

# Request for Proposals

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**City of Minneapolis  
Human Resources**

**Flexible Spending Account, Transportation and Health  
Reimbursement Arrangement Administration**

RFP 2016-77 Issue Date: May 16, 2016

**Proposals Due by: Wednesday, June 15, 2016 at 4:00pm**

May 16, 2016

To whom it may concern:

Attached is a Request for Proposal for Flexible Spending Account, Transportation and Health Reimbursement Arrangement Administration services. These services are needed for the City of Minneapolis Human Resources Department. Please consider submitting a proposal for providing these services if your firm meets the qualifications and is available. Please review the RFP for details.

Proposals are due by June 15, 2016.

Thank you for your consideration.

Sincerely,

Patience Ferguson  
Chief Human Resources Officer

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**REQUEST FOR PROPOSALS  
FOR  
Flexible Spending Account, Transportation and Health Reimbursement  
Arrangement Administration**

- I. INVITATION:** The City of Minneapolis (hereinafter referred to as the City) sponsors a comprehensive program of benefits for approximately 4,300 eligible employees of the City and certain affiliated boards and agencies. The plans listed below are included in the City's benefit program. Additional information on these plans, including plan summaries can be found at [www.minneapolismn.gov/hr/benefits](http://www.minneapolismn.gov/hr/benefits).

The City makes this Request for Proposals (hereinafter referred to as the RFP) in order to select a qualified Third Party Administrator (hereinafter referred to as the Administrator) to provide administrative services for the plans listed below (hereinafter called the Project). The Project is generally described in the "Scope of Services" (Attachment B), contained within this RFP, including descriptions of roles, responsibilities and relationship of the Administrator, City, and other parties involved in the Project.

**Health Care Flexible Spending Account**

Eligible employees can elect to contribute \$100 to \$2,550 per year to this account. Contributions are deducted from the first and second biweekly paychecks each month. The health care FSA includes a carryover feature that allows unspent funds greater than \$25 but less than or equal to \$500 to be carried over from one calendar year to the next. Approximately 1,420 employees participate in the health care FSA with an average annual election of \$1,660.

**Dependent Care Flexible Spending Account**

Eligible employees can contribute \$100 to \$5,000 per year to this account. Contributions are deducted from the first and second biweekly paychecks each month. Approximately 240 employees participate in the dependent care FSA with an average annual election of \$3,775.

**Transportation Benefits Plan**

Eligible employees can elect to contribute \$10 to \$255 per month to qualified parking or van pool. The entire monthly contribution is deducted from the first paycheck each month. Approximately 150 employees participate in the pre-tax parking benefit with an after monthly election of \$120.

**Health Reimbursement Arrangement**

The City's HRA is funded by employer contributions to a VEBA trust. Employer contributions are based on the coverage option elected under the City of Minneapolis Medical Plan and equal \$90 per month for employees enrolled for single coverage and \$190 per month for employees enrolled for family coverage. When an employee retires from the City, his or her account balance is transferred to a separate retiree-only plan. The City pays administrative fees for active employees. Administrative fees are charged to accounts of former employees who have incurred a one year break in service. Accounts of missing participants and deceased participants with no surviving eligible dependents are forfeited with the forfeitures used to pay administrative fees. The approximately \$26 million in VEBA trust assets is invested according to an investment policy adopted by the City. VEBA trust assets are currently invested in government securities and high quality commercial paper.

**II. PROPOSAL DUE DATE and LOCATION:** The Administrator shall submit **ten (10) copies** of their proposals to the City of Minneapolis Procurement Office, labeled:

City of Minneapolis - Procurement  
Request for Proposals for:  
Flexible Spending Account, Transportation and  
Health Reimbursement Arrangement Administration  
330 2<sup>nd</sup> Avenue South, Suite 552  
Minneapolis, MN 55401

The submittal shall be made at or before **4:00 P.M. (Minneapolis Time), June 15, 2016.**

**NOTE: Late Proposals may not be accepted.**

In addition to submitting ten (10) copies of your proposal, please also submit an electronic copy of the proposal. The electronic copy should be sent by email to [RFP.Responses@minneapolismn.gov](mailto:RFP.Responses@minneapolismn.gov)

**III. PROPOSAL FORMAT:** The Administrator shall provide the appropriate information in sufficient detail to demonstrate that the evaluation criteria has been satisfied as specified in Section IV – “EVALUATION OF PROPOSALS”.

To allow for easier comparison of proposals during evaluation, proposals should contain the following sections and appendices and be arranged in consecutive order.

1. Executive Summary - The Executive Summary should include a clear statement of the Administrator’s understanding of the RFP including a brief summary of the Scope of Work. Include, at a minimum, an outline of the contents of the proposal, an identification of the proposed project team, a description of the responsibilities of the project team, and a summary of the proposed services.
2. Scope of Services - Describe in detail how services will be provided. Include a detailed listing and description of services, tasks and deliverables by providing detailed responses to the questions contained in Attachment B – Scope of Services.
3. Experience and Capacity - Describe background and related experience demonstrating ability to provide required services. Indicate if company expansion is required to provide service. Attachment C contains specific information to include in your response.
4. References - List references from contracts similar in size and scope. Attachment D contains specific information to include in your response.
5. Cost/Fees - Indicate proposed costs as shown in the Fee Proposal chart in Attachment E. Please provide samples of performance guarantees and the fees you are willing to put at risk.
6. The Evaluation Panel may seek supplemental information on an individual basis.

**IV. EVALUATION OF PROPOSALS – SELECTION OF ADMINISTRATOR:** Proposals will be reviewed by an Evaluation Panel made up of representatives of the City of Minneapolis, Department of Human Resources and other City staff assistance as they might require. The Evaluation Panel will select a "short list" of qualified Administrators who will be formally interviewed as part of the final selection, as deemed necessary by the City. Evaluations will be based

on the required criteria listed in Section III “PROPOSAL FORMAT”, and the following:

- A. Quality, thoroughness, and clarity of proposal.
- B. Experience and general reputation of the company in providing administration and recordkeeping services for flexible spending account, transportation and funded HRA plans.
- C. How well the Scope of Services offered meets department objectives.
- D. Financial responsibility and capacity of company including whether or not the company, any affiliates, subsidiaries, officers or directors have filed for federal bankruptcy protection within seven years of the date of this RFP.
- E. Organization and management approach and involvement for a successful transition.
- F. Small & Underutilized Business participation.
- G. Cost of services proposed including proposed rate guarantees and/or rate caps.
- H. Insurance coverage as defined for the services.
- I. The ability to administer the City plans in compliance with plan provisions and legal requirements with minimal system customization.

The City reserves the right to use the above or other relevant criteria in the selection of a service provider.

A formal Presentation/Interview will be requested of the “short list” Administrator/s. Specifically, the City requests that the Administrator’s Project Manager assigned to the proposed project team lead the Presentation and that actual members of the project team (including any sub-administrator) participate in the formal presentation/interview.

The Presentation/Interview of the “short listed” Administrator’s will include, but may not be limited to, the following elements:

- 1. Discussion of the Administrator’s approach to providing services for this Project based upon the Scope of Services described herein.
- 2. A demonstration of the Administrator’s online and mobile capabilities available to plan participants and plan sponsors.
- 3. A demonstration of the Administrator’s reporting capabilities.

The Evaluation Panel will schedule and arrange for the presentations.

**V. SCHEDULE:** The following is a listing of key Proposal and Project milestones:

|                                   |                          |
|-----------------------------------|--------------------------|
| RFP Release                       | May 16, 2016             |
| Questions on RFP Due by           | May 23, 2016             |
| Responses to Questions posted by  | May 26, 2016             |
| Proposals due by                  | 4:00 PM on June 15, 2016 |
| Finalist Presentations            | July 12 -13              |
| Estimated Administrator selection | July 31, 2016            |
| Estimated services start date     | January 1, 2017          |
| Estimated services end date       | December 31, 2019        |

**VI. CONTRACT:** The contracting parties will be the City of Minneapolis and the Administrator

selected to provide the services as described herein. The selected proposal, along with the RFP and any counter proposal will be incorporated into a formal agreement after negotiations. It is the intent of the City to award a single contract for a term of three (3) years with the option to extend the contract, on an annual basis, at the sole option of the City, for two (2) additional years.

**VII. DEPARTMENT CONTACT/REQUESTS FOR CLARIFICATION:** The Administrator's primary interface with the City will be with the Contract Manager who will act as the City's designated representative for the Project. Prospective responders shall direct inquiries/questions *in writing only* to:

Contract Manager: Katie Kolodge  
Human Resources, Benefits  
250 South 4<sup>th</sup> Street, Room 100  
Minneapolis, MN 55415  
Email ID: Katie.kolodge@minneapolismn.gov

All questions are due no later than **12 noon (Minneapolis Time), May 23, 2016**. Responses to the Questions will be posted by **May 26, 2016** on City's RFP website at: <http://www.minneapolismn.gov/finance/procurement/rfp>

The Contract Manager is the only individual who can be contacted regarding the Project before proposals are submitted. The Contract Manager cannot vary the terms of the RFP.

**VIII. REJECTION OF PROPOSALS:** The City reserves the right to reject any Administrator on the basis of the proposals submitted. The City reserves the right to reject all proposals or any Administrator on the basis of the proposal submitted.

**IX. ADDENDUM TO THE RFP:** If any addendum is issued for this RFP, it will be posted on the City of Minneapolis web site at: <http://www.minneapolismn.gov/finance/procurement/rfp>  
The City reserves the right to cancel or amend the RFP at any time.

# ATTACHMENT A

## RFP Terms & Conditions

### General Conditions for Request For Proposals (RFP)

(Revised: Dec, 2015)

The General Conditions are terms and conditions that the City expects all of its Administrators to meet. The Administrator agrees to be bound by these requirements unless otherwise noted in the Proposal. The Administrator may suggest alternative language to any section at the time it submits its response to this RFP. Some negotiation is possible to accommodate the Administrator's suggestions.

#### 1. City's Rights

The City reserves the right to reject any or all proposals or parts of proposals, to accept part or all of proposals on the basis of considerations other than lowest cost, and to create a project of lesser or greater expense and reimbursement than described in the Request for Proposal, or the respondent's reply based on the component prices submitted.

#### 2. Equal Opportunity Statement

The Administrator agrees to comply with applicable provisions of applicable federal, state and city regulations, statutes and ordinances pertaining to the civil rights and non-discrimination in the application for and employment of applicants, employees, subcontractors and suppliers of the Administrator. Among the federal, state and city statutes and ordinances to which the Administrator shall be subject under the terms of this Contract include, without limitation, Minnesota Statutes, section 181.59 and Chapter 363A, Minneapolis Code of Ordinances Chapter 139, 42 U.S.C Section 2000e, et. seq. (Title VII of the Civil Rights Act of 1964), 29 U.S.C Sections 621-624 (the Age Discrimination in Employment Act), 42 U.S.C Sections 12101-12213 (the Americans with Disability Act or ADA), 29 U.S.C Section 206(d) (the Equal Pay Act), 8 U.S.C Section 1324 (the Immigration Reform and Control Act of 1986) and all regulations and policies promulgated to enforce these laws. The Administrator shall have submitted and had an "affirmative action plan" approved by the City prior to entering into a Contract.

#### 3. Insurance

Insurance secured by the Administrator shall be issued by insurance companies acceptable to the City and admitted in Minnesota. The insurance specified may be in a policy or policies of insurance, primary or excess. Such insurance shall be in force on the date of execution of the Contract and shall remain continuously in force for the duration of the Contract.

Acceptance of the insurance by the City shall not relieve, limit or decrease the liability of the Administrator. Any policy deductibles or retention shall be the responsibility of the Administrator. The Administrator shall control any special or unusual hazards and be responsible for any damages that result from those hazards. The City does not represent that the insurance requirements are sufficient to protect the Administrator's interest or provide adequate coverage. Evidence of coverage is to be provided on a current ACORD Form. A thirty (30) day written notice is required

if the policy is canceled, not renewed or materially changed. The Administrator shall require any of its subcontractors, if sub-contracting is allowable under this Contract, to comply with these provisions, or the Administrator will assume full liability of the subcontractors.

The Administrator and its subcontractors shall secure and maintain the following insurance:

- a) **Workers Compensation** insurance that meets the statutory obligations with Coverage B-Employers Liability limits of at least \$100,000 each accident, \$500,000 disease - policy limit and \$100,000 disease each employee.
- b) **Commercial General Liability** insurance with limits of at least \$2,000,000 general aggregate, \$2,000,000 products - completed operations \$2,000,000 personal and advertising injury, \$100,000 each occurrence fire damage and \$10,000 medical expense any one person. The policy shall be on an "occurrence" basis, shall include contractual liability coverage and the City shall be named an additional insured. The amount of coverage will be automatically increased if the project amount is expected to exceed \$2,000,000 or involves potentially high risk activity.
- c) **Commercial Automobile Liability** insurance covering all owned, non-owned and hired automobiles with limits of at least \$1,000,000 per accident.
- d) **Professional Liability** Insurance or Errors & Omissions Insurance providing coverage for 1) the claims that arise from the errors or omissions of the Administrator or its subcontractors and 2) the negligence or failure to render a professional service by the Administrator or its subcontractors. The insurance policy should provide coverage in the amount of \$2,000,000 each claim and \$2,000,000 annual aggregate. The insurance policy must provide the protection stated for two years after completion of the work.
- e) **Network Security and Privacy Liability** for the duration of this agreement providing coverage for, but not limited to, Technology and Internet Errors & Omissions, Security and Privacy Liability, and Media Liability. Insurance will provide coverage against claims that arise from the disclosure of private information from files including but not limited to: 1) Intentional, fraudulent or criminal acts of the Administrator, its agents or employees. 2) Breach of the City's private data, whether electronic or otherwise. The insurance policy should provide minimum coverage in the amount of \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If written on a Claims-Made basis, the policy must remain in continuous effect for at least 3 years after the service is provided or include a 3 year extended reporting period.

#### 4. **Hold Harmless**

The Administrator will defend, indemnify and hold harmless the City and its officers and employees from all liabilities, claims, damages, costs, judgments, lawsuits and expenses, including court costs and reasonable attorney's fees regardless of the Administrator's insurance coverage, arising directly from any negligent act or omission of the Administrator, its employees, agents, by any sub-contractor or sub-administrator, and by any employees of the sub-contractors and sub-administrators of the Administrator, in the performance of work and delivery of services provided by or through this Contract or by reason of the failure of the Administrator to perform, in any respect, any of its obligations under this Contract.

The City will defend, indemnify and hold harmless the Administrator and its employees from all liabilities, claims, damages, costs, judgments, lawsuits and expenses including court costs and reasonable attorney's fees arising directly from the negligent acts and omissions of the City by reason of the failure of the City to perform its obligations under this Contract. The provisions of the Minnesota Statutes, Chapter 466 shall apply to any tort claims brought against the City as a result of this Contract.

Except as provided in the sections titled Data Practices and HIPAA, neither party will be responsible for or be required to defend any consequential, indirect or punitive damage claims brought against the other party.

**5. Subcontracting**

The Administrator shall provide written notice to the City and obtain the City's authorization to sub-contract any work or services to be provided to the City pursuant to this Contract. As required by Minnesota Statutes, Section 471.425, the Administrator shall pay all subcontractors for subcontractor's undisputed, completed work, within ten (10) days after the Administrator has received payment from the City.

**6. Assignment or Transfer of Interest**

The Administrator shall not assign any interest in the Contract, and shall not transfer any interest in the same either by assignment or novation without the prior written approval of the City. The Administrator shall not subcontract any services under this Contract without prior written approval of the City Department Contract Manager designated herein.

**7. General Compliance**

The Administrator agrees to comply with all applicable Federal, State and local laws and regulations governing funds provided under the Contract.

**8. Performance Monitoring**

The City will monitor the performance of the Administrator against goals and performance standards required herein. Substandard performance as determined by the City will constitute non-compliance with this Contract. If action to correct such substandard performance is not taken by the Administrator within a reasonable period of time to cure such substantial performance after being notified by the City, Contract termination procedures will be initiated. All work submitted by Administrator shall be subject to the approval and acceptance by the City Department Contract Manager designated herein. The City Department Contract Manager designated herein shall review each portion of the work when certified as complete and submitted by the Administrator and shall inform the Administrator of any apparent deficiencies, defects, or incomplete work, at any stage of the project.

**9. Prior Uncured Defaults**

Pursuant to Section 18.115 of the City's Code of Ordinances, the City may not contract with persons or entities that have defaulted under a previous contract or agreement with the City and have failed to cure the default.

**10. Independent Consultant**

Nothing contained in this Contract is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Administrator shall at all times remain an independent Administrator with respect to the work and/or services to be performed under this Contract. Any and all employees of Administrator or other persons engaged

in the performance of any work or services required by Administrator under this Contract shall be considered employees or subcontractors of the Administrator only and not of the City; and any and all claims that might arise, including Worker's Compensation claims under the Worker's Compensation Act of the State of Minnesota or any other state, on behalf of said employees or other persons while so engaged in any of the work or services to be rendered or provided herein, shall be the sole obligation and responsibility of the Administrator.

#### **11. Accounting Standards**

The Administrator agrees to maintain the necessary source documentation and enforce sufficient internal controls as dictated by generally accepted accounting practices (GAAP) to properly account for expenses incurred under this Contract.

#### **12. Retention of Records**

The Administrator shall retain all records pertinent to expenditures incurred under this Contract in a legible form for a period of six years commencing after the later of contract close-out or resolution of all audit findings. Records for non-expendable property acquired with funds under this Contract shall be retained for six years after final disposition of such property.

#### **13. Data Practices**

The Administrator agrees to comply with the Minnesota Government Data Practices Act (Minnesota Statutes, Chapter 13) and all other applicable state and federal laws relating to data privacy or confidentiality. The Administrator and any of the Administrator's sub-administrators or sub-contractors retained to provide services under this Contract shall comply with the Act and be subject to penalties for non-compliance as though they were a "governmental entity." The Administrator must immediately report to the City any requests from third parties for information relating to this Contract. The City agrees to promptly respond to inquiries from the Administrator concerning data requests. The Administrator agrees to hold the City, its officers, and employees harmless from any claims resulting from the Administrator's unlawful disclosure or use of data protected under state and federal laws.

All Proposals shall be treated as non-public information until the Proposals are opened for review by the City. At that time, the names of the responders become public data. All other data is private or non-public until the City has completed negotiating the Contract with the selected Administrator(s). At that time, the proposals and their contents become public data under the provisions of the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13 and as such are open for public review.

#### **14. Inspection of Records**

Pursuant to Minnesota Statutes, Section 16C.05, all Administrator payroll and expense records with respect to any matters covered by this Contract shall be made available to the City and the State of Minnesota, Office of the State Auditor, or their designees upon notice, at any time during normal business hours, as often as the City deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data.

## **15. Living Wage Ordinance**

The Administrator may be required to comply with the “[Minneapolis Living Wage and Responsible Public Spending Ordinance](http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/convert_255695.pdf)” ([http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/convert\\_255695.pdf](http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/convert_255695.pdf)), Chapter 38 of the City’s Code of Ordinances (the “Ordinance”). Unless otherwise exempt from the ordinance as provided in Section 38.40 (c), any City contract for services valued at \$100,000 or more or any City financial assistance or subsidy valued at \$100,000 or more will be subject to the Ordinance’s requirement that the Administrator and its subcontractors pay their employees a “living wage” as defined and provided for in the Ordinance.

## **16. Applicable Law**

The laws of the State of Minnesota shall govern all interpretations of this Contract, and the appropriate venue and jurisdiction for any litigation which may arise hereunder will be in those courts located within the County of Hennepin, State of Minnesota, regardless of the place of business, residence or incorporation of the Administrator.

## **17. Conflict and Priority**

In the event that a conflict is found between provisions in this Contract, the Administrator's Proposal or the City's Request for Proposals, the provisions in the following rank order shall take precedence: 1) Contract; 2) Proposal; and last 3) Request for Proposals (only for Contracts awarded using RFP).

## **18. Travel**

If travel by the Administrator is allowable and approved for this Contract, then Administrator travel expenses shall be reimbursed in accordance with the City’s [Consultant Travel Reimbursement Conditions](http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/wcms1p-096175.pdf) (<http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/wcms1p-096175.pdf>).

## **19. Billboard Advertising**

City Code of Ordinance 544.120, prohibits the use of City and City-derived funds to pay for billboard advertising as a part of a City project or undertaking.

## **20. Conflict of Interest/Code of Ethics**

Pursuant to Section 15.250 of the City’s Code of Ordinances, both the City and the Administrator are required to comply with the City’s Code of Ethics. Chapter 15 of the Code of Ordinances requires City officials and the Administrator to avoid any situation that may give rise to a “conflict of interest.” A “conflict of interest” will arise if Administrator represents any other party or other client whose interests are adverse to the interests of the City.

As it applies to the Administrator, the City’s Code of Ethics will also apply to the Administrator in its role as an “interested person” since Administrator has a direct financial interest in this Agreement. The City’s Code of Ethics prevents “interested persons” from giving certain gifts to employees and elected officials.

## **21. Termination, Default and Remedies**

The City may cancel this Contract for any reason without cause upon thirty (30) days' written notice. Both the City and the Administrator may terminate this Contract upon sixty (60) days' written notice if either party fails to fulfill its obligations under the Contract in a proper and timely manner, or otherwise violates the terms of this Contract. The non-defaulting party shall have the right to terminate this Contract, if the default has not been cured after ten (10) days' written notice or such other reasonable time period to cure the default has been provided. If termination shall be without cause, the City shall pay Administrator all compensation earned to the date of termination. If the termination shall be for breach of this Contract by Administrator, the City shall pay Administrator all compensation earned prior to the date of termination minus any damages and costs incurred by the City as a result of the breach. If the Contract is canceled or terminated, all finished or unfinished documents, data, studies, surveys, maps, models, photographs, reports or other materials prepared by the Administrator under this Contract shall, at the option of the City, become the property of the City, and the Administrator shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to the termination.

Notwithstanding the above, the Administrator shall not be relieved of liability to the City for damages sustained by the City as a result of any breach of this Contract by the Administrator. The City may, in such event, withhold payments due to the Administrator for the purpose of set-off until such time as the exact amount of damages due to the City is determined. The rights or remedies provided for herein shall not limit the City, in case of any default by the Administrator, from asserting any other right or remedy allowed by law, equity, or by statute. The Administrator has not waived any rights or defenses in seeking any amounts withheld by the City or any damages due the Administrator.

## **22. Ownership of Materials**

All finished or unfinished documents, data, studies, surveys, maps, models, photographs, reports or other materials resulting from this Contract shall become the property of the City upon the City's payment for and final approval of the final report or upon payment and request by the City at any time before then. The City at its own risk, may use, extend, or enlarge any document produced under this Contract without the consent, permission of, or further compensation to the Administrator.

## **23. Intellectual Property**

All Work produced by the Administrator under this Contract is classified as "work for hire" and upon payment by the City to the Administrator will be the exclusive property of the City and will be surrendered to the City immediately upon completion, expiration, or cancellation of this Contract. "Work" covered includes all reports, notes, studies, photographs, designs, drawings, specifications, materials, tapes or other media and any databases established to store or retain the Work. The Administrator may retain a copy of the work for its files in order to engage in future consultation with the City and to satisfy professional records retention standards. The Administrator represents and warrants that the Work does not and will not infringe upon any intellectual property rights of other persons or entities.

Each party acknowledges and agrees that each party is the sole and exclusive owner of all right, title, and interest in and to its services, products, software, source and object code, specifications, designs,

techniques, concepts, improvements, discoveries and inventions including all intellectual property rights thereto, including without limitations any modifications, improvements, or derivative works thereof, created prior to, or independently, during the terms of this Contract. This Contract does not affect the ownership of each party's pre-existing, intellectual property. Each party further acknowledges that it acquires no rights under this Contract to the other party's pre-existing intellectual property, other than any limited right explicitly granted in this Contract.

#### **24. Equal Benefits Ordinance**

Minneapolis Code of Ordinances, Section 18.200, relating to equal benefits for domestic partners, applies to each Administrator and subcontractor with 21 or more employees that enters into a "contract", as defined by the ordinance that exceeds \$100,000. The categories to which the ordinance applies are personal services; the sale or purchase of supplies, materials, equipment or the rental thereof; and the construction, alteration, repair or maintenance of personal property. The categories to which the ordinance does not apply include real property and development contracts.

Please be aware that if a "contract", as defined by the ordinance, initially does not exceed \$100,000, but is later modified so the Contract does exceed \$100,000, the ordinance will then apply to the Contract. A complete text of the ordinance is available at:  
[http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/convert\\_261694.pdf](http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/convert_261694.pdf)

It is the Administrator's and subcontractor's responsibility to review and understand the requirements and applicability of this ordinance.

#### **25. City Ownership and Use of Data**

The City has adopted an Open Data Policy ("Policy"). The City owns all Data Sets as part of its compliance with this Policy. Data Sets means statistical or factual information: (a) contained in structural data sets; and (b) regularly created or maintained by or on behalf of the City or a City department which supports or contributes to the delivery of services, programs, and functions. The City shall not only retain ownership of all City Data Sets, but also all information or data created through the City's use of the software and /or software applications licensed by the Administrator (or any subcontractor of sub-administrator of the Administrator) to the City.

The City shall also retain the right to publish all data, information and Data Sets independently of this Contract with the Administrator and any of Administrator's subcontractors or sub-administrators involved in providing the Services, using whatever means the City deems appropriate.

The City shall have the right to access all data, regardless of which party created the content and for whatever purpose it was created. The Administrator shall provide bulk extracts that meet the public release criteria for use in and within an open data solution. The Administrator shall permit and allow free access to City information and Data Sets by using a method that is automatic and repeatable. The Data Sets shall permit classification at the field level in order to exclude certain data.

#### **26. Cardholder Data and Security Standards**

Should the Administrator collect revenue on behalf of the City through the acceptance of credit cards offered by cardholders to pay for services offered under the terms of this Contract, then Administrator represents and acknowledges that the Administrator will comply with Payment Card

Industry (PCI) regulatory standards including the Data Security Standards (DSS). Administrator represents that it will protect cardholder data. Administrator will be annually certified as a PCI compliant service provider and agrees to provide evidence of said certification to the City upon request. Administrator agrees at reasonable times to provide to the City or to its assigns, the audit rights contained herein for all physical locations, systems or networks that process credit cards on behalf of the City. Administrator also agrees to provide written notice to the City of any breach of a system owned, operated or maintained by the Administrator that contains cardholder data or information.

## **27. Audit Requirements for Cloud-Based Storage of City Data**

If the Administrator's services include the storage of City data using a cloud based solution, then the Administrator agrees to secure the data as though it were "private data" as defined in Minnesota Statutes, Chapter 13. The Administrator shall provide the City with the annual copy of the Federal Standards for the Statement on Standards for Attestation Engagements (SSAE) No. 16 or the International Standard on Assurance Engagements (ISAE) No. 3402. The Administrator agrees to provide a .pdf copy to the City's Contract Manager, upon the Administrator's receipt of the audit results.

## **28. Small & Underutilized Business Program (SUBP) Requirements**

The City of Minneapolis policy is to provide equal opportunities to all businesses, with an effort to redress discrimination in the City's marketplace and in public contracting against Minority-Owned Business Enterprises (MBEs) and Women-Owned Business Enterprises (WBEs). The SUBP requirements detailed in the Minneapolis Code of Ordinances Chapter 423.50 applies to any professional or technical Service contract in excess of \$100,000. SUBP goals are set on contracts based on project scope, subcontracting opportunities and availability of qualified MBEs/WBEs.

There are no SUBP goals on this RFP. However, if there are subcontracting opportunities later identified, Administrator shall inform the Contract Manager to obtain authorization as stated under the section titled "Subcontracting" of the Terms and Conditions. Administrator shall take action to afford MBEs and WBEs full and fair opportunities to compete on this contract and resulting subcontracts. To locate certified MBEs and WBEs under the Minnesota Uniform Certification Program (MnUCP), please visit <http://mnucp.metc.state.mn.us/> or contact [contractcompliance@minneapolismn.gov](mailto:contractcompliance@minneapolismn.gov).

## **29. HIPAA**

Administrator agrees to comply with all relevant provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the Privacy Rules and Security Rules promulgated thereunder, the Health Information Technology for Economic and Clinical Health Act ("HITECH") and rules promulgated thereunder, and to enter into a Business Associate Agreement with the City of Minneapolis.

# ATTACHMENT B

## SCOPE OF SERVICES

It is the intent of this document to outline a general description of the Project, the extent of services required, and the relationship of this Project to other work, and the agencies or other parties that will interact with the Administrator. The contents of this document are considered representative of the Project as a whole, but are by no means conclusive.

The selected Administrator will provide recordkeeping, claims administration, member services and education, and employer services for the City's flexible spending account, transportation and HRA plans. The selected Administrator will be responsible for maintaining the privacy and security of participant data and for providing programs to address the threat of identity theft and fraudulent activity by participants. The selected Administrator will provide an orderly transition from the current administrator.

### **Health Care Flexible Spending Account**

Eligible employees can elect to contribute \$100 to \$2,550 per year to this account. Contributions are deducted from the first and second biweekly paychecks each month. The health care FSA includes a carryover feature that allows unspent funds greater than \$25 but less than or equal to \$500 to be carried over from one calendar year to the next. Approximately 1,420 employees participate in the health care FSA with an average annual election of \$1,660.

### **Dependent Care Flexible Spending Account**

Eligible employees can contribute \$100 to \$5,000 per year to this account. Contributions are deducted from the first and second biweekly paychecks each month. Approximately 240 employees participate in the dependent care FSA with an average annual election of \$3,775.

### **Transportation Benefits Plan**

Eligible employees can elect to contribute \$10 to \$255 per month to qualified parking or van pool. The entire monthly contribution is deducted from the first paycheck each month. Approximately 150 employees participate in the pre-tax parking benefit with an after monthly election of \$120.

### **Health Reimbursement Arrangement**

The City's HRA is funded by employer contributions to a VEBA trust. Employer contributions are based on the coverage option elected under the City of Minneapolis Medical Plan and equal \$90 per month for employees enrolled for single coverage and \$190 per month for employees enrolled for family coverage. When an employee retires from the City, his or her account balance is transferred to a separate retiree-only plan. The City pays administrative fees for active employees. Administrative fees are charged to accounts of former employees who have incurred a one year break in service. Accounts of missing participants and deceased participants with no surviving eligible dependents are forfeited with the forfeitures used to pay administrative fees. The approximately \$26 million in VEBA trust assets is invested according to an investment policy adopted by the City. VEBA trust assets are currently invested in government securities and high quality commercial paper.

## Recordkeeping and Claims Administration

1. What methods are available for the City to transmit participant demographics, enrollment and contribution information?
2. Will the City transmit separate eligibility files for the FSA, transportation and HRA plans or can all information be transmitted on one file? Please provide a copy of your file specifications.
3. What reporting capabilities are available after a file loads to your system? Will the City have access to view file loads, view errors, etc.?
4. If a participant elects to continue HRA or FSA contributions under COBRA, how can the participant's account be updated to reflect the continued contributions?
5. Are your claims and recordkeeping systems owned or subcontracted from another organization? If owned, were they originally purchased from an outside vendor? If so, from whom?
6. How do you ensure that HRA recordkeeping accounts are in balance with underlying trust assets?
7. Describe the options available for submitting reimbursement requests. Specify separately for health care FSA, dependent care FSA, HRA and transportation plans.
8. Describe how you support requests for reimbursement of recurring expenses; e.g., orthodontia expenses, premiums for HRA RET participants?
9. How are incomplete or denied reimbursement requests handled? Include in your explanation how a participant is notified; is a notice mailed to the participant, if e-mailed what happens if there is no e-mail address in the system and how this notification complies with HIPAA?
10. Please describe your reimbursement options – check, direct deposit, payment to service provider, debit card, other?
11. Please describe the process you use for unclaimed reimbursement checks (escheatment).
12. Are reimbursement advices mailed to participants who do not receive paper checks?
13. How often can reimbursements be issued? Does frequency impact fees?
14. Reimbursements from the health care FSA and the HRA are coordinated so that FSA funds are exhausted before HRA funds can be accessed. Can your system prioritize reimbursements by account type? Can your system allow a participant with health care FSA and HRA accounts to be reimbursed only from the FSA in order to “save” funds in the HRA?
15. What is the process for correcting a claim that is applied to the health care FSA in error and should have instead been applied to the HRA or vice versa? Include in your response the participant's responsibility in this process.
16. Does your debit card accommodate multiple accounts on a single debit card (i.e., FSA, Transportation and HRA)?

17. Please explain the claims substantiation process when using a debit card; include in your description the process for unverified expenses.
18. If a participant uses a debit card for certain expenses and also submits manual reimbursement requests, how do you prevent the participant from overspending his or her account?
19. If a participant uses the debit card for to pay for an ineligible expense, can the participant use other eligible expenses in place of the ineligible expense? Example: Participant uses the debit card to pays for a \$500 cosmetic dentistry expense. She later incurs \$1,500 in emergency room expenses. Can the participant apply a portion of the emergency room bill to offset the outstanding, ineligible debit card charges?
20. What options are available for the City to fund FSA and transportation plan reimbursements?
21. Describe the process that would be used to fund HRA reimbursements from the VEBA trust.
22. Describe your internal audit procedures. How are claims selected? What percentage of claims is audited? Are audits conducted before or after payment?
23. Do you provide periodic reconciliations of participant reimbursements requested versus claims paid?

### **Member Services**

24. Describe the customer service support you will provide to the City.
25. What hours/days are phone lines staffed? What happens during non-staffed hours?
26. What other methods are available for contacting customer service (e.g., e-mail, internet site message)?
27. What languages, other than English, are available?
28. Do Customer Service Representatives (CSRs) have real-time access to claims information? Can they perform actions relative to claim adjudication and/or eligibility maintenance?
29. Please confirm that CSRs are able to answer participants' questions regarding eligibility, claims processing and payment, benefit coverage and account balances.
30. Describe how CSRs access information on the provisions of the various City plans and are informed of plan changes and City-specific events (such as open enrollment and special mailings). Will CSRs have access to sample mailings/statements, information on open enrollment dates, mailing dates, etc. and be able to answer participants' questions?
31. Describe the training and performance monitoring activities in place to ensure quality customer service.
32. Describe the capabilities of the participant portal, including:
  - Whether or not your system supports both inquiries and transactions (reimbursement requests)
  - Whether or not there is a single login for all of a participant's accounts

- Details on the information and services available – list of eligible expenses, prior year elections, account statements, submission of reimbursement requests, status of reimbursement requests, etc.
  - Include in your description any enhancements you anticipate in the next two years
33. Describe your mobile inquiry and transactional capabilities including:
- Details on the information and services provided
  - Whether or not your system supports both inquiries and transactions (reimbursement requests)
  - Whether or not there a single login for all of a participant’s accounts
  - Include in your description any enhancements you anticipate in the next two years
34. Please describe how the participant experience for any mobile applications will differ from your participant portal.
35. Can the participant portal or mobile app display plan-specific information? For example, a pop-up message with open enrollment dates and enrollment process.
36. What security protocols will be implemented for your web tool and your mobile app?
37. Describe any event-based e-mail or text notifications that can be sent to participants and the ability to opt-in or opt-out of such communications.
38. In the case of the death of a HRA plan participant, describe the process in which eligible dependents would maintain access to the HRA account.

**Education**

39. What ongoing educational materials and support will you provide for participants? Please provide samples including pre- and post-enrollment materials, open enrollment materials and materials related to the claims reimbursement process (claim forms, requests for substantiation, denial notices, etc.).
40. Describe the level of assistance you can offer in developing customized communications materials. Please provide samples.
41. Describe any website tools that are available to help employees determine how much to contribute to the flexible spending accounts. Can these tools be modified to reflect client-specific maximum annual contribution amounts?
42. Please provide a sample of your participant statement of account(s).
43. Will the statement list all activity for all plans in which the participant is enrolled (FSA, transportation, HRA)? Can participants elect to receive statements electronically? How often can the statement of account be mailed? Please note any associated fees in Attachment E.

## Employer Services

44. Please provide an organizational chart that identifies the various personnel and divisions of your company that will support the City's plans.
45. Describe capabilities of the employer portal, including:
  - Details on the services and information available
  - Whether or not there is a single login for all accounts
  - The extent to which employers can update participant data
  - The process by which access is granted to benefits staff
46. What portion of the website can be customized for the City?
47. Describe any event-based notifications to plan sponsors and the ability to opt-in or opt-out of such communications.
48. How do you make clients aware of legal/regulatory changes?
49. Please provide samples of the standard reports you will provide for the FSA, transportation and HRA plans.
50. Will the City be able to access standard reports via a secure website? If so, in what format(s) - Xcel, PDF, other? Can reports be produced for a specific "as of" date or range of dates?

## Data Security and Legal Compliance

51. Can you meet the City's requirement to provide a SSAE 16 Type 2 Service Auditor Report at least annually?
52. Confirm that you have a documented and approved Information Security Management Program with administrative, technical, and physical safeguards that comply with HIPAA Privacy and Security Rule requirements. Describe how this requirement will be satisfied relative to the following:
  - Risk Analysis and Management
  - Security Program Management
  - Access Controls
  - Audit Controls
  - Integrity Controls – Including Data Backup & Recovery/DR
  - Network/Transmission Security
  - Personnel Security and Awareness Training
  - Physical and Environment Security
53. How often do you perform the risk analysis required under HIPAA Security Rule 164.308(a)(1)(ii)(A)?
54. How do you ensure that external business partners adhere to the same Information Security Management Program as internal staff within your organization?
55. Has your organization ever failed a security audit?

56. Describe your information technology infrastructure including back-up, security, and disaster recovery procedures? Are files archived and stored at an off-site location? Have procedures been tested? When did you last perform a full-scale disaster recovery test and what were the results?
57. Has your organization been cited or threatened with citation within in the last three years for any violation of federal or state law?
58. Has your organization experienced any HIPAA breaches or incidents examined for potential HIPAA breaches within the last three years. If so, please fully describe.
59. Please confirm that you will perform quarterly reporting to the Centers for Medicare and Medicaid Services (CMS) as required by the Medicare secondary payer rules under the Medicare, Medicaid and SHIP Extension Act of 2007.
60. Will you mail the annual opt out notice to HRA and HRA RET participants? If so, please note any associated fees in Attachment E.
61. Please confirm that you will provide the City with the information necessary to produce Forms 1095B for HRA RET participants and terminated HRA participants. Required information includes names and SSNs or birth dates of eligible dependents and, if applicable, the date/month the participant's account was exhausted.
62. Describe how your claims/eligibility system will prevent the HRA from reimbursing claims for a participant's spouse and/or dependents if the participant has elected self-only coverage under the underlying medical plan.
63. How is your system(s) updated so that reimbursement claims for HRA dependents are paid properly for participants that change from self-only to family coverage or vice versa during open enrollment or as a result of a status change?

## **Implementation**

64. Provide a sample implementation calendar identifying key tasks and dates assuming a July 31, 2016 selection date and a January 1, 2017 effective date.
65. Describe how you would transition accounts, including any black-out periods involved:
  - Include your capability to transition account history (contributions, claims, interest, etc).
  - Address any complications involved with health care FSA rollover provision.
  - Describe the communication support you would provide.
66. Confirm that your implementation manager and account executive would meet with City benefits staff in Minneapolis for a kickoff meeting.
67. How will participant issues related to the implementation be researched and resolved?
68. Confirm that you would participate in weekly conference calls during the implementation and bi-weekly calls after the implementation.

# ATTACHMENT C

## Experience and Capacity

1. Provide contact information for the individual authorized to answer questions regarding your response to this request for proposal. Include the contact's name, title/position, telephone number and e-mail address.
2. Provide information on your firm including background and experience demonstrating ability to provide required services. Your description should be limited to two pages and should include:
  - A company history including any changes in organizational structure (including, but not limited to mergers, acquisitions, addition or deletion of offices, staff additions or reductions) that have occurred during the past 12 months and/or are anticipated to occur in the next 12 months
  - Relevant previous experience administering transportation plans and funded HRAs
  - Size (number of employees and annual revenue)
  - Whether or not expansion is required to provide services requested in this RFP
  - A description of any financial relationship(s) or strategic partnership(s) with other firms
  - The main attributes that differentiate your company from your competitors
3. Provide the number of flexible spending account, transportation plan, and HRA clients in each of the categories below.

| No. of Participants | Number of Public Sector Clients |                |     | Number of Private Sector Clients |                |     |
|---------------------|---------------------------------|----------------|-----|----------------------------------|----------------|-----|
|                     | FSA                             | Transportation | HRA | FSA                              | Transportation | HRA |
| < 100               |                                 |                |     |                                  |                |     |
| 100 – 999           |                                 |                |     |                                  |                |     |
| 1000 – 4999         |                                 |                |     |                                  |                |     |
| 5000 +              |                                 |                |     |                                  |                |     |

4. Provide information regarding the service and implementation team members that would be assigned to this account including but not limited to the positions listed on the chart below. Include bios for all team members listed. Please note that sub-consultants should also be listed including the identification of any that are certified in the City of Minneapolis Small & Underutilized Business Program.

| Name | Job Title/Position               | Location | Years of Industry Experience | Years with Firm | Number of Current Clients |
|------|----------------------------------|----------|------------------------------|-----------------|---------------------------|
|      | Account Executive                |          |                              |                 |                           |
|      | Account Rep (day-to-day contact) |          |                              |                 |                           |
|      | Implementation Manager           |          |                              |                 |                           |
|      |                                  |          |                              |                 |                           |

# ATTACHMENT D

## References

Provide references for three to five current clients of similar size. Include a client with a funded HRA of similar size to the City's HRA and a similarly sized client that transitioned to your firm in the past three years.

| Client Name | Contact Name & Job Title | Email | Telephone |
|-------------|--------------------------|-------|-----------|
|             |                          |       |           |
|             |                          |       |           |
|             |                          |       |           |
|             |                          |       |           |
|             |                          |       |           |

# ATTACHMENT E

## Fee Proposal

| Fee Category  | Fee                        | Basis of Fee              | Renewal Guarantee(# month/yr) |
|---|----------------------------|---------------------------|-------------------------------|
| Set-Up/Implementation                                   |                            | One Time                  |                               |
| Renewal or re-enrollment                                |                            | Annual Flat Fee           |                               |
| FSA – Medical   |                            | Per Participant per Month |                               |
| FSA – Dependent Care                                    |                            | Per Participant per Month |                               |
| Transportation Plan                                     |                            | Per Participant per Month |                               |
| Health Reimbursement Account                            |                            | Per Participant per Month |                               |
|   |                            |                           |                               |
| Debit Cards   |                            |                           |                               |
|   | Per Card                   |                           | Per Participant per Month     |
|   | Per Additional Card        |                           | Per Card per Month            |
|   |                            |                           |                               |
| Reporting   |                            |                           |                               |
|   | Custom – On Going          |                           | Development Cost (per hour)   |
|   | Custom – Ad Hoc            |                           | Development Cost (per hour)   |
|   | Quarterly Reporting to CMS |                           | Per Quarter                   |
|   |                            |                           |                               |
| Misc. Fees (list separately and state the basis of fee) |                            |                           |                               |