

COUNTY OF FRESNO

ADDENDUM NUMBER: ONE (1)

RFP NUMBER: 964-5279

FLEX PLAN ADMINISTRATOR

June 18, 2014

PURCHASING USE

ssj

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IMPORTANT: SUBMIT PROPOSAL IN SEALED PACKAGE WITH PROPOSAL NUMBER, CLOSING DATE AND BUYER'S NAME MARKED CLEARLY ON THE OUTSIDE TO:

COUNTY OF FRESNO, Purchasing
4525 EAST HAMILTON AVENUE, 2nd Floor
FRESNO, CA 93702-4599

CLOSING DATE OF PROPOSAL WILL BE AT 2:00 P.M., ON JULY 3, 2014.

PROPOSALS WILL BE CONSIDERED LATE WHEN THE OFFICIAL PURCHASING TIME CLOCK READS 2:00 P.M.

All proposal information will be available for review after contract award.

Clarification of specifications is to be directed to: **Carolyn Flores, phone (559) 600-7112,**
e-mail CountyPurchasing@co.fresno.ca.us, **FAX (559) 600-7126.**

NOTE THE ATTACHED ADDITIONS, DELETIONS AND/OR CHANGES TO THE REQUIREMENTS OF REQUEST FOR PROPOSAL NUMBER: 964-5279 AND INCLUDE THEM IN YOUR RESPONSE. PLEASE SIGN AND RETURN THIS ADDENDUM WITH YOUR PROPOSAL.

ACKNOWLEDGMENT OF ADDENDUM NUMBER ONE (1) TO RFP 964-5279

COMPANY NAME: _____
(PRINT)

SIGNATURE: _____

NAME & TITLE: _____
(PRINT)

SUBMITTED QUESTIONS

Q1. Regarding page 24, section C, number 6: Will the Administrator be responsible for all notification regardless of whether it is FMLA or non-FMLA?

A1. The Administrator will be responsible to email all employees who have a negative balance, whether it is FMLA or non-FMLA.

Q2. Regarding page 24, section C, number 7: Will the County provide email addresses to all individuals who request email and how will that information be given to the provider? Additionally, the direct deposit information cannot be provided electronically. Can the County allow employees to enter that information and send to the providers? Does the County want an assessment of fees based upon the two different options and/or a fee breakdown regarding electronically versus paper?

A2. Currently a query is run at the end of each open enrollment period that provides all information regarding employees enrolled in Flexible Spending Accounts. If the employee has entered information in the email or direct deposit fields, this information will be captured. Throughout the year, new employees fill out a paper form that is sent to the Administrator. We can potentially create an additional mandatory field that asks employees to indicate whether or not they want email communication. If they answer "yes," then they must enter an email address. This should allow us to capture more email addresses than we do currently.

Q3. Regarding page 25, section C, number 13: Can the County change their current technology from SSH to FTPS?

A3. After discussion with our IT division, it appears that we can as long as the vendor is using an appropriate version and configuration as there are versions of FTPS that are not sufficiently secure. We would need to test it out with the vendor.

Q4. Please provide the current fee structure for the Section 125 plan and the Section 132 plan. This is relevant information and will help us determine if we can offer a competitive arrangement.

A4. Fee structure can be found in Exhibit D, page 6 of the current agreement- \$1.65 for sec 125/129 and \$0.50 for sec 132

Q5. Are there any servicing issues or pain points to be mitigated?

A5. No.

Q6. Page 24, #6, indicates that the administrator is to notify terminating participants of negative account balances and provide a chance for the participant to pay the County. Our firm follows IRS regulations and since this practice is prohibited under regulations, this cannot be agreed to. Will this disqualify our firm?

A6. Terminating employees are not required to pay the County for a negative account balance. This is simply notification to the employee that their account is negative and they can make a decision whether or not to pay back the plan or not.

Q7. Please validate/confirm if the current debit card process is compliant with IRS regulations for health care expenses. For example, are there any dollar thresholds under which documentation is not requested? Are there any other processes that do not follow IRS regulations?

A7. The County of Fresno plan limits health care expenses to a maximum of \$2,500 each Plan Year. In addition, the Administrator shall follow the requirements set forth in Revenue Ruling 2003-43 and Notice 2006-69. All charges shall be conditional pending confirmation and substantiation (page 17 of current Plan Document.)

Q8. Please validate/confirm if the current debit card process is compliant with IRS regulations for dependent care expenses.

A8. As noted in the previous question, the Administrator shall follow the requirements set forth in Revenue ruling 2003-43 and Notice 2006-69. All charges shall be conditional pending confirmation and substantiation (page 23 of current Plan Document.)

Q9. If our firm does not offer debit card services for dependent care, will we be disqualified?

A9. The proposal must include, at a minimum, the services currently offered to be considered.

Q10. Page 26, E.3. – Please clarify what is meant by “do not confirm to a periodic premium schedule.”

A10. This refers to any payments that are not on a schedule (e.g. monthly, weekly).

Q11. Page 26, E.4.- Please clarify this question. We do not understand what is being asked.

A11. Describe how you would handle changes such as qualifying events.