of Work, section 3.8 Communications and Training, paragraph 3.8.4, and Part 5 Information for Offerors to Submit, Section 5.1.4.8 Communications and Training, paragraph (a).**

14. Section 5.1.4.8 Communications and Training

*(b) Provide a sample individual account balance statement and describe in detail the information contained on the statement. Describe the methods and frequency used by your organization to distribute statements to Participants.*

*3.8.10 Provide individual account balance statements that shall be furnished to Participants at least quarterly. The balance statements shall include the balance contained in the account available for each benefit, the amount contributed for the plan year, and the amount expended during the plan year. Provide other statements/reports to individual Participants as are required by law, in connection with the State Flexible Benefits Plan. All statements and reports must be co-branded and approved by PEBA.*

Our standard service is to provide participants with 24/7/365 access to account information through our online portal, mobile application, text messaging and IVR. Does the state require hard copy statements to be mailed to all participating employees on a quarterly basis? How many hard copy statements were sent to participants in 2016?

Is the state open to transitioning to electronic statements which will result in significant cost savings?

**Response: The requirement that the Contractor shall provide individual account balance statements that shall be furnished to Participants at least quarterly is a new requirement for this contract (effective 1/1/2018). Currently the requirement is to furnish individual account balance statements to Participants with each disbursement check, or at least quarterly, if no transactions have been completed by the Participant during the preceding months.**

**Yes, PEBA requires hard copy statements to be mailed to all Participants on a quarterly basis unless the Participant elects to receive account balance statements by email. According to the current Contractor, approximately 14,693 FSA Participants are signed up for electronic communications and 5,483 FSA Participants receive paper communications through the USPS as of February 2017.**

**Offerors may propose providing a standard, online activity statement, and the option for Participants to receive account status notifications according to their selected preferences, in addition to furnishing individual account balance statements to Participants quarterly via hardcopy or email.**

15. Section 3.10 Reporting

3.10.5 Provide, periodically, additional reports reasonably consistent with available data that is necessary to properly evaluate the program. No additional charges will be paid by PEBA for these reports or any other reports requested concerning the performance of the contract.

Please provide the exact number and details of every additional report, standard report or ad hoc report requested by PEBA in the past five (5) years of the contract including any reports requested pre and post implementation.

**Response: To the best of our knowledge, PEBA has not requested any additional reports or ad hoc reports during the past five years of the contract. Please see the Request for Proposal, Part 3 Scope of Work, Section 3.10 Reporting, Paragraph 3.10.1 for a description of reports currently provided to PEBA under the current contract.**

16. Section 5.1.4.9 Performance Measurements, Standards and Liquidated Damages

Please provide all performance measurements, standards and liquidated damages in place for the current contract. Please complete the table below in respect to the current contract.

**Response: The following is a list of all performance measurements for the current contract. The Contractor’s current performance standards and liquidated damages are confidential and thus will not be released. As such the table below will not be completed.**

1. **The Administrator shall report results of Nondiscrimination Testing in a timely manner.**
2. **The Administrator shall provide account balance information on-line, updated daily through the website that is specific to the MoneyPlu$ programs, as well as an automated voice response system with an adequate number of twenty-four (24) hour toll-free lines.**
3. **The Administrator shall provide information via two (2) toll-free telephone facilities; one designated for FBP participants and the second separate, toll-free facility for State Benefits Administrators, including EIP. The Administrator shall provide an adequate number of dedicated toll-free lines to communicate with FBP participants, State Benefit Administrators, and EIP. An adequate number of toll-free lines are defined as that number which permits 98% of incoming calls to be answered by the Administrator during the average busy hour (ABH).**

1. **The Administrator’s staff shall respond to all written inquiries from participants and Benefit Administrators within five (5) business days.**
2. **The Administrator’s staff shall respond to any telephone inquiry within twenty-four (24) hours, with the exception of calls received after the normal hours of operation described in 3.3.7. A business day is defined as including Monday through Friday, excluding State holidays.**
3. **The Contractor shall provide callers with a survey instrument to gauge customer satisfaction (wait time, courtesy of staff, knowledge of product, problem resolved/question answered).**
4. **The Administrator shall receive and process 98% of all claims for disbursement of funds from the flexible spending account(s) for qualified benefits as allowed by the FBP. The Administrator shall disburse amounts, which are payable for one of the benefits provided, or any additional benefits provided in the future, to the participant within five (5) business days following receipt of a claim. The Administrator is not required to issue a check or direct deposit for less than $30 (thirty dollars) except for the last check of the year. Request for reimbursement for less than $30 shall be held in suspense and paid when the reimbursement totals $30 or more.**
5. **The Administrator shall provide individual flexible spending account balance reports that shall be furnished to participants with each disbursement check or at least quarterly, if no transactions have been completed by the participant during the preceding month. Such quarterly reports as are produced must be sent by the 15th of the month following the end of the quarter. The reports shall include the balance contained in the account available for each benefit, the amount contributed for the plan year, and the amount expended during the plan year. The Administrator shall provide such other reports to individual participants as are required by law, in connection with the FBP.**
6. **99% for payment (financial) accuracy**

|  |  |
| --- | --- |
|  |  |

Please list all instances the incumbent administrator did not meet the proposed performance standards and detail all liquidated damages provided as a result of non-performance.

**Response: In calendar year 2016 the current Contractor was not in compliance with the following performance measures:**

**Performance Measure Number 3 above - not in compliance during the fourth quarter of 2016**

**Performance Measure Number 9 above - not in compliance during the second quarter of 2016**

|  |  |  |
| --- | --- | --- |
| Performance Measurements† | Standards | Liquidated Damages |
| Respond to any telephone inquiries within twenty-four (24) hours | “Offeror Name” shall respond to \_\_\_\_\_\_% of any telephone inquiries from Participants and Benefit Administrators within twenty-four (24) hours, with the exception of calls received after the normal hours of operation (8:30 a.m. to 5:00 p.m. local time).  |  |
| Respond to written inquiries within five (5) business days  | “Offeror Name” shall respond to \_\_\_\_\_\_% of written inquiries from Participants and Benefit Administrators within five (5) business days. A business day is defined as including Monday through Friday, excluding State holidays. |  |
| Process reimbursement checks to State Flexible Benefit Plan Participants (disbursed, denied, pended) within five (5) business days | “Offeror Name” shall disburse \_\_\_\_\_\_% of claims within five (5) business days following receipt of a claim. For purposes of assessing performance under this standard, stored value card claims adjudicated at the point-of-sale are not considered a claim. Offeror should propose the minimum amount for which it shall issue a check (except for the last check of the year) or direct deposit.  |  |
| Customer Service Call Response Time | “Offeror Name” shall answer \_\_\_\_\_\_% of calls within \_\_\_\_\_\_\_\_ seconds. |  |
| Call Abandonment Rate  | <= \_\_\_\_\_\_\_ % |  |
| 1st Call Resolution  | >= \_\_\_\_\_\_\_ % |  |
| Post-call survey instrument to gauge customer satisfaction with the Contractor | Minimum\_\_\_\_\_\_\_% overall satisfaction rate Measures should include, but are not limited to, wait time, courtesy of staff, knowledge of product, willingness to assist, and problem resolved/question answered. |  |

17. Section 5.1.4.1 State Flexible Benefits Plan Administration

(e) Describe in detail and provide a flow chart showing each step of your claims administration processes. Include, at a minimum, the following:

• The Participant’s claim filing process (by paper, fax or other methods);

• Your claims adjudication process (include the approval process, denial process, and steps taken if more information is needed from participants);

• Your claims reimbursement process for mailing checks; and

•Your claim reimbursement process for electronic direct deposit (include the time frame for notifying Participants about direct deposits).

Please provide a description and flowchart of the processes currently in place including all points listed above.

**Response: The current Contractor’s claims administration processes are proprietary/confidential and thus will not be released.**

18. Section 5.1.4.1 State Flexible Benefits Plan Administration

Provide a detailed description of your organization’s internal appeals process. Include your timeline for handling appeals and your response time to PEBA requests for information regarding appeals. How will your organization cooperate with the operation of PEBA’s appeal process. Provide a flowchart to demonstrate your organization’s process.

Please provide a flowchart and description of the appeals process currently in place.

**Response: The current Contractor’s internal appeals processes are proprietary/confidential and thus will not be released. Please see the 2016 State Flexible Benefits Plan document for State Flexible Benefits Plan provisions related to the internal appeals process. The 2016 State Flexible Benefits Plan document can be found at** [**http://www.peba.sc.gov/moneyplus.html**](http://www.peba.sc.gov/moneyplus.html) **under “Additional resources.”**

19. 5.1.4.5 Stored Value Card

(a) Provide a complete, detailed description of your debit card/stored value card process, including a flowchart, with, at a minimum, the following information:

• Measures taken to properly adjudicate eligible claims;

•Information needed on receipts;

•Methods and time frame for obtaining necessary information from Participants;

•Claims substantiation;

•Auditing of claims reimbursements;

•Accounting for payments made in error; and,

•Recoupment of payments made in error.

Please provide a flowchart and description of the stored value card process currently in place including all points listed above.

**Response: The current Contractor’s debit card processes are proprietary/confidential and thus will not be released.**

Vendor #3

20. Section 3.3.1 gives the number of Savings Plan participants, and Section 3.8.6 requests a mailing to all savings plan participants. What type of mailing are you requesting – postcard, letter, etc.? Please provide as much detail as possible. Must the mailing go to all savings plan participants or can the information be emailed to participants who have an email on file? If an email is sufficient, what percentage of participants have a valid email address on file?

**Response: The Contractor will work with PEBA to determine the best medium (i.e., postcard, letter, etc.) to promote the Health Savings Account to Savings Plan members. This will be a targeted campaign that must be mailed to all Savings Plan members who do not already have a Health Savings Account.**

Vendor #4

21. Page 38 of the RFP; Part 5.2.1 Fixed Administrative Fees; Please submit fixed administrative fees per Participant for each State Flexible Benefits Plan feature as listed below in even amounts...” Please clarify the term *‘even amounts*’.

* 1. Does the State expect fees to *not include odd numbers*?

**Response: To clarify, “even amounts” are whole numbers that can be divided exactly by 2 (even number). The last digit is 0, 2, 4, 6 or 8. The request for administrative fees per Participant to be in even amounts is to accommodate two monthly deductions from a Participant’s paycheck.**

* 1. Does the State expect fees to be represented *without digits after the decimal*?

**Response: No. The current administrative fees include digits after the decimal.**

 **Current Administrative Fees**

**Dependent Care Spending Account: $3.14 per month**

**Medical Spending Account or limited-use MSA: $3.14 per month**

**Health Savings Account fee to WageWorks for pre-tax contributions: $1.50 per month**

**Pre-tax Group Insurance Premium feature: $0.28 per month**

* 1. Does the State intend for offerors to provide fees only in *whole dollar amounts*?

**Response: No.**