



METRO

PEOPLE PLACES

OPEN SPACES

RFP 11-1760

FSA & COBRA Administrator

Human Resources

600 N.E. Grand Avenue
PORTLAND, OR 97232
(503) 797-1700

Project Manager:

Jodi Wilson
Benefits Program Manager
(503) 797-1723
jodi.wilson@oregonmetro.gov

Procurement Analyst:

Sharon Stiffler
(503) 797-1613
sharon.stiffler@oregonmetro.gov

Notice is hereby given that proposals for RFP 11-1760 for: FSA & COBRA Administrator shall be received by Metro, 600 N.E. Grand Avenue, Portland OR 972327 until 4:00 p.m., October 15, 2010. It is the sole responsibility of the proposer to ensure that Metro receives the Proposal by the specified date and time. All late Proposals shall be rejected.
PROPOSERS SHALL REVIEW ALL INSTRUCTIONS AND CONTRACT TERMS AND CONDITIONS.

Request for Proposals

METRO FSA & COBRA ADMINSTRATOR FOR EMPLOYEE HEALTH AND WELFARE PLANS

I. INTRODUCTION

METRO is seeking proposals for a Flexible Spending Account and COBRA Administrator. The purpose of this Request for Proposals is to gather information from your organization relative to the agencies scope of service and key selection criteria. Organizations selected as finalists may be expected to address more detailed issues regarding financial and other specifics of their organization and operations. These same finalists may be expected to participate in interviews with Metro's RFP committee.

The Agreement will be for a two-year period commencing January 1, 2011 with possible extensions of two one-year periods unless terminated or extended as provided in this agreement. Proposals will be evaluated and the successful vendor(s) will be determined and approved by Metro Council. Metro reserves the right to reject any or all Proposals, waive formalities and to select the vendor, benefits and services that best meet the needs of Metro and its employees. Metro reserves the right to select and terminate any servicing agent, agency, company or administrator.

II. BACKGROUND AND GENERAL INFORMATION

Metro is the directly elected regional government that serves more than 1.3 million residents in Clackamas, Multnomah and Washington counties, and the 25 cities in the Portland metropolitan area.

Metro is governed by a council president elected region wide and six councilors elected by district. Metro also has an auditor who is elected region wide. Metro has a variety of local functions and operations, including:

- Metropolitan Exposition Recreation Commission (MERC) - Administers facilities including the Oregon Convention Center, Portland Expo Center, Arlene Schnitzer Concert Hall, Keller Auditorium and the Portland Center for the Performing Arts.
- Solid Waste & Recycling Department – Operates two waste transfer stations and two household hazardous waste facilities.
- Oregon Zoo – Includes environmental education includes field trips, classes and camps.
- Regional Transportation Plan – Guides transportation investments in the region to reduce congestion build sidewalks and bike facilities and improve freight access.
- Regional Land use Planning – Manages the Urban growth boundary that delineates between urban and rural areas.
- Open spaces program – Purchases natural areas, trails and greenways to be held for future use as parks, trails, and fish and wildlife habitat.

Additional information about Metro is available at <http://www.metro-region.org>

Metro offers a choice of four medical plans, two dental plans and vision. Metro offers retiree health benefits as required under ORS243.303. Currently, Metro offers Flexible Spending Account benefits to its employees through Benefit Help Solutions.

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III. QUALIFICATIONS/EXPERIENCE

Qualified firms shall as a minimum have the following:

- A license to do business in the State of Oregon and be in good standing.
- A local service representative available to attend on site benefit fairs and open enrollment meetings in the Portland Metro area.
- The administrator shall assign an account representative as the primary contact and provide for a "backup" account executive.
- Five (5) years experience managing and administering flexible spending accounts.
- Thorough knowledge, expertise in applicable state and federal (IRS) rules, laws and regulations.
- Administration services have been provided to at least one or more employer group having in excess of 500 employees.
- The ability to provide financial statements for the last three (3) years to demonstrate financial stability.

IV. Proposed Scope of Work

Following is a scope of work required of the contract:

- Provide monthly administration services for Metro's premium, health and dependent care reimbursement plan in accordance with federal regulations and IRC sections 125 and 129.
- Provide Summary Plan Description, Plan Document, and enrollment forms for Metro's FSA, Dependent Care, and Transportation program.
- Reimburse employees within 48 hours of a valid claim or provide notification of deficiency or ineligibility of claim.
- Provide enrollment materials in print and PFD format.
- Have the ability to accept enrollment, employer elections, deposits, address changes and terminations via EDI.
- Attend annual employee benefits fair and other employee training as needed and agreed upon.
- Report account balances to participating employees at each reimbursement and every month the last quarter of the plan year. Reporting to employers at least monthly.
- Provide annual discrimination testing.
- Handle Metro employees funds in a fiduciary manner including provide bonding on for dishonesty and fraud.

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- Provide two debit cards for each participant for initial fee and provide reasonable cost for replacement cards.
- Contractor agrees to administer our COBRA and Retiree Health benefits according to Federal and State Law.
- Account set-up (group, carrier, and individual) including transfer of existing COBRA members.
- Collect premium on behalf of Metro and remit to appropriate vendors.
- Ability for Contractor to enroll and pay insurance carriers directly.
- Provide notification of right to continue COBRA per qualifying event. Please include optional cost in provide initial notices.
- Retirees will receive a separate notification of right to continue COBRA and retiree enrollment form.
- Reporting of ARRA subsidy run out.
- Online enrollment / change requests access.
- Carrier membership activity report will be provided monthly.
- Provide Monthly statements for Administrative Service Fees. On Fiscal Year basis, the Contractor will provide to Metro a statement of fees and provide a detailed explanation of additional fees or variance.

V. PROPOSAL INSTRUCTIONS

A. Submission of Sealed Proposals

Six (6) copies of the proposal shall be furnished to Metro, addressed to:

Metro
Attn: Sharon Stiffler
Procurement Services
600 NE Grand Avenue
Portland, OR 97232-2736

B. Deadline

Proposals will not be considered if received after 4 pm, Friday, October 15, 2010.

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C. RFP as Basis for Proposals:

This Request for Proposals represents the most definitive statement Metro will make concerning the information upon which Proposals are to be based. Any verbal information will not be considered by Metro in evaluating the Proposal. All questions relating to this RFP should be addressed to Jodi Wilson at (503) 797-1723. Any questions, which in the opinion of Metro, warrant a written reply or RFP amendment will be furnished to all parties receiving this RFP. Metro will not respond to questions received after 4:00 p.m. Monday, October 11, 2010.

D. Information Release

All Proposers are hereby advised that Metro may solicit and secure background information based upon the information, including references, provided in response to this RFP. By submission of a proposal all Proposers agree to such activity and release Metro from all claims arising from such activity. In Accordance with Oregon Public Records Law (ORS 192), proposals submitted will be considered part of the public record, except to the extent they are exempted from disclosure.

E. Minority, Women and Emerging Small Business Program

In the event that any subcontracts are to be utilized in the performance of this agreement, the Proposer's attention is directed to Metro Code provisions 2.04.100, which encourages the use of minority, women and emerging small businesses (MWESB) to the maximum extent practical. Copies of these MWESB requirements are available from the Metro Procurement Office, 600 NE Grand Avenue Portland, OR 97232,(503) 797-1816.

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VI. PROPOSAL QUESTIONNAIRE

The proposal should contain information, which describes the ability of the consultant to perform the work requested, as outlined in the scope of work: (The proposal should be submitted on recyclable, double-sided recycled paper (post consumer content).

Organization

1. Describe your firm's history, location or locations, and the date established.
2. The name, title, address, and phone number of the individual preparing the response and the name of the contact for this RFP.
3. What size clients does your firm generally support?
4. What is your service philosophy?
5. If your firm is selected, how do you propose we transition the account?
6. Please describe the business experience and professional achievements of the service team who would be assigned to work on Metro's account.
7. Describe how your firm is taking a leadership role within the industry.

FSA

1. Please provide a detail explanation of your FSA administration services, set up charges and fees. Please provide an optional rate for parking plan document.
2. Are Debit Cards provided for each adult family member? Please include optional rate and replacement charges if applicable.
3. Can you administer the 2-1/2 month extension plan year? What is the cost to do so?
4. Please provide a sample of employee brochures and enrollment material employee will receive.
5. Please provide an explanation of how employees are reimbursed and also include information on debit card administration.
6. Can enrollees view their accounts on-line? Is online data in "real time"? Please explain.
7. Please describe your claims processing turn-around time for both Dependent Care and the Flexible Spending Account. Is there a time a year that this turnaround time lags due to a higher claim volume?
8. What reporting is provided to the employer? Is this available monthly? Are on-line reports available? Please explain.
9. How are the accounts funded? Does the employer fund the accounts as needed or do you require each payroll cycle be sent to you for deposit. Please explain the banking arrangements as they apply to FSA funds.
10. How long after the plan year do employees have to submit claims?

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11. How often enrollees are reminded of their account balances?
12. What hours of operation is your customer service department available. Please list where claims are processed and where customer service reps are located.
13. Do employees have access to a toll-free number for Customer Service and to fax their claims? Do customer service reps document all of their calls?
14. How do you handle escalated claims issues?
15. Do you provide annual discrimination testing? At what time of the year?
16. Please list the plan documents that are included in your fees.
17. Please provide an implementation schedule detailing specific activities, target dates, data requirements and responsibilities for completion of implementation.
18. Please provide 3 company names, phone numbers and addresses of organizations for which your firm currently provides FSA and COBRA administration.
19. Performance Guarantees, confirm your willingness to enter into performance guarantees. Describe the specific guarantees you propose, including the proposed penalty.
20. Additional comments/clarifications please include any additional information that fully explains your capabilities/services available to Metro.

COBRA

1. Please provide in detail the services you can/will provide for COBRA administration for both active participants and early retirees with qualifying events.
2. Please provide your rates for plan set up and renewal and any per employee per month or per notification fee schedule.
3. Please provide a sample of all your employee communication material including a sample initial notice, qualifying event notice, COBRA premium billing, notice of unavailability, etc.
4. Will you send all Initial Notice to new employees in addition to terminating employees?
5. Do you provide open enrollment notifications?
6. What is your notification turnaround time line?
7. Will you collect all premiums and send premiums collected to the respective carriers?
8. What is your premium remittance time line?
9. What data do you require to take over existing COBRA accounts?
10. What are your hours of operation for customer service?
11. Explain how this account will be serviced.

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12. Please provide examples of employer reporting and online tools
13. Please clarify any additional information about how your COBRA process works that is unique to your organization or that you feel will help with Metro customer service.

Any fee proposal should include a list of hourly rates for personnel assigned to the project, total personnel expenditures, support services, and sub consultant fees (if any). Requested expenses should also be listed. Any proposal requiring a fee may result in Benefits seeking review and approval from the Metro Council prior to entering into the proposed contract.

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VII. PROPOSAL CONTENTS

The proposal should describe the ability of the consultant to perform the work requested, as outlined below. The proposal should be submitted on recyclable, double-sided recycled paper (post consumer content). No waxed page dividers or non-recyclable materials should be included in the proposal.

- A. Transmittal Letter: Indicate who will be assigned to the project, who will be the project manager, their professional background, a statement that the proposal will be valid for ninety (90) days, and signature of authorized representative of the firm consultant or business,
- B. Project Approach: Please provide a framework of how you would approach the work. This will be further explored through interviews with the finalists. Metro intends to award this contract to a single firm to provide the services required. Proposals must identify a single person as project manager to work with Metro.
- C. Experience: Indicate how your firm meets the experience requirements listed in the RFP. Provide a list of projects conducted over the past three to five years which involved services similar to the services required here. For each of these other projects include the name of the customer contact person, his/her title, role on the project, and telephone number. Identify persons on the proposed project team who worked on each of the other projects listed, and their respective roles.
- D. Timeframe/Budget: Present the annual fee for services outlined in the proposal and additional fees on an hourly rate for personnel that may be assigned to any additional projects. This will be further explored through interviews with the finalists.
- E. Responses to specific questions as outlined in Section VI – PROPOSAL QUESTIONNAIRE. Please list the number of the question you are responding to next to the response.
- F. To facilitate evaluation of proposals, all responding firms will adhere to the format outlined within this RFP. Firms wishing to take exception to, or comment on, any specified criteria within this RFP are encouraged to document their concerns in this part of their proposal. Exceptions or comments should be succinct, thorough and organized.

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VII. GENERAL PROPOSAL/CONTRACT CONDITIONS

- A. Limitation and Award: This RFP does not commit Metro to the award of a contract, nor to pay any costs incurred in the preparation and submission of proposals in anticipation of a contract. Metro reserves the right to waive minor irregularities, accept or reject any or all proposals received as the result of this request, negotiate with all qualified sources, or to cancel all or part of this RFP.

- B. Billing Procedures: Proposers are informed that the billing procedures of the selected firm are subject to the review and prior approval of Metro before reimbursement of services can occur. Contractor's invoices shall include an itemized statement of the work done during the billing period, and will not be submitted more frequently than once a month. Metro shall pay Contractor within 30 days of receipt of an approved invoice.

- C. Validity Period and Authority: The proposal shall be considered valid for a period of at least ninety (90) days and shall contain a statement to that effect. The proposal shall contain the name, title, address, and telephone number of an individual or individuals with authority to bind any company contacted during the period in which Metro is evaluating the proposal.

- D. Conflict of Interest. A Proposer filing a proposal thereby certifies that no officer, agent, or employee of Metro or Metro has a pecuniary interest in this proposal or has participated in contract negotiations on behalf of Metro; that the proposal is made in good faith without fraud, collusion, or connection of any kind with any other Proposer for the same call for proposals; the Proposer is competing solely in its own behalf without connection with, or obligation to, any undisclosed person or firm.

- E. Equal Employment and Nondiscrimination Clause Metro and its contractors will not discriminate against any person(s), employee or applicant for employment based on race, color, religion, sex, national origin, age, marital status, familial status, gender identity, sexual orientation, disability for which a reasonable accommodation can be made, or any other status protected by law. Metro fully complies with Title VI of the Civil Rights Act of 1964 and related statutes and regulations in all programs and activities. For more information, or to obtain a Title VI Complaint Form, see www.oregonmetro.gov

VIII. EVALUATION OF PROPOSALS

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A. Evaluation Procedure: Proposals received that conform to the proposal instructions will be evaluated. The evaluation will take place using the evaluation criteria identified in the following section. Interviews may be requested prior to final selection of one firm.

B. Evaluation Criteria: This section provides a description of the criteria that will be used in the evaluation of the proposals submitted to accomplish the work defined in the RFP.

20% Services Provided

20% Proposal Work Plan/Approach

20% Staff & Experience

20% References

20% Budget/Cost Proposal

100% Total

IX. NOTICE TO ALL PROPOSERS -- STANDARD AGREEMENT

The attached personal services agreement is a standard agreement approved for use by the Office of Metro Attorney. This is the contract the successful Proposer will enter into with Metro; it is included for your review prior to submitting a proposal.

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For Personal Service Agreements \$50,000 & Up

Contract # _____

THIS AGREEMENT is between Metro, a metropolitan service district organized under the laws of the State of Oregon and the Metro Charter, located at 600 N.E. Grand Avenue, Portland, OR 97232-2736, and _____, referred to herein as "Contractor," located at _____.

In exchange for the promises and other consideration set forth below, the parties agree as follows:

1. Duration. This personal services agreement shall be effective _____ and shall remain in effect until and including _____, unless terminated or extended as provided in this Agreement.
2. Scope of Work. Contractor shall provide all services and materials specified in the attached "Exhibit A -- Scope of Work," which is incorporated into this Agreement by reference. All services and materials shall be provided by Contractor in accordance with the Scope of Work, in a competent and professional manner. To the extent that the Scope of Work contains additional contract provisions or waives any provision in the body of this Agreement, the Scope of Work shall control.
3. Payment. Metro shall pay Contractor for services performed and materials delivered in the amount(s), manner and at the time(s) specified in the Scope of Work for a maximum sum not to exceed _____ AND _____/100THS DOLLARS (\$ _____).
4. Insurance.
 - a. Contractor shall purchase and maintain at the Contractor's expense, the following types of insurance, covering the Contractor, its employees, and agents:
 - (1) Commercial general liability insurance covering bodily injury and property damage, with automatic coverage for premises, operations, and product liability, shall be a minimum of \$1,000,000 per occurrence. The policy must be endorsed with contractual liability coverage; and
 - (2) Automobile bodily injury and property damage liability insurance coverage shall be a minimum of \$1,000,000 per occurrence.
 - b. Metro, its elected officials, departments, employees, and agents shall be named as ADDITIONAL INSUREDS. Notice of any material change or policy cancellation shall be provided to Metro 30 days prior to the change or cancellation.
 - c. Contractor, its subcontractors, if any, and all employers working under this Agreement that are subject employers under the Oregon Workers' Compensation Law shall comply with ORS 656.017, which requires them to provide Workers' Compensation coverage for all their subject workers. Contractor shall provide Metro with certification of Workers' Compensation insurance including employer's liability. If Contractor has no employees and will perform the work without the assistance of others, a certificate to that effect may be attached, as Exhibit B, in lieu of the certificate showing current Workers' Compensation.
 - d. Contractor shall maintain for the duration of this Agreement professional liability insurance covering personal injury and property damage arising from errors, omissions, or malpractice. Coverage shall be in the minimum amount of \$1,000,000. Contractor shall provide to Metro a certificate of this insurance, and 30 days' advance notice of material change or cancellation.
 - e. Contractor shall provide Metro with a Certificate of Insurance complying with this article, and naming Metro as an additional insured within fifteen (15) days of execution of this contract, or twenty-four (24) hours before services under this contract commence, whichever date is earlier.

5. Indemnification. Contractor shall indemnify and hold Metro, its agents, employees and elected officials harmless from any and all claims, demands, damages, actions, losses and expenses, including attorney's fees, arising out of or in

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any way connected with its performance of this Agreement, or with any patent infringement or copyright claims arising out of the use of Contractor's designs or other materials by Metro and for any claims or disputes involving subcontractors.

6. Ownership of Documents and Maintenance of Records. Unless otherwise provided herein, all documents, instruments and media of any nature produced by Contractor pursuant to this agreement are Work Products and are the property of Metro, including but not limited to: drawings, specifications, reports, scientific or theoretical modeling, electronic media, computer software created or altered specifically for the purpose of completing the Scope of Work, works of art and photographs. Unless otherwise provided herein, upon Metro request, Contractor shall promptly provide Metro with an electronic version of all Work Products that have been produced or recorded in electronic media. Metro and Contractor agree that all work Products are works made for hire and Contractor hereby conveys, transfers, and grants to Metro all rights of reproduction and the copyright to all such Work Products.

- a. Contractor and subcontractors shall maintain all fiscal records relating to such contracts in accordance with generally accepted accounting principles. In addition, Contractor and subcontractors shall maintain any other records necessary to clearly document:
 - (1) The performance of the contractor, including but not limited to the contractor's compliance with contract plans and specifications, compliance with fair contracting and employment programs, compliance with Oregon law on the payment of wages and accelerated payment provisions; and compliance with any and all requirements imposed on the contractor or subcontractor under the terms of the contract or subcontract;
 - (2) Any claims arising from or relating to the performance of the contractor or subcontractor under a public contract;
 - (3) Any cost and pricing data relating to the contract; and
 - (4) Payments made to all suppliers and subcontractors.
- b. Contractor and subcontractors shall maintain records for the longer period of (a.) six years from the date of final completion of the contract to which the records relate or (b.) until the conclusion of any audit, controversy or litigation arising out of or related to the contract.
- c. Contractor and subcontractors shall make records available to Metro and its authorized representatives, including but not limited to the staff of any Metro department and the staff of the Metro Auditor, within the boundaries of the Metro region, at reasonable times and places regardless of whether litigation has been filed on any claims. If the records are not made available within the boundaries of Metro, the Contractor or subcontractor agrees to bear all of the costs for Metro employees, and any necessary consultants hired by Metro, including but not limited to the costs of travel, per diem sums, salary, and any other expenses that Metro incurs, in sending its employees or consultants to examine, audit, inspect, and copy those records. If the Contractor elects to have such records outside these boundaries, the costs paid by the Contractor to Metro for inspection, auditing, examining and copying those records shall not be recoverable costs in any legal proceeding.
- d. Contractor and subcontractors authorize and permit Metro and its authorized representatives, including but not limited to the staff of any Metro department and the staff of the Metro Auditor, to inspect, examine, copy and audit the books and records of Contractor or subcontractor, including tax returns, financial statements, other financial documents and any documents that may be placed in escrow according to any contract requirements. Metro shall keep any such documents confidential to the extent permitted by Oregon law, subject to the provisions of section E.
- e. Contractor and subcontractors agree to disclose the records requested by Metro and agree to the admission of such records as evidence in any proceeding between Metro and the Contractor or subcontractor, including, but not limited to, a court proceeding, arbitration, mediation or other alternative dispute resolution process.
- f. Contractor and subcontractors agree that in the event such records disclose that Metro is owed any sum of money or establish that any portion of any claim made against Metro is not warranted, the Contractor or subcontractor shall pay all costs incurred by Metro in conducting the audit and inspection. Such costs may be withheld from any sum that is due or that becomes due from Metro.

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- g. Failure of the Contractor or subcontractor to keep or disclose records as required by this document or any solicitation document may result in debarment as a bidder or proposer for future Metro contracts as provided in ORS 279B.130 and Metro Code Section 2.04.070(c), or may result in a finding that the Contractor or subcontractor is not a responsible bidder or proposer as provided in ORS 279B.110 and Metro Code Section 2.04.052.
7. Project Information. Contractor shall share all project information and fully cooperate with Metro, informing Metro of all aspects of the project including actual or potential problems or defects. Contractor shall abstain from releasing any information or project news without the prior and specific written approval of Metro.
8. Independent Contractor Status. Contractor shall be an independent contractor for all purposes and shall be entitled only to the compensation provided for in this Agreement. Under no circumstances shall Contractor be considered an employee of Metro. Contractor shall provide all tools or equipment necessary to carry out this Agreement, and shall exercise complete control in achieving the results specified in the Scope of Work. Contractor is solely responsible for its performance under this Agreement and the quality of its work; for obtaining and maintaining all licenses and certifications necessary to carry out this Agreement; for payment of any fees, taxes, royalties, or other expenses necessary to complete the work except as otherwise specified in the Scope of Work; and for meeting all other requirements of law in carrying out this Agreement. Contractor shall identify and certify tax status and identification number through execution of IRS form W-9 prior to submitting any request for payment to Metro.
9. Right to Withhold Payments. Metro shall have the right to withhold from payments due to Contractor such sums as necessary, in Metro's sole opinion, to protect Metro against any loss, damage, or claim which may result from Contractor's performance or failure to perform under this Agreement or the failure of Contractor to make proper payment to any suppliers or subcontractors.
10. State and Federal Law Constraints. Both parties shall comply with the public contracting provisions of ORS chapters 279A, 279B and 279C, and the recycling provisions of ORS 279B.025 to the extent those provisions apply to this Agreement. All such provisions required to be included in this Agreement are incorporated herein by reference. Contractor shall comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations including those of the Americans with Disabilities Act.
11. Situs. The situs of this Agreement is Portland, Oregon. Any litigation over this agreement shall be governed by the laws of the State of Oregon and shall be conducted in the Circuit Court of the state of Oregon for Multnomah County, or, if jurisdiction is proper, in the U.S. District Court for the District of Oregon.
12. Assignment. This Agreement is binding on each party, its successors, assigns, and legal representatives and may not, under any circumstance, be assigned or transferred by either party.
13. Termination. This Agreement may be terminated by mutual consent of the parties. In addition, Metro may terminate this Agreement by giving Contractor seven days prior written notice of intent to terminate, without waiving any claims or remedies it may have against Contractor. Termination shall not excuse payment for expenses properly incurred prior to notice of termination, but neither party shall be liable for indirect or consequential damages arising from termination under this section.
14. No Waiver of Claims. The failure to enforce any provision of this Agreement shall not constitute a waiver by Metro of that or any other provision.
15. Modification. Notwithstanding and succeeding any and all prior agreement(s) or practice(s), this Agreement constitutes the entire Agreement between the parties, and may only be expressly modified in writing(s), signed by both parties.

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By _____
Title _____
Date _____

METRO
By _____
Title _____
Date _____