

ADDENDUM 1

(Issue date: 8/23/2024)

(Please sign and return with the submittal)

CHANGES:

1. The City is revising RFP Section 3. Submittals, paragraph 3.1.2 Copies, which removes the reference for hard copy submission requirements. Please remove and replace this section as follows:

3.1.2.Copies

Please submit the information identified in Submittal E, do not submit a copy of the City's entire solicitation document. This Offer will remain in effect for a period of 240 calendar days from the opening date, and is irrevocable unless it is in the City's best interest to release Offer(s).

2. The City is revising Exhibit A, Scope of Work, Goals and Objectives, paragraph 3.8 (RFP page 55). Please remove and replace this section as follows:

3.8 Contractor shall pay claims **from monies initially prefunded by the City through PUSH ACH with required minimum funding no greater than 3% of the total annual participant elections, as calculated at initial enrollment. Ongoing funding: Contractor shall submit to the City a weekly funding notice for amount required to pay for eligible claims.**

3. The City is revising Exhibit A, Scope of Work, Goals and Objectives, paragraph 3.17.2 (RFP page 56). Please remove and replace this section as follows:

3.17.2 Notice of account balance and the deadlines for incurring and submitting claims, to be mailed **by U.S. Postal Service, or electronically by email per Participant preference with copy available online through secure participant portal** quarterly and at least 60-90 days in advance of deadlines.

4. The City is revising Exhibit A, Scope of Work, Goals and Objectives, paragraph 3.17.3, sub-paragraphs 3.17.3.b and 3.17.3.f (RFP page 56). Please remove and replace this section as follows:

3.17.3 Claims that are not auto-substantiated shall automatically be entered into a progress process prior to FSA debit card being de-activated. The progress process shall be as follows:

3.17.3.a At day 15 – 1st Notice following unsubstantiated claim

3.17.3.b At day 30 – 2nd Notice – Claim denial and card deactivation **notice.**

3.17.3.c At day 45 – 3rd Notice Final following no response; notice that FSA debit card will deactivate (with effective date; equal to sixty (60) days from 1st Notice date.

3.17.3.d Plan Correction payroll withholding

3.17.3.e Offset approach

3.17.3.f **City shall recover** as other business debt.

QUESTIONS AND ANSWERS:

Note: Spelling, grammar, and punctuation of the questions are shown exactly as submitted by the potential respondents.

No.	Question	Answer
1.	Page 40 2.7.24 Does “A” mean that the City expects the contractor to conform to the maximum risk back ground check for every contractor employee?	Yes.
2.	Page 40 2.7.25 Does this section mean that the actual back ground checks on every employee who intends to work on this contract must be submitted to the City for approval?	Yes.
3.	Page 55 3.8 If the contractor has no control over the City account, how can the contractor issue payments from that account by ACH or check or FSA debit card?	See Addendum page 1, Changes, Paragraph 2.
4.	Page 56 3.17.2 Can the word “mailed” be interpreted to mean including email and/or posting online with email notice to the participant?	See Addendum page 1, Changes, Paragraph 3.
5.	Page 56 3.17.3.b and 3.17.3.c The third notice states the card will deactivate. However, this section states the card will be deactivated with the 2 nd notice. Can you resolve this conflict?	See Addendum page 1, Changes, Paragraph 4.
6.	Page 56 3.17.3.d and 3.17.3.f Since the contractor has no control over payroll, please confirm this is not a function for the contractor.	See Addendum page 1, Changes, Paragraph 4.
7.	Page 63 4E.5 Please explain what CA funds are and the source of the CA funds. Does the City expect the contractor to supply these funds?	See RFP - Exhibit A – Scope of Work, paragraph 4E Claims Processing / Credit and Allowances, sub-paragraph 4E.5 (page 63)

8.	Page 71 10.1.6 Does this mean the contractor must issue debit cards itself which would eliminate any contractor who uses one of the large debit card providers such as WEX or Alegeus? Since IIAS is by definition an adjudication process performed at the point of sale by the merchant (a third part), does this mean that using IIAS is not allowed?	If included in the Offeror's proposal, the City is agreeable to allowing the Contractor use of a third-party subcontractor for debit cards, subject to the City's Terms and Conditions and Business Associate Agreement.
9.	Page 74 Exhibit B – Fee Schedule If the contractor refuses to agree to the Most Favored Nations, will that disqualify us?	No. Proposed Exceptions are to be submitted in accordance to RFP Section 1, paragraph 1.8 Exception, for the City's consideration.
10.	Call Center: What was the call volume for the past 2 years?	This information is not available.
11.	Performance Guarantees for Implementation: What is the Open Enrollment Period	See RFP - Exhibit A – Scope of Work, paragraph 4.2 (page 57)
12.	Performance Guarantees for plan materials: Can you clarify what is meant by “all” plan participant communications? Does this include RRLs, card carrier, system generate letters, etc?	Yes. All plan materials need to be reviewed and approved by the City prior to distribution.
13.	Where will the addenda be posted?	The City posts all public notices regarding this solicitation and the City's public solicitation website: https://solicitations.phoenix.gov All information will be contained within the specific Solicitation (RFP 24-0387)
14.	When should we anticipate Q&A back from the submitted questions?	The questions and answers received will be posted by August 23, 2024 @ 5:00 pm
15.	Will the City accept a signed BAA with redline edits?	See response to Question 9. Signature of the BAA will only be required from the selected Contractor.
16.	Please confirm these minimum qualifications are in addition to the minimum qualifications outlined within the Questionnaire?	Confirmed. The Minimum Qualifications included in Attachment 14 – FSA Questionnaire are supplemental and will not deem an offer non-responsive if a response is not provided.

		To further clarify, failure to demonstrate compliance to RFP 1.3 Minimum Qualifications (page 5) will disqualify the offer as non-responsive.
17.	Will we be provided the City's file specifications?	The City will work with the selected Contractor during the implementation to determine the file specs, it may result in a combination of the City's file with the Contractor's file.
18.	Can sample file formats be shared as part of the addendum?	See response to Question #17.
19.	Should we provide a template used in our business for eligibility files	The City did not request a sample eligibility file template. However, an Offer can submit additional information as deemed appropriate by the Offeror which demonstrates compliance.
20.	Is the City amendable to using the vendor's file specs.	See response to Question #17.
21.	That question (sample file formats) is not applicable if the City would use vendor's format.	See response to Question #17.
22.	Can one individual serve as multiple roles if they are cross-trained in areas?	Yes. The roles should be clearly demonstrated in the Offeror's submittal.
23.	Can you confirm if section 3, Goals and Objectives, is an outline of the City's current-state for their FSA, or are desired-state items included as well?	Both.
24.	How many participants are currently enrolled?	As of July 31, 2024, 164 Dependent Care and 1109 Medical FSA
25.	What are the current admin fees associated with the current servicing?	See the City's Public Records website: https://www.phoenix.gov/cityclerk/services/public-records-search ConnectYourCare, LLC Agreement #: 152642
26.	Would it be acceptable to override the character limitation for some of the questionnaire cells in Attachment 14 in order to respond most appropriately to the prompt?	No. Additional responses can be included as part of the Technical response within the Method of Approach section or the Experience & Qualifications Section.
27.	If, for legal reasons, we cannot agree to signing the BAA, would the City be willing to sign our Employer Services Agreement (which includes a BAA).	No. The redlined version would be considered by the City. Sometimes the City will consider negotiations of Service Agreements. Include a copy with your submission if this applies.

28.	For worksite educational meetings in advance of Open Enrollment, are they onsite or virtual (how many historically)?	Both. See response to Question 48.
29.	Will the City sign a Non-Disclosure Agreement (NDA)?	No. An NDA is not required for this solicitation process. See RFP 1.21 Public Record, this section outlines the process on how information which may be considered confidential or proprietary by the Offeror should be identified.
30.	What is the desired claims funding arrangement and frequency of funding between the City and the vendor?	See Addendum page 1, Changes, Paragraph 2.
31.	Will the vendor have ACH access to a City bank account for claims? If not, will prefunding be provided?	See Addendum page 1, Changes, Paragraph 2.
32.	Will the City supply the vendor with a payroll file of actual FSA payroll deductions? If so, will the City conform to the vendor file specs?	Refer to RFP 4D Eligibility & Data Integration and 10 Additional Data and Security, 10.14
33.	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?	See response to question #17.
34.	Can you disclose current FSA pricing? Does this pricing include a debit card?	See response to Question #25.
35.	What is the anticipated award date?	End of 2024 or beginning of 2025.
36.	In regards to 1.24 Statement of Bonding Ability, is the vendor required to submit the statement letter with the RFP submission or is the vendor required to submit the statement letter only upon award notification?	Yes, see RFP 1.3 Minimum Qualifications. This is a requirement and must be included with your offer. Failure to meet one of the minimum qualifications identified, will deem your offer as non-responsive.
37.	Can you confirm if the 1/1/2026 effective date is correct or if the date should read 1/1/2025 instead?	The effective date is January 1, 2026
38.	What are your current enrollments both Healthcare and Dependent Care, and how many are enrolled in both?	See Response to Question #24.

39.	What is your current pricing?	See response to Question #25.
40.	How many educational/open enrollment meetings are held?	Varies by year. See Response to Question #48.
41.	Please clarify what the City is asking in Section 3.1.2 Copies (page #51)	See Addendum page 1, Changes, Paragraph 1.
42.	Is the reason the City is out to bid due to the contract being up with the incumbent?	Yes.
43.	If so, have all renewals been leveraged, if renewals were offered?	Yes.
44.	Could you provide clarity on the number of benefit eligible employees who are offered the FSA? Within the RFP we read 15,000 employees but within the same paragraph it notes 20,000 between full-time, part-time, family members.	Benefit eligible employees estimated to be 15,000.
45.	Please provide the current number of FSA participants.	See response to Question #24.
46.	What are two to three things that are going well with today's FSA experience?	Information is not going to be provided at this time.
47.	What areas are there for improvement with today's FSA experience?	Information is not going to be provided at this time.
48.	Please provide additional detail for 3.21 regarding Open Enrollment, including an estimate of how many sessions are in-person, how many locations it typically entails, and how many overall sessions. Please also outline the number of virtual sessions typically held. It is our understanding per the pre-bidders call that both styles (in-person and virtual) are conducted. Prior years can be used as examples.	The City currently hosts virtual open enrollment webinars. The number of virtual webinars may vary year over year; on average between 6 and 10 Active Employee sessions. In person open enrollment initiatives upon City request may be exercised in the future.

49.	What is the current FSA administrative fee?	See response to Question #25.
50.	Please outline the current medical, dental, and vision carriers the City partners with.	Banner Aetna, BCBS of AZ, Cigna
51.	Are there expected marketings and/or known changes to carriers for the 2026 plan year?	Question needs clarification?
52.	Are their integrations established between the carriers above and the FSA incumbent to support FSA claim adjudication?	Not currently.
53.	What is the auto-substantiation rate experienced by the City's participants today?	This information is not available.
54.	Are the participants providing feedback regarding substantiation and if so, what does it entail (unclear communication regarding substantiation needs, how easy it is to submit claims/documents, etc)?	See response to Question #53.
55.	Please confirm if the City's funding as outlined within the RFP allows for the administrator to initiate the ACH from the City's account where the deduction funds are held.	See Addendum page 1, Changes, Paragraph 2.
56.	If the City does not allow for the administrator to initiate the ACH, is the City willing to establish a reserve of funds with the administrator to pay claims from?	See Addendum page 1, Changes, Paragraph 2.
57.	Is 24/7 live customer service offered today?	Yes.
58.	Are the Oracle/Peoplesoft files built by internal team members, or are file-builds outsourced?	City file specs are not outsourced.
59.	Are the current file specifications able to be provided?	See response to Question #17.

60.	Per section 4D.8 regarding assessing the PPPM fee to the ineligible employee, please confirm if the City is willing to assess the fee on their end as it is not accommodated by us. This includes a termed employee who may still have access to the FSA via the plan's runout period if applicable to the City's plan rules.	No.
61.	Please confirm our understanding that the goals and objectives section of the RFP includes both current and desired-state (not solutions currently in place).	Both
62.	Does the City cobrand FSA tools and materials for their participants today? If so, is there a fee associated with this solution?	Yes, at no additional cost.
63.	Does the City customize FSA communications today? If so, is there a fee associated with this solution?	Yes, at no additional cost.
64.	Confirm that one individual can satisfy multiple roles requested if cross-trained. Ex: someone serving as the IT manager and Enrollment/Eligibility lead.	See response to Question #22.
65.	Will the City allow associated fees with some of the services requested, including some in which "at no cost" is outlined within the scope? This includes items such as section 3.17 customizations, mailers, 4A.3.1 and 4A.3.2, file feeds sent not in our specifications, custom reports, etc.	All proposed fees should be included in Exhibit B Fee Schedule for the City's consideration.

66.	Please elaborate on the expectation for 4C.2 and 4E.2 regarding someone receiving additional funds for ineligible (or unsubstantiated) claims. We would communicate the need to repay the plan or offset with an eligible expense to the participant. If they did not comply, the funds would be reported to the client and would need to be reported as taxable income.	What is described here meets the City's expectations in terms of the participant. Section 4E.2 (RFP page 62) refers to errors by the Contractor.
67.	When the City states "mailed," can this also be interpreted as emailed? For example, mailing a communication following an employee's enrollment, will the City accept a Welcome Email for those we have email addresses on file for?	See Addendum page 1, Changes, Paragraph 3.
68.	Does the City expect the administrator to mail hardcopy materials to new hires, or simply have electronic materials available for the City to equip new hires with on their own?	Yes. See RFP, Exhibit A – Scope of Work, Plan Participant Communication Materials, Advertisements and Marketing Materials, paragraph 7.6 (page 66).
69.	Per section 10.1, can the City's Security and EDI Protocols be provided?	See response to Question #17.
70.	Is there flexibility with the implementation team's number of clients served at a time, per section 6.4?	The City may consider this. See response to Question 9.
71.	Is it the expectation that the survey results regarding section 8.9 are specific to just the City?	Yes.
72.	Can the person supporting annual Open Enrollment meetings be someone other than the Account Manager per section 4A.3?	Yes.

73.	Please confirm if the administrator can leverage emails for account related communications (substantiation needs, etc) rather than hardcopy mailing. Only standard mailed communications are included at no cost, such as a hardcopy mailed substantiation request if an email address is not on file.	See Addendum page 1, Changes, Paragraph 3.
74.	Please confirm whether 3.1.2 is referring to the affidavit only, and furthermore, is a hardcopy necessary or will an electronic copy per our proposal submission suffice?	See Addendum page 1, Changes, Paragraph 1.
75.	Is there a separate HSA marketing, or will there be a marketing in the near future?	Not at this time.
76.	Would we have permission to utilize the City's logo if awarded the opportunity to present, for the sole purpose of demonstrating our cobranding abilities?	The City does not allow for the use of the City's Logo for demonstration purposes.

The balance of the specifications and instructions remain the same. Offeror must acknowledge receipt and acceptance of this addendum by signing below and returning the entire addendum with the proposal submittal.

Name of Company: _____

Address: _____

Authorized Signature: _____

Print Name and Title: _____