

ADDENDUM NO. 1
REQUEST FOR PROPOSALS (RFP) 051-MM10
FOR
SELECTED THIRD PARTY ADMINISTRATION FOR
EMPLOYEE BENEFITS
THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
JUNE 12, 2012

PURPOSE OF ADDENDUM

This Addendum has been prepared to provide additional proposal information.

ACKNOWLEDGMENT OF ADDENDUM TO RFP

As required in the RFP, proposers are reminded that they should either acknowledge receipt of this addendum on their proposal, or attach this addendum to their proposal. In order to acknowledge receipt of this addendum on their proposal, proposers should properly complete Proposal Forms.

STATUS OF ADDENDUM

To date, this is the first (1st) addendum that has been issued for Request for Proposals: 051-MM10, Selected Third Party Administration for Employee Benefits.

ADDITIONAL INFORMATION REQUESTED

The following is provided in response to proposers' specific requests for additional information – responses are in red:

1. What is the volume and types of calls currently handled by Customer Service?
Over 8,000 general benefits, enrollment and FSA calls annually.
2. How many "on-site" administrative employees of FBMC are responsible for handling advocacy related issues?
Two
3. Have all benefit eligible employees been given the opportunity to enroll in all voluntary insurance programs? If not, what percentage of employees has not had this opportunity?
Yes

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4. Would M-DCPS consider partnering with a benefit administration vendor that would provide services, currently handled through FBMC, off site?

The District currently has both on and off site services. The District would not consider handling the current on-site administration with off-site representatives.

5. Does the agent of record broker have the existing renewals shown in the RFP assigned to it from the existing agent of record broker?

The current administrator is the agent of record for all inforce policies, which are issued individually. The successful vendor in this area will be provided an agent of record document for renewals and new policy issuances.

6. In addition to the current voluntary products to be enrolled by the agent of record broker, can another voluntary product be added in 2013 and 2014 subject to the review and approval of such voluntary product by the board and its various insurance committees?

No. Spring Enrollment will be conducted in 2013 and 2014 based upon the current voluntary insurance carriers/products. The entire flexible benefits program including the voluntary products will be remarketed in 2014 and may become a part of the annual Open Enrollment for 2015 benefits.

7. Transfer of records: Does the current administrator have the same provision in its agreement with M-DCPS as indicated in the RFP that it must transfer all data and records within 15 (fifteen) days of termination?

Yes. The current FBMC contract has this provision requiring them to transfer the records within 15 days of termination.

8. What are the salaries and benefits costs of each on-site employee paid by the current administrator?

This is proprietary information of the current vendor which cannot be shared.

9. How many walk-in customers were served in 2011 by the on-site employees?

All visitors are required to sign in; Risk Management maintains a log, and in plan year 2011, the current TPA staff assisted over 5,600 customers.

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10. How many telephone calls were responded to by the on-site employees in 2011?

This information is not readily available.

11. Is it contemplated that the new SAP system will reduce the daily processes and procedures performed by data processing analysts and, if so, by when and how much reduction?

It is anticipated that the current workload will continue in the future.

12. How many newly hired and how many re-hired benefits eligible employees were there in 2011?

2,741 for both

13. How many leave employees subject to leave billing scope of services were there in 2011?

900

14. How many employees not using online service capabilities had a change in status of benefits and were serviced in 2011?

1,400

15. How many employees retired in 2011 subject to retiree benefits services?

1,100

16. How many designated worksites and how many employees received on-site laptop enrollment training for their employees in 2011?

This information is not readily available. However, twelve sites were visited over 10 business days.

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17. What are the current performance standards and guarantees?

Performance standards and guarantees are not a part of this RFP. Section II, page 5, Contract of RFP states: "The Board will negotiate a contract with the successful proposer(s) encompassing the terms of this RFP, creating measurable criteria for annual objective evaluation of proposers' performance and defining a rating system. The annual evaluation will be conducted by a consultant determined by the Board and funded by the successful proposer(s)."

18. How many fulltime employees participated in FSAs and how many retiree employees participated in FSAs in 2011?

The District has 2,469 employees participating in the Medical FSA and 254 are participating in the Dependent FSA for a total of 2,723. Retirees are not eligible for FSAs.

19. The RFP states: "TPAs maintains a payroll deduction slot for the Florida Retirement System (FRS)." Will this payroll deduction slot be transferred to the new administrator/TPA? If not, is it acceptable to use direct bill if a slot cannot be obtained?

The FRS deduction slot must be set up by the successful proposer directly with FRS. Direct billing is necessary only for the months that FRS deductions cannot be taken.

20. Can the SAP system be used for online enrollments in the spring time enrollment?

Current Spring Enrollment is not conducted via online enrollment and has not been included in the scope of SAP. The District may be able to expand the scope to include this, but not before 2014.

21. Please describe in detail the method used to record transactions, phone calls and follow ups into the SAP system by the current administrator.

Calls, issues, record transactions are maintained in SAP's Call Tracking application.

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22. The proposer has a customer service portal, will that meet the needs of your website requirements or are there other needs? Specifically, what is required of the web portal?

The TPA would be required to document all calls in the District's SAP system, with the exception of FSA calls.

23. Will the chosen administrator be allowed to supplement or replace the current physical mailings with electronic communications?

The District will support electronic distributions when possible, but physical mailings outlined in the RFP cannot be replaced with electronic for this contract.

24. With the customized communication pieces requested will proposers' current communications suffice or are you requesting exact replication of all communications pieces currently in place? Is the district open to exploring other communication avenues as a cost saving measure?

The District is requesting that current communication be duplicated for purposes of responding to the RFP. However, the District is willing to explore improving how we communicate to our employees in the future.

25. In regards to section A, would the district consider alternative staffing levels for field staff if job duties are maintained? Are any staffs performing any job duties outside of those described in the RFP?

At this time the District would not consider alternative staffing levels. Current vendor staff is not performing job duties outside of those described in the RFP.

26. Please provide itemization of the number of yearly paper mailings anticipated for each section of the proposal.

This number will vary by groups, enrollments and time of year.

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27. Exhibit C, Historical Data, indicates annual cost for 2011-2012 year as \$961,393.75; is this accurate for the entire year? Please provide a breakdown of costs indicated and the calculation used to arrive at the \$961,393.75 cost.

The correct amount for FY 2011-12 is \$2,412,042.88 based on \$6.25 PEPM for period July 1 – December 31, 2011, and \$4.69 effective January 1, 2012.
Breakdown:

Jul-11	\$243,643.75	
Aug-11	\$239,268.75	
Sep-11	\$241,975.00	
Oct-11	\$235,412.50	
18-Nov	\$220,556.25	
16-Dec	\$175.00	
30-Dec	\$220,150.00	
13-Jan	\$712.50	
27-Jan	\$166,746.06	
10-Feb	\$395.39	
24-Feb	\$165,252.16	
9-Mar	\$254.90	
23-Mar	\$165,192.83	
20-Apr	\$162,965.29	
31-May	\$174,671.25	
30-Jun	\$174,671.25	** estimated
	\$2,412,042.88	Estimated FY 2011-12 Total

28. The district has requested a copy of SAS 70 report; is it acceptable to provide this report upon finalist selection as the RFP indicates all information submitted is subject to open records? Has the current administrator provided this information subject to open records?

Yes. Proposers should indicate that SAS 70 report will be provided upon award of contract and that updates will be provided throughout the course of the contract. Yes.

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29. Insurance requirements indicate the district must be named as additional insured on policies. Is this a requirement or will having sufficient levels of insurance suffice? How is the current administrator complying with this requirement?

The District must be named as an additional insured on applicable policies as indicated in the RFP. The current administrator has named the district as an additional insured on applicable policies.

30. Is there a separate fee for retiree administrative services?

The proposed PEPM fee must cover all retiree administrative services. There will be no additional fees charged to the district or retirees for medical or voluntary products.

31. The RFP indicates that there are currently 36,000 benefit eligible employees. Is this correct?

The current census produced shows 36,911 benefit eligible employees.