



STATE OF ARKANSAS

OFFICE OF STATE PROCUREMENT

1509 West 7th Street, Room 300
Little Rock, Arkansas 72201-4222

REQUEST FOR PROPOSAL (RFP)

SOLICITATION INFORMATION

RFP Number:	SP-15-0105	*Bid Opening Date:	June 10, 2015	*Bid Opening Time:	2:00 P.M.CDT
Description:	Health Savings Account/Flexible Spending Account and Cafeteria Plan				
Agency:	Department of Finance and Administration-Employee Benefits Division				
OSP Buyer	Jessica Lowder	Phone:	501-324-9316		
Email:	jessica.lowder@dfa.arkansas.gov				
Type of Contract:	Term Contract.		Solicitation Issued:	5/6/2015	

*Proposals **shall** be accepted until the opening time and date specified above.

RESPONDENT'S INFORMATION (Type or Print)

Company:					
Address:					
City:		State:		Zip Code:	
Business Designation:	<input type="checkbox"/> Individual <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Public Service Corp <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> Government/ Nonprofit				
Minority Designation: See Minority Business Policy	<input type="checkbox"/> Not Applicable <input type="checkbox"/> African American <input type="checkbox"/> Hispanic American <input type="checkbox"/> Pacific Islander American <input type="checkbox"/> American Indian <input type="checkbox"/> Asian American <input type="checkbox"/> Service Disabled Veteran AR Minority Certification Number: _____ Service Disabled Veteran Certification Number: _____				

VENDOR REPRESENTATIVE CONTACT INFORMATION

Provide contact information to be used for RFP related matters.

Contact Person:		Title:	
Phone:		Alternate Phone:	
Email:			

Redacted Copy:	<input type="checkbox"/> YES, a redacted copy of proposal is enclosed.
	<input type="checkbox"/> NO, a redacted copy of proposal is not enclosed. I understand a full copy of non-redacted proposal will be released. <i>Note: If a redacted copy of the proposal is not provided with vendor's proposal submission, and neither box is checked, a copy of the non-redacted proposal, with the exception of financial data (other than pricing), shall be released in response to any request made under the Freedom of Information Act. See Proprietary Information.</i>

A vendor agrees that any additional terms or conditions that conflict with requirements in the bid solicitation, whether submitted intentionally or inadvertently, **shall** cause the vendor's proposal to be rejected.

*Authorized Signature:		Title:	
Printed/Typed Name:		Date:	

*Use Ink Only. Unsigned Proposals **shall not** be considered.

SECTION 1 - GENERAL INSTRUCTIONS AND INFORMATION

- **Do not** provide responses for items, unless specifically required.
- **Do not** edit this document to include vendor's response.

1.1 PURPOSE

- A. This Request for Proposal (RFP) is issued by the Office of State Procurement (OSP) for the Department of Finance and Administration - Employee Benefits Division (EBD) to obtain pricing and a contract for the administration and management of the following:
1. Section 125 "Cafeteria Plan" Document Preparation and Administration for Arkansas State Employees (ASE).
 2. Flexible Spending Account (FSA).
 3. Limited Purpose FSA for Dental and Vision (LPFSA).
 4. Dependent Care FSA (DCAP).
 5. Health Savings Account (HSA).
 6. COBRA Services for certain COBRA eligible products.
- B. Currently the administration services for these are provided through two (2) separate contracts. To increase efficiency, EBD has decided to combine all of the services together onto one contract;
- C. Public School Employees (PSE): Currently the Cafeteria Plan is only offered to ASE; however, the State shall have the right to offer the Cafeteria Plan to Public School Employees (PSE) at a future date. Should EBD elect to provide this service to PSE, contractor **must** provide services as described in this RFP. EBD shall have the right to re-negotiate rates for ASE based on overall combined membership of ASE and PSE.
- D. The vendor **shall** begin administrative services on January 1, 2016 with enrollment and education activities taking place no earlier than July 1, 2015.

1.2 PRICING

- A. The services **shall** be provided to EBD for the benefit of the State of Arkansas Employee (ASE) Insurance Program and the Arkansas Public School (PSE) Insurance Program. All work performed (with the exception of the Cafeteria Plan) **shall** encompass both the ASE and PSE plans respectively. As a result all pricing should reflect administration services for both plans.
- B. Vendor may charge either a one-time and/or recurring fee for the following elements:
1. Section 125 Plan Document Set-Up (one-time account set-up fee and renewal).
 2. FSA Administration (one-time account set-up fee as well as a recurring monthly fee).
 3. Limited Purpose FSA (one-time account set-up fee as well as a recurring monthly fee).
 4. Dependent Care FSA (one-time account set-up fee as well as a recurring monthly fee).
 5. HSA (one-time account set-up fee as well as a recurring monthly fee for those active employee accounts that have either a monthly employer and/or employee contribution only).
 6. COBRA services (one-time account set-up fee, a recurring monthly fee and annual renewal fee).
- C. Throughout the term of this contract, as requested by EBD or as required by law, the State may add or remove any services offered by the vendor under the scope of this contract. These services may be existing optional services as offered in the vendor's proposal, or they may be newly created services based on improving technology or Federal or State mandates which fall under the scope of work. Pricing for these services shall be negotiated if/when the services are added; shall be consistent with current contract pricing for similar services; and shall be agreed upon in writing between agency and vendor prior to implementation of the service.

1.3 TYPE OF CONTRACT

- A. Any resultant contract to this RFP is subject to State approval processes which may include Legislative review and approval.
- B. The resulting contract will be a TERM contract.
- C. The term of this contract is anticipated to begin July 1, 2015 and **shall** end June 30, 2018. Upon mutual agreement by the vendor and EBD, the contract may be renewed by OSP on a year-to-year basis, for up to four (4) additional one-year terms or a portion thereof.
- D. In no event **shall** the total contract term be more than seven (7) years.

1.4 AWARD CRITERIA

- A. Award **shall** be made on an all or none basis.
- B. Award **shall** be based on the Technical Proposal Score and Cost Score which will be added together to determine the Grand Total Score for each vendor.
- C. The vendor with the highest Grand Total Score will be selected as the apparent successful vendor.

1.5 ISSUING AGENCY

OSP, as the issuing office, is the sole point of contact in the State for the selection process. Vendor questions regarding RFP related matters should be made through the State's buyer as shown on page one of this RFP. Vendor's questions will be answered as a courtesy and at vendor's own risk.

1.6 DELIVERY OF RESPONSE DOCUMENTS

- A. Delivery address for proposal submission documents:

Office of State Procurement
1509 West 7th Street, Room 300
Little Rock, AR 72201-4222

Note: Delivery providers, USPS, UPS, and FedEx deliver mail to OSP's street address on a schedule determined by each individual provider. These providers will deliver to OSP based solely on the street address.

- B. The proposal's outer packaging **must** be sealed and should be properly marked with the following information. If outer packaging of proposal submission is not properly marked, the package may be opened for bid identification purposes.
 - RFP number
 - Date and time of RFP opening
 - Vendor's return address
- C. In accordance with Arkansas Procurement Law and Rules, it is the responsibility of vendors to submit proposals at the location on or before the date and time set in the RFP solicitation documents. Proposals received at OSP after the date and time designated for the proposal opening **shall** be considered late and **shall** be returned to the vendor without further review.
- D. It is not necessary to return "no bids" to OSP.

1.7 BID OPENING LOCATION

Proposals submitted by the opening time and date will be opened at the following location:

Office of State Procurement
1509 West Seventh Street, Room 300
Little Rock, AR 72201-4222

1.8 DEFINITION OF REQUIREMENT

- A. The words “**must**” and “**shall**” signify a requirement and that vendor’s agreement to and compliance with that item is mandatory.
- B. Exceptions taken to any requirement in this solicitation **shall** cause the vendor’s proposal to be rejected.
- C. Vendor may request exceptions to NON-mandatory items. Any such request **must** be declared on or as an attachment to the appropriate section’s Acknowledgement and Signature Page. Vendor **must** clearly explain the requested exception, and should label the request in such a manner as to reference the numbering system of this solicitation.

1.9 DEFINITION OF TERMS

- A. The State Procurement Official has made every effort to use industry-accepted terminology in this bid solicitation and will attempt to further clarify any point of item in question as indicated in *Clarification of Bid Solicitation and Questions*.
- B. The words “bidder” and “vendor” are used synonymously in this document.
- C. The words “RFP” and “bid solicitation” are used synonymously in this document.
- D. The terms “plans” and “programs” are used interchangeable in this document to refer to the HSA, FSA account and Cafeteria 125 plan, unless otherwise indicated to refer to the ASE or PSE insurance programs.

1.10 RESPONSE DOCUMENTS

- A. Vendor(s) **must** submit:
 1. One (1) signed original Technical Proposal on or before the date and time specified on page one (1) of this RFP. The original Technical Proposal should be clearly marked.
 2. One (1) original Official Bid Price Sheet.
 - a. **Do not** include any pricing from the Official Bid Price Sheet in the Technical Proposal copies, including the electronic copies.
 - b. Pricing from the Official Bid Price Sheet **must** be separately sealed from the Technical Proposal response and clearly marked as pricing information.
 3. Vendor’s Acknowledgment and Signature Sheets:
 - Section 1.
 - Section 2.
 - Section 5.
 - Section 6.
- B. Vendor(s) should submit:
 1. Three (3) complete copies (marked "COPY") of the RFP Technical Proposal response.
 2. Four (4) electronic versions of the Technical Proposal response, preferably on flash drive. CDs will also be acceptable.

3. One (1) electronic copy of the Redacted Proposal, preferably on a flash drive. CDs will also be acceptable. (See *Proprietary Information*.)
 4. One (1) electronic version of the Official Bid Price Sheet(s), preferably on a flash drive. CDs will also be acceptable.
 - a. The electronic media containing pricing **must** be separately sealed from the Technical Proposal response and clearly marked as pricing.
 5. Copy of Vendor's Equal Opportunity Policy. (See *Equal Opportunity Policy*.)
 6. Illegal Immigrant Certification. (See *Employment of Illegal Immigrants*.)
 7. EO 98-04 Disclosure Form. (See *EO 98-04 Governor's Executive Order*.)
 8. Voluntary Product Accessibility Template (VPAT).
- C. Technical Proposal Organization: It is strongly recommended that Vendors adhere to the following format and suggestions when preparing their Technical Proposal response.
1. Ancillary information including promotional/marketing information, or anything not directly responsive to criteria set forth in the *Information for Evaluation* of this RFP, should not be included with the Technical Proposal.
 2. The Technical Proposal should be easy for the evaluators to read and reference. The original proposal and all copies should be arranged in the following order with the sections clearly marked (e.g., indexed and tabbed).
 - a. RFP Signature Page (page one of RFP document).
 - b. Table of Contents.
 - c. Submission Documents, including but not limited to:
 - Vendor's Acknowledgement and Signature Sheets.
 - Signed Addenda, if applicable.
 - Equal Opportunity Policy.
 - Illegal Immigrant Certification.
 - E.O. 98-04 – Contract Grant and Disclosure Form.
 - Voluntary Product Accessibility Template (VPAT).
 - d. Organize and label the remainder of technical response in a manner so as to reference the numbering system of the RFP.
 - e. Reference to handbooks or other technical materials as part of a response **must** not constitute the entire response and vendor(s) **must** identify the specific page and paragraph being referenced.

1.11 CLARIFICATION OF RFP AND QUESTIONS

- A. If additional information is necessary to enable vendor(s) to better interpret the information contained in this RFP, written questions should be submitted by 4:00 p.m., CDT on May 14, 2015. Submit written questions to buyer as shown on page one (1) of this RFP.

- B. Vendor's questions submitted in writing will be consolidated and responded to by the State. The State's consolidated written response is anticipated to be posted to the OSP website by the close of business on May 27, 2015.
- C. Answers to verbal questions may be given as a matter of courtesy and **must** be evaluated at vendor's risk.

1.12 **SUBCONTRACTORS**

- A. Vendor **must** complete, sign, and submit the form Proposed Subcontractors List with their Technical Proposal.
- B. Additional information relating to subcontractors may be requested in the Information for Evaluation section and should be provided as requested. Do not include additional information relating to subcontractors on the form.
- C. The following sections of this bid solicitation may contain additional requirements relating to subcontractors.

Note: The accompanying PDF file contains the Proposed Subcontractors List form.

1.13 **COST**

- A. Vendor(s) **must** include **ALL** pricing on the Official Price Bid Sheet(s) **ONLY**. Vendor **must** clearly mark said pages(s) as pricing.

Note: The accompanying excel file contains the Official Price Sheet(s).

- B. To allow time to evaluate proposals, prices **must** be valid for 120 days following RFP opening.
- C. The State **shall** not be obligated to pay any costs not identified on the Official Bid Price Sheet. Any cost not identified by the successful vendor but subsequently incurred in order to achieve successful operation **shall** be borne by the vendor.
- D. All proposal pricing **must** be in United States dollars and cents.
- E. Official Bid Price Sheet(s) may be reproduced as needed.
- F. Vendor(s) may expand items to identify all proposed equipment, software, or services. A separate listing, which **must** include pricing, may be submitted with the Official Bid Price Sheet(s) **ONLY**.

1.14 **INDEPENDENT PRICE DETERMINATION**

- A. By submission of this proposal, the vendor certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this proposal: the prices in the proposal have been arrived at independently, without collusion, and that no prior information concerning these prices has been received from, or given to, a competitive company.
- B. If there is sufficient evidence of collusion to warrant consideration of this proposal by the office of the Attorney General, all vendor(s) **shall** understand that this paragraph may be used as a basis for litigation.

1.15 **PROPRIETARY INFORMATION**

- A. Proposals and documents pertaining to this RFP become the property of the State and **shall** be open to public inspection subsequent to proposal opening.
- B. One complete copy of the response from which any proprietary information has been removed, (i.e., a redacted copy), should be submitted with your proposal submission.
 - 1. Except for the redacted information, the redacted copy **must** be identical to the original hard copy.
 - 2. The redacted copy should:
 - a. Reflect the same pagination as the original.
 - b. Show the empty space from which information was redacted.

3. It is the responsibility of the vendor to identify all proprietary information and to ensure the electronic copy is protected against restoration of redacted data.
- C. The redacted copy **shall** be open to public inspection under the Freedom of Information Act (FOIA) without further notice to the vendor.
- D. If a redacted copy is not included with your proposal submission, the entire proposal **shall** be open to public inspection with the exception of financial data (other than pricing).
- E. If the State of Arkansas deems redacted information to be subject to FOIA, the vendor will be contacted prior to the State providing the information.

1.16 CAUTION TO VENDORS

- A. During the time between the proposal opening and contract award, any communication concerning this RFP **must** be addressed through OSP.
- B. Vendor should ensure all copies and all media are identical to the vendor's hard copy original proposal. In case of a discrepancy, the hard copy **shall** govern.
- C. Failure to submit the required number of copies with the proposal may be cause for rejection.
- D. If OSP requests additional copies of the proposal, the copies **must** be delivered within twenty-four (24) hours of request.
- E. An official authorized to bind the vendor(s) to a resultant contract **must** sign the proposal.
- F. All official documents and correspondence **shall** be included as part of the resultant contract.
- G. Proposals **shall** be accepted only in the English language.
- H. The State Procurement Official **shall** have the right to award a contract or reject a proposal for any or all line items of a proposal received as a result of this RFP, if it is in the best interest of the State to do so. Proposals **shall** be rejected for one or more reasons including the following:
 1. Failure of the vendor(s) to submit a proposal(s) on or before the date and time designated for proposal opening for this RFP.
 2. Failure to sign an Official RFP Document.
 3. Failure of vendor to sign and submit sections' Acknowledgement and Signature Pages.
 4. Failure to complete and include the Official Bid Price Sheet(s).
 5. Failure to separately seal the Official Bid Price Sheet from the Technical Proposal for both electronic and hard copies.
 6. Failure of the vendor(s) to respond to a requirement for clarification.
 7. Any wording by the vendor(s) in their response to this RFP, or in subsequent correspondence, which conflicts with or takes exception to a requirement in this RFP.
 8. Failure of any proposed service to meet or exceed the specifications.
- I. Single and joint vendor proposals and multiple proposals by vendors are acceptable. However, a single vendor **must** be identified as the prime contractor in each proposal.

1.17 REQUIREMENT OF ADDENDUM

- A. This RFP may be modified only by an addendum written and authorized by OSP.
- B. Vendors are cautioned to ensure that they have received or obtained, and have responded to, any and all addendums to the RFP prior to submission.
- C. There will be no addendums to a RFP 72 hours prior to the RFP opening, other than to:
 - 1. Extend the bid opening date.
 - 2. Cancel the bid.
- D. It is the responsibility of the vendor to check the OSP website, <http://www.arkansas.gov/dfa/procurement/bids/index.php>, for any and all addendums up to bid opening.

1.18 ALTERATION OF ORIGINAL RFP DOCUMENTS

- A. The original written or electronic language of the RFP documents **shall not** be changed or altered except by approved written addenda issued by OSP. This does not eliminate a vendor from taking exception(s) to non-mandatory terms and conditions.
- B. Do not amend the bid solicitation to include vendor's response. If vendor's submittal is discovered to contain any alterations or changes to the original written or electronic documents, the vendor's response may be declared non-responsible. If declared non-responsible, the response **shall** be rejected.

1.19 ADDITIONAL TERMS AND CONDITIONS

- C. Additional terms or conditions submitted by a vendor, including any appearing in documents attached as part of a vendor's response, that conflict with requirements of this bid solicitation **shall** cause the vendor's proposal to be rejected.
- D. In signing and submitting his proposal, a vendor agrees that any additional terms or conditions, whether submitted intentionally or inadvertently, **shall** cause the vendor's proposal to be rejected.
- E. Failure to comply with terms and conditions, including those specifying information that **must** be submitted with a proposal, **shall** be grounds for rejecting a proposal.

1.20 AWARD RESPONSIBILITY

OSP will be responsible for award and administration of any resulting contract(s).

1.21 RESERVATION

This RFP does not commit the OSP to award a contract, to pay costs incurred in the preparation of a proposal in response to this request, or to procure or contract for commodities or services.

1.22 ANTICIPATION TO AWARD

- A. After complete evaluation of the proposals, the anticipated award will be posted on the OSP website (http://www.arkansas.gov/dfa/procurement/pro_intent.php).
- B. The purpose of the posting is to establish a specific timeframe in which vendors and agencies are aware of the anticipated award.
- C. The anticipated award will be posted for a period of fourteen (14) days prior to the issuance of any award. Vendors and agencies are cautioned that these are preliminary results only, and no official award will be issued prior to the end of the fourteen day posting period. Accordingly, any reliance on these preliminary results is at the agency's/vendor's own risk.
- D. OSP **shall** have the right to waive the policy of Anticipation to Award when it is in the best interest of the State.
- E. Vendors are responsible for viewing the Anticipation to Award section of the OSP website.

1.23 NEGOTIATIONS

As provided in this RFP and under regulations, discussions may be conducted with responsible vendor(s) who submit proposals determined to be reasonably capable of being selected for award for the purpose of obtaining clarification of proposal response and negotiation for best and final offers.

1.24 MINORITY BUSINESS POLICY

- A. Minority participation is encouraged in this and in all other procurements by State agencies.
- B. Minority is defined by Arkansas Code Annotated § 15-4-303 as a lawful permanent resident of this State who is African American, Hispanic American, American Indian, Asian American, Pacific Islander American, Service Disabled Veteran as designated by the United States Department of Veterans Affairs.
- C. The Arkansas Economic Development Commission conducts a certification process for minority business and disabled veterans. Certification number should be included on page one (1) for verification.

1.25 EQUAL OPPORTUNITY POLICY

- A. In compliance with Arkansas Code Annotated § 19-11-104, OSP is required to have a copy of the vendor's Equal Opportunity (EO) Policy prior to issuing a contract award.
- B. EO policies may be submitted in electronic format to the following email address: eeopolicy.osp@dfa.arkansas.gov, but should also be included as a hardcopy accompanying the solicitation response.
- C. The submission is a one-time requirement, but vendors are responsible for providing updates or changes to their respective policies, and for supplying EO policies upon request to other State agencies that **must** also comply with this statute.
- D. Vendors that do not have an established EO policy will not be prohibited from receiving a contract award, but are required to submit a written statement to that effect.

1.26 EMPLOYMENT OF ILLEGAL IMMIGRANTS

- A. Pursuant to Arkansas Code Annotated § 19-11-105, prior to the award of a contract, selected vendor(s) **must** have a current certification on file stating that they do not employ or contract with any illegal immigrants to provide services related to contracts with the State.
- B. OSP will notify the selected vendor(s) prior to award if vendor's certification has expired or is not on file with OSP. The buyer will provide instructions for the certification process at that time.

1.27 PAST PERFORMANCE

In accordance with provisions of State Procurement Law, specifically OSP Rule R5:19-11-230(b)(1), a vendor's past performance with the State may be used to determine if the vendor is "responsible". Proposals submitted by vendors determined to be non-responsible **shall** be rejected.

1.28 TECHNOLOGY ACCESS

- A. When procuring a technology product or when soliciting the development of such a product, the State of Arkansas is required to comply with the provisions of Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, which expresses the policy of the State to provide individuals who are blind or visually impaired with access to information technology purchased in whole or in part with state funds. The Vendor expressly acknowledges and agrees that state funds may not be expended in connection with the purchase of information technology unless that technology meets the statutory requirements found in 36 C.F.R. § 1194.21, as it existed on January 1, 2013 (software applications and operating ICSs) and 36 C.F.R. § 1194.22, as it existed on January 1, 2013 (web-based intranet and internet information and applications), in accordance with the State of Arkansas technology policy standards relating to accessibility by persons with visual impairments.
- B. ACCORDINGLY, THE VENDOR EXPRESSLY REPRESENTS AND WARRANTS to the State of Arkansas through the procurement process by submission of a Voluntary Product Accessibility Template (VPAT) for 36 C.F.R. § 1194.21, as it existed on January 1, 2013 (software applications and operating ICSs) and 36 C.F.R. § 1194.22, that the technology provided to the State for purchase is capable, either by virtue of features included within the technology, or because it is readily adaptable by use with other technology, of:

1. Providing, to the extent required by Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, equivalent access for effective use by both visual and non-visual means
 2. Presenting information, including prompts used for interactive communications, in formats intended for non-visual use
 3. After being made accessible, integrating into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired
 4. Providing effective, interactive control and use of the technology, including without limitation the operating system, software applications, and format of the data presented is readily achievable by nonvisual means;
 5. Being compatible with information technology used by other individuals with whom the blind or visually impaired individuals interact
 6. Integrating into networks used to share communications among employees, program participants, and the public
 7. Providing the capability of equivalent access by nonvisual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired
- C. State agencies cannot claim a product as a whole is not reasonably available because no product in the marketplace meets all the standards. Agencies **must** evaluate products to determine which product best meets the standards. If an agency purchases a product that does not best meet the standards, the agency **must** provide written documentation supporting the selection of a different product, including any required reasonable accommodations.
- D. For purposes of this section, the phrase “equivalent access” means a substantially similar ability to communicate with, or make use of, the technology, either directly, by features incorporated within the technology, or by other reasonable means such as assistive devices or services which would constitute reasonable accommodations under the Americans with Disabilities Act or similar state and federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands or other means of navigating graphical displays, and customizable display appearance. As provided in Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, if equivalent access is not reasonably available, then individuals who are blind or visually impaired **shall** be provided a reasonable accommodation as defined in 42 U.S.C. § 12111(9), as it existed on January 1, 2013.
- E. If the information manipulated or presented by the product is inherently visual in nature, so that its meaning cannot be conveyed non-visually, these specifications do not prohibit the purchase or use of an information technology product that does not meet these standards.

1.29 COMPLIANCE WITH THE STATE SHARED TECHNICAL ARCHITECTURE PROGRAM

The respondent's solution **must** comply with the State's shared Technical Architecture Program which is a set of policies and standards that can be viewed at: <http://www.dis.arkansas.gov/policiesStandards/Pages/default.aspx>. Only those standards which are fully promulgated or have been approved by the Governor's Office apply to this solution.

1.30 VISA ACCEPTANCE

Awarded vendor(s) should have the capability of accepting the State's authorized VISA Procurement Card (p-card) as a method of payment. Price changes or additional fee(s) may not be assessed when accepting the p-card as a form of payment. The vendor may receive payment from the State by the p-card in the same manner as other VISA purchases. VISA acceptance is preferred but is not the exclusive method of payment.

1.31 PUBLICITY

News release(s) by a vendor(s) pertaining to this RFP or any portion of the project **shall** not be made without prior written approval of the State Procurement Official. Failure to comply with this requirement is deemed to be a valid reason for disqualification of the vendor(s) proposal. The State Procurement Official will not initiate any publicity relating to this procurement action before the contract award is complete.

SECTION 1 - VENDOR'S ACKNOWLEDGMENT AND SIGNATURE

- Vendor **must** sign and submit this page with their Technical Proposal. See bid solicitation document for additional information and instructions.
- Failure of vendor to sign and submit this page with their technical proposal **shall** cause the vendor's proposal to be rejected.
- Any requested exceptions to NON-mandatory items listed in this section **must** be declared below or as an attachment to this page. Vendor **must** clearly explain the requested exception, and should label the request in such a manner so as to reference the numbering system of the section.
- Exceptions to requirements **shall** cause the vendor's proposal to be rejected.

By signature below, vendor acknowledges, affirms, agrees to and **shall** fully comply with all requirements as shown in this section of the RFP.

*Authorized Signature: _____ Title: _____

Printed/Typed Name: _____ Date: _____

SECTION 2 – MINIMUM REQUIREMENTS

- ***Do not*** provide responses for items, unless specifically required.
- ***Do not*** edit this document to include vendor's response.

2.1 INTRODUCTION

This Request for Proposal (RFP) is issued by the Office of State Procurement (OSP) for the Department of Finance and Administration - Employee Benefits Division (EBD) to obtain pricing and a contract for the administration and management of the following:

1. Section 125 "Cafeteria Plan" Document Preparation and Administration for Arkansas State Employees (ASE).
2. Flexible Spending Account (FSA).
3. Limited Purpose FSA for Dental and Vision (LPFSA).
4. Dependent Care FSA (DCAP).
5. Health Savings Account (HSA).
6. COBRA Services for certain COBRA eligible products.

2.2 BACKGROUND / CURRENT ENVIRONMENT

A. Currently, the administration services for these are provided through two (2) separate contracts. To increase efficiency, EBD has decided to combine all of the services together into one contract. Current vendor information is as follows:

- FSA administration services are provided by Fringe Benefits Management/Wage Works.
- HSA administration services are provided by DataPath.

B. Currently the Cafeteria Plan is only offered to ASE; however, the State shall have the right to offer the Cafeteria Plan to Public School Employees (PSE) at a future date. Should EBD elect to provide this service to PSE, contractor **must** provide services as described in this RFP. EBD shall have the right to re-negotiate rates for ASE based on overall combined membership of ASE and PSE.

2.3 CAFETERIA PLAN ADMINISTRATION (125)

As established in accordance with Internal Revenue Code Section 125, the Arkansas State Employee Cafeteria Plan "ARCap" shall allow qualified benefits to be paid for on a pre-tax basis. Vendor shall be responsible for creating and modifying as necessary, as well as maintaining compliance of all appropriate documents. At minimum, those benefits available for pre-tax payments/contributions shall include certain employee-paid insurance premiums, Health Savings Accounts, as well as general and limited purpose medical and dependent care Flexible Spending Accounts.

Note: It should be assumed that minimal information will be provided by the current administrators in order for the Vendor to assume full administrative and reporting responsibilities in order to continue the compliance of the Plan.

2.4 FSA ADMINISTRATION

Vendor shall establish, administer and service all FSA's, LPFSA's and DCAP's for the benefit of the ASE and PSE members who chose to open one or several of the aforementioned accounts. Among other services, duties of the Administrator shall include:

- A. Ensuring all compliance of the FSA plans listed above.
- B. Providing educational and enrollment materials as to the advantages of having the FSA's listed above.
- C. Educating the enrollment staff as to the advantages of the FSA's listed above.
- D. Providing claims processing to allow for reimbursements via check and/or direct deposit.
- E. Processing and issuance of an electronic payment card (debit card).
- F. Processing contributions to the members' FSA's as listed above.

- G. Providing distribution assistance for the members' FSA's as listed above.
- H. Facilitating access to the FSA funds listed above.
- I. Providing comprehensive customer service for all members.
 - 1. Plan Enrollment and FSA Enrollment Information:

	ASE	PSE
Total Employee Population	43,705	67,835
Total Plan Enrollment	57,796	84,240
Membership/Enrollment information for FSA	2,724	0
Membership/Enrollment Information for LPFSA	25	0
Membership/Enrollment Information for DCAP	176	0

2.5 HSA ADMINISTRATION

- C. Per Act 1135 of the Regular Session of 2015, any ASE or PSE employee who elects coverage on one of the Consumer Driven Health Plan (CDHP) **must** open an HSA account. The intent of the law was to allow for employer as well as employee contributions to the employees HSA account. As of the issuance of this RFP, only the employees of the ASE plan receive any employer contribution. In the future employees on the PSE plan may receive employer contributions to their HSA accounts.
- D. The vendor **shall** be responsible for providing the following HSA administration duties:
 - 1. Ensuring all compliance of the HSA plan.
 - 2. Providing enrollment and educational materials as to the advantages of having a HSA account.
 - 3. Educating the enrollment staff as to the advantages of a HSA.
 - 4. Processing claims to allow for reimbursements via check and direct deposit.
 - 5. Processing and issuance of an electronic payment card (debit card).
 - 6. Processing cash contributions to member's HSA.
 - 7. Providing distribution assistance for member's HSA.
 - 8. Facilitating investment access to HSA funds.
 - 9. Providing comprehensive customer service for all members.
 - 10. Plan HSA Enrollment Information is contained in the following table:

	ASE*	PSE*
Total Employee Population	43,705	67,835
Total Plan Enrollment	57,796	84,240
Current Enrolled HSA Qualified Health Plan	2,779	25,611
Membership/Enrollment Information for HSA	2,234	18,820

**Numbers are Approximations*

- E. EBD has no authority to force, recommend or suggest that any existing Health Savings Account holder move their active HSA account away from their current custodian.
- F. Any current account established with the current Vendor may stay in force at the discretion of the individual account holder.
- G. EBD, the employer, or the State **shall not** make any contributions to previously established accounts nor will they pay any administrative fees associated with those accounts.

- H. The new Vendor **shall** have administrative authority on new accounts established after the effective date of the implementation and any existing account for which the account holder has established a new account for the purpose of facilitating a Custodian-to-Custodian transfer.

2.6 **COBRA ADMINISTRATION**

As outlined in Title XXII of the Public Health Service (PHS) Act, 42 U.S.C. §§ 300bb-1 through 300bb-8, employees who terminate employment may be eligible to continue coverage of certain eligible products for a period of time. Vendor shall be required to provide COBRA Administration for Active and Retired (under age 65) members the following products:

1. Dental.
2. Vision.
3. DCAP.

2.7 **VENDOR QUALIFICATIONS**

- A. Vendor **must** have five (5) years previous experience in; and **must** be currently administering and maintaining the compliance of the following:
1. Section 125 Cafeteria Plans
 2. Flexible Spending Accounts
 3. Limited Purpose Flexible
 4. Spending Accounts
 5. Dependent Care Flexible Spending Accounts
 6. Health Savings Accounts
- B. Currently and has provided COBRA administrative services for a minimum of five (5) years.
- C. Vendor **must** have a minimum of five (5) years of experience working with either State, Federal or Local Public Entities and **must** be capable of serving the needs of a geographically diverse employer population.
- D. Vendor **must** be authorized to conduct business in the State of Arkansas.

2.8 **SYSTEM REQUIREMENTS**

- A. Vendor **must** have a comprehensive administration system capable of full-service administration of the products listed in this RFP.
- B. Vendor **must** have all technical systems, used in the rendering of the services under this RFP, in full operation and production for a minimum of one (1) year prior responding to this RFP. Modifications, enhancements, or system fixes to existing systems will not apply to the one (1) year limitation.
- C. Vendor **shall not** undertake a major conversion for, or related to, the system used to deliver services to the Plan without specific written notice to EBD. This does not apply to any program fixes, modifications, or enhancements. EBD **shall** have the right to reject any proposed conversion.
- D. Vendor **must** facilitate, at their own expense, a single sign-on/Trusted Link between any secure on-line vendor application and the ARBenefits.org secure membership portal. Limited programming and administrative support can be provided by EBD staff.
- E. Vendor **must** have a single secure website/portal for the communication of Cafeteria Plan benefits for a member participating in multiple qualified benefits. Vendor **must** develop a trusted link between the ARBenefits Member page and the vendor website.
- F. Vendor **must** host website and must provide all maintenance.

2.9 **IMPLEMENTATION**

Implementation of services **shall** be in effect prior to open enrollment period.

The Contractor shall begin administrative services and enrollment and education activities as show below. It should be assumed that minimal information will be provided by the current administrators in order for the new vendor to assume full administrative responsibilities and reporting in order to continue the compliance of the Plan.

	Administrative Services Begin	Enrollment & Education Activities
PSE	January 1, 2016	September 2015
ASE	January 1, 2016	October 2015

The vendor **shall** begin administrative services on January 1, 2016 with enrollment and education activities taking place no earlier than July 1, 2015.

Within one (1) week of contract award, Vendor **shall** provide contact information for specific staff that are responsible for implementation, operations, claims, accounting, and privacy/security Information. At a minimum, contact information shall include the following:

- Name.
- Title.
- Telephone.
- Fax.
- Email.

2.10 LITIGATION

Vendor's technical proposal **must** include a statement disclosing whether or not the vendor is involved in any litigation, either criminal or civil, and any petitions for bankruptcy that could affect this contract.

2.11 SUBCONTRACTORS

A. If any part of the work is to be outsourced and/or subcontracted (including such entities as the HSA custodian, debit card processor and debit card issuing bank), vendor's technical proposal **must** include a list of subcontractors. EBD **shall** have the right to refuse the choice of any subcontractor that the vendor proposes. The following information should be provided for each proposed subcontractor.

1. Name and address of the subcontractor.
2. Complete scope of work to be performed by the subcontractor.
3. Organizational relationship to vendor.
4. Descriptive information concerning subcontractor's organizational activities.

B. The HIPAA compliant business associate agreement with the Sub-Vendor **must** be provided to EBD for our records within 30 days of contract award.

C. Vendor **shall not** outsource any services, including Customer Service, account processing, or data storage, to entities, either subcontractors or wholly-owned subsidiaries of Vendor, that are located outside the continental United States.

2.12 TRANSPARENT ADMINISTRATION

A. Vendor **must** provide transparent administration of the Plans as determined by EBD.

B. At a minimum, transparent administration **shall** mean that all administration and reimbursement practices, policies, and procedures **shall** be open to inspection and audit by EBD or their authorized representative. Any information requested by EBD **must** be provided within three (3) business days of request.

2.13 DATA SHARING

A. Vendor **shall** utilize the secure email service as defined by EBD.

- B. Vendor **shall** utilize secure file transfer protocol as defined by EBD.
- C. Vendor **shall** allow EBD to test website structure, pages, and review content for usability as determined by EBD; usability concerns must be resolved within two (2) business days.
- D. All data, records, files and other information relating to the Plans are the property of EBD and **must** be released to EBD within of seven (7) days if the contract is terminated. Information **must** be provided to EBD in both electronic and printed format. Electronic format **shall** mean both electronic images of paper documentation and data extract.

2.14 **CUSTOMER SERVICE**

- A. Vendor **must** coordinate all communications to members through the EBD Communications Manager.
- B. Vendor **shall** provide all labor, equipment, facilities, supplies, and other goods/services in order to provide EBD and our members with quality administrative services.
- C. At minimum, Vendor **must** provide members with toll-free access to trained customer service representatives.
- D. Service **must** be from 8:00 a.m. – 6:00 p.m. Central Time, Monday through Friday, excluding State holidays.
- E. Staff **shall** be available during lunch time, i.e., 11:00 A.M.-1:00 P.M. Central Time.
- F. Call Center **must** have the ability to record, retrieve, and archive telephone calls, including calls regarding enrollment and change in status applications.
- G. Call Center representatives **must** speak English.
- H. Option for On-Site Customer Service Representatives: Vendor **shall** provide an option for an On-site Customer Service Representative. Should EBD choose to use this option, the following requirements **must** be adhered to:

At minimum, On-site customer service representative:

- 1. **Shall** be physically located on-site at EBD's offices located in Little Rock, Arkansas.
- 2. **Shall** undergo a background check before providing services under this contract and before gaining access to member data. Vendor **shall** be responsible for the cost of background check and **must** provide a copy of the report to EBD. EBD **shall** have the right to require vendor to replace representative based on the information contained in the report.
- 3. **Shall** be able to answer questions regarding administration, claims, plan document, and legal issues pertaining to the HSA and the Cafeteria plans from EBD and members.
- 4. **Shall** comply with applicable EBD security, policies, work hours, State holidays, etc.
- 5. Vendor **must** provide pricing for an On-site Representative on Table 2 of Official Pricing Sheet.
- 6. The On-site Representative **must** be approved by EBD.
- 7. EBD **shall** have the right to require the On-site Representative be replaced and the Vendor must remove the On-site Representative from State's property immediately. The vendor **shall** replace the On-site Representative with someone of equal or greater qualifications without any disruption in daily operations.
- 8. EBD **shall** have the right to meet any personnel assigned by the Vendor to this project and to recommend and/or require reassignment of personnel deemed unsatisfactory by EBD.

9. EBD **shall** have right to request and/or require that any member of the Vendor's team with direct access to EBD or our membership be removed from our account.

2.15 ENROLLMENT SERVICES

- A. Prior to Open Enrollment, Vendor **must** provide education and enrollment materials and training to EBD staff and other designated parties. EBD staff **shall not** be responsible for member education or enrollment. However, it is important for our employees to understand the regulatory and administrative aspect of the Plans.
- B. There **shall** be an approximated twenty (20) open enrollment meetings scheduled over a sixty (60) day period. Vendor must be prepared to attend multiple meetings in various regions of the State during the open enrollment period of each year to assist the enrollment representatives in member education.
- C. Vendor **must** design, produce and deliver member-orientated education and enrollment material which communicate both the Plan's benefits and the enrollment process per EBD specifications or approval.
- D. Information may include payroll stuffers, pre-enrollment newsletters, and an enrollment booklet. Material **must** be available and provided to members no later than one (1) week prior to Open Enrollment. If requested by EBD, the Vendor **must** provide materials in Spanish.
- E. Concessions **shall** be made for Plan design changes that occur within forty-five (45) days of Open Enrollment.

NOTE: All printing as defined in A.C.A. §19-11-222(b)(1) (see definition of printing below), which is the responsibility of the vendor, **must** be awarded to the lowest responsible vendor in order to comply with Amendment 54 and Arkansas Procurement Law. Vendor **must** maintain copies of bid documents in accordance with State record retention requirements.

Definition of Printing: "Printing" means the process of transferring images, by the use of standard industrial type printer ink, upon documents such as letterhead, envelopes, pamphlets, booklets, and forms.

- F. Vendor **must** provide materials for enrolling newly hired employees by providing sufficient "New Employee" enrollment packets to State Agencies and Schools. At minimum, packet **must** include information regarding:
- Eligibility rules.
 - Enrollment procedures.
 - How to access customer service representatives.
 - Additional resources as deemed necessary

2.16 CLAIMS PAYMENTS

Vendor **must** administer Claims Payment by providing the following:

- A. A 24-hour turnaround time for processing of faxed and online reimbursement assuming that such claim is valid, qualified, and eligible for reimbursement. EBD **shall** have the right of final determination of processing times.
- B. All ineligible, suspended, or pended claims which are not processed **shall** be communicated to the member within three (3) business days of receipt by the Vendor.
- C. At minimum, the communication **must** include the following information:
- Claim amount.
 - Date or service of claim.
 - Reason for not paying.
- D. Communication **must** be provided according to member's preferred method of communication which **shall** include telephone, fax, mail, web portal, mobile app or email.

- E. Claims **shall** be paid in accordance with established EBD procedures, policies, and practices as it relates to funding, check processing, payroll off-sets for non-eligible debit card transactions, etc. EBD **shall** have the right to adjust these practices on an as needed basis.
- F. Vendor **must** provide an Electronic Payment (Debit) Card on a major card processing platform that is Inventory Information Approval Systems (IIAS) compliant.
- G. Vendor **must** be able to provide claims payment via check or direct deposit.

2.17 REQUIRED MEETINGS

- A. Vendor **shall** meet regularly with EBD and/or the Arkansas State and Public School Life and Health Insurance Board to report on the general progress of the services and the interaction with our members. These meetings **shall** take place in person at a location designated by EBD or via telephone and/or video conferencing and **shall** occur as follows:
 - 1. During implementation and the first year after implementation, meetings **shall** be on a weekly basis or as requested by EBD.
 - 2. After the first year following implementation of this contract, meetings **shall** be on a monthly basis or as requested by EBD.
 - 3. The Vendor **shall** be given a minimum of 72-hours' notice prior to EBD's determined meeting time and place.

2.18 ADMINISTRATIVE AND EXECUTIVE SUPPORT

- A. Vendor **must** assign a Dedicated Account Manager located within the greater Little Rock area to oversee all matters arising in the administration and management of the FSA, HSA and Cafeteria plans. The account manager **must** have written authorization from the Vendor to :
 - 1. Work with EBD on the administration of the program.
 - 2. Make final decisions on all claims, programmatic or administrative issues, arising from the operation of the programs.
- B. Vendor **must** provide immediate written notification to EBD of any changes to vendor representatives, management, or ownership.
- C. Vendor **must** disclose in technical proposal and throughout the term of the contract of any potential conflict of interest which may impact Vendors ability to effectively honor the terms of this contract. Such conflicts may include but are not necessarily limited to:
 - 1. Contracting with an entity which directly conflicts with this contract;
 - 2. Entering into a financial arrangement which may hinder Vendors ability to perform the services listed in this contract.

2.19 INVOICE REQUIREMENTS

- A. Vendor **must** provide separate invoices for the ASE and PSE plans on a monthly basis. The timeline for submitting the invoices, as well as the invoice format, shall be determined by EBD.
- B. Invoices **must** be on vendor letterhead.
- C. At minimum, the following information **must** be included on invoices:
 - 1. Name and contact information for Vendor.
 - 2. Payment instructions including bank routing number and account number.
 - 3. Date of invoice billing period.

2.20 ACCOUNTING REQUIREMENTS

- A. Vendor **must** be able to provide separate monthly, quarterly, and year-end reporting for all FSA and HSA plans as determined by EBD.
- B. EBD may require vendor to provide adhoc reporting during the period of the State Fiscal Year End. Those requirements **shall** be established based on the needs of EBD and may vary from year to year according to requirements placed on EBD by various State or Legislative entities.

Note: The State's fiscal year end is June 30th. However the year end for the plans described in this RFP is December 31st.

- C. Vendor **shall** provide a Summary Report of Claims to EBD in a timeframe specified by EBD. At minimum reports must contain:
 - Member name.
 - Member ID.
 - Amount of claim.
 - Date of service of claim.
- D. Vendor **must** provide a monthly pay-back report for nonqualified debit card transactions.
- E. Vendor **must** have their own bank account dedicated to make all FSA and HSA payments.

2.21 AUDIT REQUIREMENTS

- A. Audits **shall** be conducted by EBD, EBD's chosen representative, or by legislative audit.
- B. Vendor **shall** make available all applicable records to EBD or to their representatives. Records must be available electronically via the task system, which is a secure email account.
- C. If data is too large to be sent via the task system, vendor **shall** transport information via FTP site at EBD's determination.
- D. Vendor **shall** abide by the audit timeline specified by EBD.
- E. Vendor **shall** guarantee to EBD or its appointees the right to reasonable inspection of facilities, equipment, and system support operations to ensure the continued ability of the vendor to support the Plans.
- F. Failure to comply with a reasonable request to inspect **shall** result in damages.
- G. Failure to respond to a finding from an inspection within 30 calendar days **shall** result in damages.

2.22 COMPLIANCE, PRIVACY AND SECURITY REQUIREMENTS

- A. Prior to award, vendor **shall** complete and sign the business associate agreement posted with the RFP. See attachment A.
- B. Vendor employees and representatives **shall** complete the system confidentiality agreement prior to implementation, prior to performing any work on this contract, or prior to accessing any member's information. See attachment B.
- C. Vendor and any subcontractor(s) it uses **shall** provide evidence that the data systems it utilizes to transmit and warehouse any member information is SAS-70 level ii and/or SSAE-16 compliant.

Note: Vendor **shall** provide this evidence with the bid submission

- D. Vendor **must** have the capability to remove or mask all but the last four (4) digits of a member's social security numbers (SSN) from any printed report, letter or other form of communication.
- E. Vendor **must** have the capability to use an alternative member identification number (non SSN) for communication and reporting. Alternate identification number **shall** be mutually agreed upon by vendor and EBD, with final determination to be made by EBD.

- F. Vendor **shall** not use, sell, or otherwise disclose any employee or plan information to an outside party unless specifically provided in order to comply with the requirements and operations of the plan. Any disclosure of this information **shall** be subject to the written approval of EBD.
- G. Vendor **shall** comply with HIPAA and other federal and/or state mandates to include privacy, security and electronic data transfer requirements.
- H. Vendor **shall** notify EBD of any suspected security breaches within 48 hours of suspected breach.
- I. If requested by EBD, Vendor **shall** provide information regarding any training provided to Vendor's staff pertaining to Internal Revenue Code Sections, ADA, HIPAA and other regulatory issues/laws. This should contain the following:
 - 1. Staff's qualifications.
 - 2. Training.
 - 3. Certifications.
 - 4. Any other pertinent information as determined by EBD.
- J. Vendor's current and future employees assigned to this account **must** attend HIPAA training prior to performing work on this account or accessing plan records.
- K. Vendor **shall** be liable for any penalty or interest payable to the Internal Revenue Service or Arkansas Department of Finance and Administration assessed against EBD or the Plan if the penalty or interest is the result of information or services provided by, or not provided by, the Vendor.

2.23 PERFORMANCE STANDARDS

Vendor **must** comply with performance standards. Examples provided in Performance Standards (Attachment C) are provided for illustrative purposes only and may be expanded or negotiated at EBD's discretion prior to contract award or when adding or removing services.

2.24 REQUIREMENTS SPECIFIC TO THE CAFETERIA PLAN

At minimum, administration of ARCap **shall** include the following qualified benefits:

- 1. Insurance Premiums, including health, life, and qualified supplemental products.
- 2. Flexible Spending Account – General and Limited Purpose.
- 3. Dependent Care Flexible Spending Account.
- 4. Health Savings Account.

2.25 PAYROLL REQUIREMENTS

- A. Vendor **must** provide payroll Interface for the transfer of information to and from the Arkansas Administrative Statewide Information System (AASIS) payroll system.
- B. Vendor **must** process various and multiple payroll files to reconcile established deductions/elections in a timely manner. Files can be provided electronically or in paper format. Process, timeline, and procedures shall be negotiated between the vendor and EBD with final determination made by EBD should negotiations fail. Failure to comply with established guideline for payroll processing **shall** result in damages.

2.26 PLAN DOCUMENT

Vendor **must** provide a compliant and comprehensive Plan Document to EBD prior to the Plan Effective Date and prior to the effective date of any applicable Plan change that would necessitate a Plan Document amendment or edited restatement.

2.27 PROGRAM REQUIREMENTS

- A. Vendor **must** process all appropriately completed Family Status Change (FSC) requests as follows:
 - 1. All correctly completed FSC requests received by the administrator at least ten (10) days before the last day of the month **shall** be processed as of the first day of the following month.

2. Requests received in the last ten (10) days of the month **shall** be processed as of the first day of the second month following receipt by the administrator. For example; a request received on April 26th shall be processed for June 1st.
 3. FSC requests with incomplete information must be returned to the member or agency within five (5) business days of vendor's receipt.
- B. Vendor must remit a correct Benefits Confirmation Notice to customers experiencing an approved Change in Status (CIS):
1. Within fifteen (15) days of receipt of a processable CIS form, if the form is received by the administrator at least ten (10) days before the last day of the month.
 2. Within five (5) business days following the effective date of the CIS if the processable CIS is received in the last ten (10) days of the month.
- C. Vendor must modify the Plan Design based upon the EBD's needs, desires, utilization results revenues, and/or surplus funds as directed by the EBD. Administrator **must** complete the Plan design and redesign process no later than three (3) months before the beginning of the Plan Year.
- D. Vendor **must** implement specific procedures to ensure adherence to and appropriate reporting for the Performance Standards.
- E. Vendor **shall** process pending claims, including follow-up with members, in order to obtain information applicable to claims, screening of claims to avoid duplicate payments, and maintain procedures to assure consistency of claims payment in accordance with the Plan.
- F. Vendor **must** routinely review the overall effectiveness of the Plan to provide EBD with consultation and recommendations regarding Plan design and/or administrative adjustments.
- G. Vendor **must** establish, with EBD's assistance, procedures for submitting documentation and change requests for approval. Procedures **must** be provided to individual agency representatives along with eligible changes allowed by applicable law.

2.28 ELIGIBILITY AND TESTING FOR THE CAFETERIA PLAN

Vendor **must** administer Eligibility and Testing by providing, the following:

- A. Processing enrollment additions, changes, and deletions correctly and in accordance with applicable laws as they relate to the qualified benefits under the ARCap.
- B. Performing all non-discrimination and other testing as required by applicable law and reporting such findings to the EBD.
- C. Making corrections and/or providing recommendations regarding any failed test.

2.29 REPORTING REQUIREMENTS FOR THE PLANS

Vendor **shall** supply EBD with reports that accurately reflect the activity of the Plan in a format recommended by the Vendor, but approved by EBD.

2.30 ANNUAL REPORTS

- A. Vendor **must** provide a detailed annual report to EBD on May 1st.
- B. The Account Manager for the Plans **shall** present the detailed annual report in electronic format, to EBD's management staff.
- C. The Account Manager **shall** make the presentation in person, at a location determined by EBD.
- D. The annual report **shall** summarize the operations of the vendor and their performance/administration of the Plan.

- E. Vendor **must** indicate any failure to comply with performance standards and indicate applicable damages or IRS assessed penalties.

2.31 QUARTERLY REPORTS

- A. Vendor **must** provide EBD with quarterly reports summarizing the performance of the Plans, the satisfaction of the membership, and any other relevant information.
- B. Quarterly reports **must** be provided no later than forty-five (45) days after the end of the quarter.
- C. The Account Manager for the Plans **shall** present the detailed quarterly report in electronic format, to EBD's management staff.
- D. The Account Manager **shall** make the presentation in person if requested by EBD at a location determined by EBD.
- E. Vendor **must** acknowledge receipt and provide timeline for answers to all requests from EBD for additional information within a 24-hour period via email or task system.

2.32 ADDITIONAL REQUIREMENTS SPECIFIC TO THE FSA, LPFSA, DCAP AND HSA

- A. Vendor **shall** provide for facilitation of Electronic Payment Card on major card processing platform with integration to vendor's Inventory Information Approval Systems (IIAS).
- B. Vendor **must** accept enrollment information in a method acceptable to EBD, with technical details to be determined after award of the contract.
- C. Vendor **must** process all enrollment and demographic changes within three (3) days.
- D. Vendor **must** implement procedures to ensure adherence to and appropriate reporting for the Performance Standards.
- E. Vendor **must** ensure that all member FSA and HSA accounts are FDIC insured
- F. The Vendor **shall** provide Eligibility and Testing. Vendor **must** process enrollment additions, changes, and deletions correctly and in accordance with applicable law as they relate to the qualified or non-qualified benefits administered under this account
- G. Vendor **shall** be responsible for the administration of individually owned Health Savings Accounts for both State and Public School employees that have separated employment with their respective employer for any reason. The HSA's **must** still have investment options after account amounts reach certain levels.

Note: Any fees to administer the account **shall** be between vendor and the individual account holder and **shall not** be the responsibility of EBD.

- H. Vendor **must** establish, with EBD's assistance, procedures for submitting documentation and change requests to the vendor for approval. Procedures **must** be provided to individual agency representatives along with eligible changes allowed by applicable law.
- I. Vendor **must** certify, if requested by the account holder, that certain expenses are deemed as "Qualified" under applicable law and therefore eligible for a tax-free distribution.
- J. Vendor **must** assume liability to the individual account holder for miscommunication or erroneous information provided by the Vendor dealing with the individual HSA. Any corrective actions resulting from miscommunications or erroneous information **must** be approved by EBD.
- K. The vendor **shall** provide a copy of its most recent IT Audit with an auditor opinion, auditor testing and results.
- L. The vendor **shall** perform such an IT audit on an annual basis.

SECTION 2 - VENDOR'S ACKNOWLEDGMENT AND SIGNATURE

- Vendor **must** sign and submit this page with their Technical Proposal. See bid solicitation document for additional information and instructions.
- Failure of vendor to sign and submit this page with their technical proposal **shall** cause the vendor's proposal to be rejected.
- Any requested exceptions to NON-mandatory items listed in this section **must** be declared below or as an attachment to this page. Vendor **must** clearly explain the requested exception, and should label the request in such a manner so as to reference the numbering system of the section.
- Exceptions to requirements **shall** cause the vendor's proposal to be rejected.

By signature below, vendor acknowledges, affirms, agrees to and **shall** fully comply with all requirements as shown in this section of the RFP.

*Authorized Signature: _____ Title: _____
Printed/Typed Name: _____ Date: _____

SECTION 3 - INFORMATION FOR EVALUATION

- **Do not** edit this document to include vendor's response.
- Address each item listed in this Section.
- Answer each question in the order it was written.
- Label responses in a manner so as to reference the numbering system of this section.

3.1 CORPORATE BACKGROUND GENERAL INFORMATION

**Maximum
RAW
Score
Available**

- | | | |
|----|---|---|
| A. | Provide an executive summary detailing your understanding of the services to be rendered, responsibilities of the vendor, and all other relevant information pertaining to the services described in this RFP. Such executive summary should be no more than three (3) pages in length. | 5 |
| B. | Provide a statement of differentiation that distinguishes both the product and services you provide from other companies providing the same. | 5 |
| C. | Do you own an interest or contract with any operation located outside the continental United States? If so, please detail the nature of the relationship. | 5 |
| D. | What is your overall client retention rate? Over the past two years, what percentage of your total book of business have you lost? | 5 |
| E. | What other entities do you own or have a financial interest in that would receive compensation as a result of your company being awarded this RFP? | 5 |
| F. | Will you make any fees off the FSA/HSA card transactions? If so how much? Is this standard within the industry? | 5 |
| G. | Do you charge a fee to close an account should the account holder terminate employment for any reason? If so who pays the charge? | 5 |
| H. | Provide a detailed implementation schedule. At minimum, include the following information: | |
| | 1. List of employees to be involved; | |
| | 2. Data requirements; | 5 |
| | 3. Suggested methods for data migration; | |
| | 4. Timelines for implementation; and | |
| | 5. Member education. | |
| I. | <u>Corporate Background:</u> | |
| | Provide the following information: | |
| | 1. Address of Corporate Office. | |
| | 2. Address of Sales/Support office that will be responsible for working with EBD. | 5 |
| | 3. Organizational Chart. | |
| | 4. Number of years in this type of business. | |
| | 5. Corporate Structure and ownership. | |
| | 6. Information regarding professional/industry association memberships. | |

7. Co-owned ventures that may be considered a conflict of interest.
8. Audited financial statements for the past three (3) years or if unable to submit audited financial statements, submit other financial documentation that reflects the financial condition of the vendor. Financial statements should be submitted in electronic format.
9. Provide a statement expressing the percentage of company revenue which comes from services similar to those described in this RFP.

3.2 **STAFFING AND QUALIFICATIONS**

- | | |
|---|---|
| A. How many staff do you have available to handle this account? | 5 |
| B. How many years of experience does your senior staff have in working with accounts similar to this plan? | 5 |
| C. Provide a detailed explanation of your capability of servicing a geographically diverse employer population. | 5 |
| D. Provide a description of your experience coordinating the development, implementation, and management of a plan that is comparable in size and scope as defined within this RFP. | 5 |

3.3 **DISASTER RECOVERY AND SECURITY**

- | | |
|---|---|
| A. Provide a detailed copy of your emergency operations plan. This information should be submitted in electronic format. At minimum include: | 5 |
| 1. A detailed disaster recovery plan. | |
| 2. A detailed business continuity plan. | |
| B. Provide copies of your Privacy, Security, and Breach Notification Policies and Procedures. This information may be provided in electronic format. | 5 |
| C. Provide a detailed explanation of insurance, bonding, and guarantees offered in the event of issues caused by loss of operations due to an emergency or disaster. This information should be submitted in electronic format. | 5 |
| D. Provide a detailed description of any breaches, complaints or grievances with regards to protected health information (e.g., security or privacy) for your complete book of business. At minimum include: | 5 |
| 1. Event date and description. | |
| 2. Resolution or ongoing details. | |
| E. Provide a copy of your most recent IT Audit with an auditor opinion, auditor testing and results. | 5 |
| F. Provide a detailed description of any event where your employee(s) willfully committed acts that compromised member information, regardless of whether it is Personal Health Information PHI or not. | 5 |
| G. Do you provide Cyber Liability Insurance? (First party, third party or both) | 5 |
| H. Provide a detailed description of your HIPAA policies, procedures, and training. | 5 |
| I. Provide a detailed description of internal security policies, procedures, practices and system utilities to protect plan members' Social Security Numbers and other elements of personal information from Vendor's employees who do not have a valid "need to know". | 5 |
| J. Provide a detailed description of training provided to your staff pertaining to Internal Revenue Code Sections, ADA, HIPAA and other regulatory issues/laws. | 5 |

3.4 **SECTION 125 CAFETERIA PLAN AND CORESPONDING DOCUMENTS**

- | | | |
|----|--|---|
| A. | Provide a sample Summary Plan Description, Plan Document and other similar documentation. This information should be submitted electronically. | 5 |
| B. | How has the Affordable Care Act affected the language of these documents? | 5 |
| C. | How often do you update the documents? | 5 |

3.5 **MEMBER COMMUNICATIONS AND REPORTS**

- | | | |
|---------------------------------|---|---|
| A. | Provide electronic samples on CD of Plan members' communication pieces (in addition to enrollment material) used to communicate the benefits of the Program, to include a video (one minute or less) explanation for each product included in this RFP. | 5 |
| B. | Provide a detailed description and recent samples of any communication provided to employer plan sponsors to educate them on regulatory changes. This information should be provided in electronic format on CD. | 5 |
| C. <u>Report Samples</u> | | |
| 1. | Provide examples and descriptions of all available reports. This information should be provided in electronic format. | 5 |
| 2. | Provide a specific list, frequency of report generation and a sample package of your standard reports that will be provided at no additional charge. | 5 |
| 3. | Provide a detailed description of the process to request ad hoc reports including an estimated timeline for delivery. | 5 |
| 4. | Provide a description of the different options members will have for the delivery of end-of-year statements showing member's account balance. | 5 |
| 5. | Provide an example of a member's monthly and year-end statement. | 5 |
| 6. | Vendor must provide a sample Plan Documents and/or other similar documentation. This information should be submitted electronically. | 5 |

3.6 **CLAIMS ADMINISTRATION -- CAFETERIA PLAN**

- | | | |
|----|--|---|
| A. | Provide a detailed description of your claims adjudication, customer service, call tracking, software systems. In particular, address automated and manual checks for non-eligible expenses. | 5 |
| B. | Describe your system for monitoring claims administration performance. | 5 |
| C. | Provide the percentage of claims related member complaints received, at minimum include: | |
| 1. | Average length of time for your response. | 5 |
| 2. | Types of complaints. | |
| 3. | Steps taken for resolution. | |
| D. | Provide the percentage of claims that were suspended for any reason in 2013 or 2014? Provide the top three reasons for suspension of claims. (Formula: total number of suspended claims divided by total number of claims in sample) | 5 |
| E. | Provide a detailed description of the different ways a member can submit a claim. | 5 |
| F. | Provide details on facility location(s) where claims are processed and paid. | 5 |
| G. | Provide a detailed description of the methods used to process pending claims, including the following: | 5 |
| 1. | Follow-up with members, in order to obtain information applicable to claims. | |

2. Screening of claims to avoid duplicate payments.
3. Procedures to assure consistency of claims payment in accordance with the Plan.
- H. Provide a detailed description of how members may view submitted claims on-line. 5
- I. Provide a detailed description of how members may receive a real-time account balance and claims detail information:
 1. Online. 5
 2. By an automated phone system/IVR.
 3. By contacting the customer service representative.
- J. In your experience, what has been the best method to facilitate the collection of funds from a large employer in order for you to pay claims? 5
- K. Provide a detailed description of how deductions are managed for members who are on FMLA and/or LWOP. 5
- L. Describe in detail, the claims denial and grievance procedures. Provide a sample claims denial statement/letter. 5
- M. Describe your capabilities of processing a large number of claims in a timely manner. Include a description of any time-saving technological approaches. 5
- N. How many claims did your company process during 2014? 5
- O. Describe how you administer a Claims Grace Period. 5
- P. Describe in detail what banking information is needed for implementation/transition. 5
- Q. Provide a detailed description of how claims are submitted using the following methods:
 1. Mobile application (i.e., iPhone or Android application), 5
 2. Uploaded to a website, and 5
 3. FAX and/or paper 5
- R. Describe in detail your preferred approach to request supporting documentation from a member. Include suggestions for final collection from employee payroll with understanding that EBD would determine payroll adjustments to be the collection method of last resort. 5

3.7 COBRA ADMINISTRATION

- A. Provide a detailed statement expressing your understanding of “comprehensive COBRA administrative services”. 5
- B. Provide a sample COBRA letter and any other relevant information. 5

3.8 PAYROLL PROCESSING / RECONCILIATION / STATUS CHANGES

- A. Provide a detailed description of the methods used to process various and multiple payroll files to reconcile established deductions/elections in a timely manner, including processes used for files received electronically or in paper format. 5
- B. Provide a detailed description of your proposed methods for submission of documentation and change requests by members for approval. 5

3.9 CUSTOMER SERVICE

- A. Provide a sample login for evaluation or detailed color printed screenshots and a description of layout and purpose of single secure website/portal. 5

- B.** Describe your capability to track and report on customer service calls including information regarding the following:
 - 1. Are customer service calls recorded? 5
 - 2. Average hold time.
 - 3. Average abandonment rates.
- C.** Describe in detail your customer service call issue escalation procedure. 5
- D.** What is the average tenure of your customer service staff? 5
- E.** Provide a detailed description of pre-employment screening for your customer service staff, including information on if and when criminal background checks are performed. 5
- F.** Describe the training procedure for your customer service staff. 5
- G.** How many of your customer service representatives speak Spanish? 5
- H.** Provide detailed information regarding your customer service team who will have direct contact with the members. Describe in detail the assistance and forms that are provided to an account holder specifically relating to end-of-year tax filing. Include information regarding the following:
 - 1. Tax Forms 8889, 1099-SA, 5498-SA 5
- I.** Provide a detailed description of member's access to an on-line account to view transactions, claims status, allocate investments, or initiate a withdrawal? 5
- J.** At minimum, provide the following information pertaining to how your customer service department is staffed.
 - 1. Number of shifts that will cover hours of operation. 5
 - 2. Number of employees per shift, and
 - 3. Will staff be available during lunch time, i.e., 11:00 A.M.-1:00 P.M. Central Time?

3.10 FSA, LPFSA, DCAP AND HSA ADMINISTRATION

- A.** Describe in detail the contractual relationship with your Custodian/Trustee. 5
- B.** Provide a sample of the following documents. This should be submitted in electronic format.
 - A.** Account application.
 - B.** Agreement.
 - C.** Beneficiary designation form. 5
 - D.** Debit card application.
 - E.** Marketing / educational material.
 - F.** All other information currently provided to prospective account holders.
- C.** What is the current interest rate paid on your HSA account? Is this rate determined by the activity of a specific mutual fund/money market account or established solely by the custodian/trustee? 5
- D.** Are all HSA accounts FDIC insured? If they are not FDIC insured, describe any issues that could arise from not being FDIC insured. 5
- E.** Can the membership select multiple custodians and still maintain the services of the Vendor for comprehensive HSA administration? 5
- F.** Provide details on the different fund investments that your plan offers. Include information 5

regarding the following:

1. Investment options.
 2. Limitations.
 3. Restrictions.
 4. Communication material and all other relevant information.
 5. Custom investment options, pre-established investment models, or other.
- G.** Do you receive any compensation from your custodian/trustee? If so please detail the amount of the compensation and how that compares to what similar Vendors receive. 5
- H.** How many active accounts do you currently support? Indicate only actively managed accounts, do not include the account total for the custodian or other administrators using the same HSA administration system. 5
- I.** What is your member's average account balance over an annual period? 5
- J.** Describe the method of handling liability for individual account holder for miscommunication or erroneous information dealing with the individual HSA. 5
- K.** Describe any major systems conversion that has occurred within the past two (2) years or any plans for future major system conversions. 5
- L.** Describe the process to request enhancements to your administration system and or website based on non-standard benefit design. What is the average turn-around for system / web changes? 5
- M.** What steps do you follow to ensure proper implementation? 5

3.11 REPORTS – HSA

The following information should be provided in electronic format.

- A.** Provide examples and descriptions of all available reports. 5
- B.** Provide a specific list, frequency of report generation and a sample package of your standard reports which will be provided at no additional charge. 5
- C.** Provide a detailed description of the process to request additional reports not currently available and estimated timeline to delivery. 5
- D.** Provide a description of how end-of-year statements showing member's account balance are provided to the member. 5
- E.** Provide a copy of a member's monthly statement of all activity. 5

3.12 CLAIMS ADMINISTRATION -- HSA

- A.** Provide a detailed description of your claims submission process, customer service, call tracking, and software systems, particularly addressing automated and manual checks for non-eligible expenses. 5
- B.** Provide a detailed description of how members may electronically store receipts and supporting documentation on-line to support distributions from the HSA. Include the following information: 5
1. The length of time images are stored in your system.
 2. A description of how and when images are archived.
- C.** Provide the percentage of claims related member complaints received. At minimum, include the 5

following information:

1. Average length of time for your response.
2. Types of complaints.
3. Steps taken for resolution.

- D.** Provide a detailed description of how members may view claims information and an accurate account balance using the following methods:

1. Member website.
2. Automated phone system/IVR.
3. By contacting the customer service representative.

5

- E.** Provide a detailed description of how claims may be submitted using the following methods:

1. Mobile application (i.e., iPhone, iPad, or Android application).
2. Uploaded to a website.
3. FAX and/or paper.

5

3.13 DEBIT CARD ADMINISTRATION

- A.** Provide a detailed description of the connection between your card administration platform and claims administration software.

5

- B.** Provide a detailed description of any connection with any merchant who currently support an IIAS.

5

- C.** Provide a detailed description of how your debit card administration system utilizes e-mail for efficient and cost effective member communication.

5

- D.** Provide a detailed description how e-mail notifications are provided to the members regarding the following:

1. Status of debit card transactions.
2. With specific identification dealing with auto-substantiation.
3. Claims submission requirements.
4. Card status.

5

- E.** If a statement is not generally provided as part of your regular administrative practice, provide a written account statement for those members who specifically request that one be mailed to them?

5

- F.** Describe in detail your method to communicate to the membership the following:

1. Process of using the card.
2. Receiving and understanding e-mail notifications.
3. How to contact customer service.

5

- G.** Describe in detail who the member would contact to handle questions regarding the following:

1. Charge-back.
2. Stolen cards.
3. Unauthorized transactions.
4. Other non-typical debit card customer service issues.

5

- H.** Provide information on how the debit card may be customized for employer, including Plan branding.

5

- I.** Provide a sample of your standard debit card front and back. An actual plastic card is preferred; however printed images will also be acceptable.

5

- J.** Provide a detailed description of all auto-substantiation parameters available to the Plan.

5

- | | | |
|-----------|--|---|
| K. | Describe the more common setting for a plan of similar size and employer type. | 5 |
| L. | Describe your process of taking an electronic claims import for medical or pharmacy claims to substantiate debit card transactions or for automatic reimbursement of non-debit card transactions. Include the following information: | |
| | <ol style="list-style-type: none"> 1. Data file specifications. 2. Timing issues. 3. Eligibility concerns. 4. Other relevant information. | 5 |
| M. | Describe the recommended process to facilitate claims offset for non-substantiated debit card transactions. What options are available within your administration system to deviate from your recommended process? | 5 |
| N. | How many times have your cards been offline in the past two years? | 5 |
| O. | Provide a list of fees and amounts card holders may incur (i.e., bank fees, debit card fees, etc.) | 5 |
| P. | Provide a detailed description of any proposed additional performance standards and incentives. | 5 |
| Q. | Provide a detailed description of any restrictions or limitations that may be placed on the distribution of the money at risk. | 5 |
| R. | Can you offer a "one card solution" for multiple accounts? If so how does your card facilitate multiple accounts? | 5 |

3.14 PAYROLL PROCESSING / RECONCILIATION / STATUS CHANGES

- | | | |
|-----------|--|---|
| A. | Provide a detailed description of the procedures used to process various and multiple payroll files to reconcile established deductions/elections in a timely manner, including processes used for files received electronically or in paper format. | 5 |
| B. | Provide a detailed description of in detail your proposed procedures for submission of documentation and change requests by members for approval. | 5 |
| C. | Do you have any additional performance standards in place that exceed the requirements outlined in Section 2 of this RFP? If so please describe in detail which standards exceed those outlined. | 5 |

SECTION 4 – CRITERIA FOR SELECTION

- ***Do not*** provide responses for items in this section.

4.1 GENERAL INFORMATION

- A. After initial qualification of proposals for requirements, technical responses will be evaluated and scored by a committee appointed by the Agency.
- B. Submission of a proposal implies vendor acceptance of the evaluation technique and vendor recognition that subjective judgments **must** be made by the evaluation committee during the assignment of rating points.
- C. Other agencies, consultants, and experts may also examine documents at the discretion of the Agency.

4.2 TECHNICAL PROPOSAL SCORE

- A. Proposals which meet requirements will be scored for technical content.
 1. The Raw Score for the Technical Proposals will be established by using the criteria and scoring specified in Section 3.
 2. Each sub-section in Section 3 has been weighted as shown in the following table. The vendor's weighted score for each sub-section will be determined using the following formula:

$$(A/B)*C = D$$
 - A = Actual raw score for sub-section
 - B = Maximum raw score possible for sub-section
 - C = Maximum weighted score possible for sub-section
 - D = Weighted score received for technical proposal
 3. Weighted scores for sub-sections in Section 3 will be totaled together to determine the overall score for the technical proposal.

Section	B. Maximum Raw Score Possible	Weighted Percentage	C. Maximum Weighted Score Possible*
3.1 Corporate Background General Information	45	2%	12
3.2 Staffing and Qualifications	20	5%	30
3.3 Disaster Recovery and Security	50	5%	30
3.4 Section 125 Cafeteria Plan and Corresponding Documents	15	10%	60
3.5 Member Communications and Reports	40	3%	18
3.6 Claims Administration	100	10%	60
3.7 COBRA Administration	10	5%	30
3.8 Payroll Processing/Reconciliation/Status Change	10	10%	60
3.9 Customer Service	50	5%	30
3.10 FSA, LPFSA, DCAP and HSA Administration	65	10%	60
3.11 Reports-HSA	25	5%	30
3.12 Claims Administration	25	10%	60
3.13 Debit Card Administration	90	10%	60
3.14 Payroll Processing/Reconciliation/Status Change	15	10%	60
Totals	560	100.0%	600

*Note: The maximum weighted score for each sub-section was determined using the following formula:

“Total maximum weighted score possible” (600 pts) x “weighted percentage”.

4.3 **COST PROPOSAL SCORE**

- A. The maximum amount of cost points will be awarded to the vendor with the lowest three year grand total as shown on the official price sheet.
- B. The amount of cost points awarded to the remaining vendors will be allocated by using the following formula:

$$(A/B)*(C) = D$$

A = Lowest Total Cost

B = Second (third, fourth, etc.) Lowest Total Cost

C = Maximum Points for Lowest Total Cost

D = Number cost points scored

4.4 **GRAND TOTAL SCORE**

After the Technical Proposal and Cost Proposal scoring has been completed, the two scores will be added together to determine the Grand Total Score for each vendor. The vendor with the highest Grand Total Score will be selected as the apparent successful vendor. See *Award Criteria*.

	Maximum Points Possible
Technical Proposal	600
Cost Evaluation	400
Maximum Possible Grand Total Score	1000

SECTION 5 – GENERAL CONTRACTUAL REQUIREMENTS

- ***Do not*** provide responses for items, unless specifically required.
- ***Do not*** edit this document to include vendor's response.

5.1 PAYMENT AND INVOICE PROVISIONS

A. All invoices **shall** be forwarded to:

Department of Finance and Administration
Administrative Services
P.O. Box 2485
Little Rock, AR 72203

- B. Payment will be made in accordance with applicable State of Arkansas accounting procedures upon acceptance by the agency.
- C. The State **shall** not be invoiced in advance of delivery and acceptance of any goods or services.
- D. Payment will be made only after the vendor has successfully satisfied the agency as to the reliability and effectiveness of the services purchased as a whole.
- E. The vendor should invoice the agency by an itemized list of charges.
- F. Purchase Order Number and/or Contract Number should be referenced on each invoice.
- G. Selected vendor **must** be registered to receive payment and future RFP notifications. Vendors may register on-line at <https://www.ark.org/vendor/index.html>

5.2 PRIME CONTRACTOR RESPONSIBILITY

The prime contractor will be responsible for the contract and will be the sole point of contact with regard to services and all requirements as specified in this RFP.

5.3 GENERAL INFORMATION

A. The State of Arkansas may not contract with another party:

1. To lease any equipment or software for a period of time which continues past the end of a fiscal year unless the contract allows cancellation by the State Procurement Official upon 30 days written notice whenever there are no funded appropriations for the equipment or software.
2. To indemnify and defend that party for any liability and damages.
3. Upon default, to pay all sums to become due under a contract.
4. To pay damages, legal expenses or other costs and expenses of any party.
5. To continue a contract once the equipment has been repossessed.
6. To conduct litigation in a place other than Pulaski County, Arkansas.
7. To agree to any provision of a contract which violates the laws or constitution of the State of Arkansas.

B. A party wishing to contract with the State of Arkansas should:

1. Remove any language from its contract which grants to it any remedies other than:
 - a. The right to possession.
 - b. The right to accrued payments.

- c. The right to expenses of deinstallation.
 - d. The right to expenses of repair to return the equipment to normal working order, normal wear and tear excluded.
 - e. The right to recover only amounts due at the time of repossession and any unamortized nonrecurring cost as allowed by Arkansas Law.
2. Include in its contract that the laws of the State of Arkansas govern the contract.
 3. Acknowledge that contracts become effective when awarded by the State Procurement Official.
- C. The State of Arkansas may contract with another party:
1. To accept the risk of loss of the equipment or software and pay for any destruction, loss or damage of the equipment or software while the State has such risk, when the extent of liability for such risk is based upon the purchase price of the equipment or software at the time of any loss and the contract has required the State to carry insurance for such risk.
 2. To lease any equipment and/or software past the end of a fiscal year if the contract contains a provision to allow cancellation by the State Procurement Official upon a 30 day written notice to the vendor/lessor in the event funds are not appropriated.

5.4 **CONDITIONS OF CONTRACT**

- A. The vendor **shall** at all times observe and comply with federal and State laws, local laws, ordinances, orders, and regulations existing at the time of or enacted subsequent to the execution of this contract which in any manner affect the completion of the work.
- B. The vendor **shall** indemnify and save harmless the agency and all its officers, representatives, agents, and employees against any claim or liability arising from or based upon the violation of any such law, ordinance, regulation, order or decree by an employee, representative, or subcontractor of the vendor.

5.5 **STATEMENT OF LIABILITY**

- A. The State will demonstrate reasonable care but will not be liable in the event of loss, destruction or theft of vendor-owned equipment or software and technical and business or operations literature to be delivered or to be used in the installation of deliverables and services. The vendor **shall** retain total liability for equipment, software and technical and business or operations literature. At no time will the State be responsible for or accept liability for any vendor-owned items.
- B. The vendor's liability for damages to the State **shall** be limited to the value of the Contract or \$5,000,000, whichever is higher. The foregoing limitation of liability **shall** not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the vendor; to claims covered by other specific provisions of the Contract calling for damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract. Neither the vendor nor the State **shall** be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability **shall** not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the vendor; to claims covered by other specific provisions of the Contract calling for damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract.
- C. Nothing in these terms and conditions **shall** be construed or deemed as the State's waiver of its right of sovereign immunity. The vendor agrees that any claims against the State, whether sounding in tort or in contract, **shall** be brought before the Arkansas Claims Commission as provided by Arkansas law, and **shall** be governed accordingly.

5.6 **RECORD RETENTION**

- A. The vendor **shall** maintain all pertinent financial and accounting records and evidence pertaining to the contract in accordance with generally accepted principles of accounting and as specified by the State of Arkansas Law.

Upon request, access **shall** be granted to State or Federal Government entities or any of their duly authorized representatives.

- B. Financial and accounting records **shall** be made available, upon request, to the State of Arkansas's designee(s) at any time during the contract period and any extension thereof, and for five (5) years from expiration date and final payment on the contract or extension thereof.

5.7 PRICE ESCALATION

Price increases will be considered at the time of extension if the vendor can prove the increase is necessary and is based on an increase in market price. Increases will not be considered to increase profit or margins. Vendors **must** make the request in writing, and appropriate documentation **must** be supplied to support the request.

5.8 CONFIDENTIALITY

- A. The vendor, vendor's subsidiaries, and vendor's employees **shall** be bound to all laws and all RFP requirements concerning the confidentiality and secure handling of information of which they may become aware of during the course of providing services under a resulting contract.

- B. Consistent and/or uncorrected breaches of confidentiality may constitute grounds for cancellation of the contract.

- C. Previous sections of this RFP may contain additional confidentiality requirements.

5.9 CONTRACT INTERPRETATION

In the event of a difference of opinion between agency and the vendor as to the meaning of any provision in these specifications, agency may request clarification, but if agreement cannot be reached the decision of agency **shall** be final and controlling.

5.10 CANCELLATION

In the event the State no longer needs the service or commodity specified in the contract or purchase order due to program changes, changes in laws, rules, or regulations, relocation of offices, or lack of appropriated funding, the State may cancel the contract or purchase order by giving the vendor written notice of such cancellation 30 days prior to the date of cancellation.

SECTION 5 - VENDOR'S ACKNOWLEDGMENT AND SIGNATURE

- Vendor **must** sign and submit this page with their Technical Proposal. See bid solicitation document for additional information and instructions.
- Failure of vendor to sign and submit this page with their technical proposal **shall** cause the vendor's proposal to be rejected.
- Any requested exceptions to NON-mandatory items listed in this section **must** be declared below or as an attachment to this page. Vendor **must** clearly explain the requested exception, and should label the request in such a manner so as to reference the numbering system of the section.
- Exceptions to requirements **shall** cause the vendor's proposal to be rejected.

By signature below, vendor acknowledges, affirms, agrees to and **shall** fully comply with all requirements as shown in this section of the RFP.

*Authorized Signature: _____ Title: _____
Printed/Typed Name: _____ Date: _____

NOTE: Any exceptions taken by the vendor to NON-mandatory items listed in this section **must** be declared below or as an attachment to this page.

SECTION 6 – STANDARD TERMS AND CONDITIONS

- ***Do not provide responses for items in this section.***

1. **GENERAL:** Any special terms and conditions included in this solicitation override these standard terms and conditions. The standard terms and conditions and any special terms and conditions become part of any contract entered into if any or all parts of the bid are accepted by the State of Arkansas.
2. **ACCEPTANCE AND REJECTION:** The State reserves the right to accept or reject all or any part of a bid or any and all bids, to waive minor technicalities, and to award the bid to best serve the interest of the State.
3. **BID SUBMISSION:** Bids **must** be submitted to the Office of State Procurement on this form, with attachments when appropriate, on or before the date and time specified for bid opening. If this form is not used, the bid may be rejected. The bid **must** be typed or printed in ink. The signature **must** be in ink. Unsigned bids will be disqualified. The person signing the bid should show title or authority to bind his firm in a contract. Each bid should be placed in a separate envelope completely and properly identified. Late bids will not be considered under any circumstances.
4. **PRICES:** Bid unit price F.O.B. destination. In case of errors in extension, unit prices **shall** govern. Prices are firm and not subject to escalation unless otherwise specified in the bid invitation. Unless otherwise specified, the bid **must** be firm for acceptance for thirty days from the bid opening date. "Discount from list" bids are not acceptable unless requested in the bid invitation.
5. **QUANTITIES:** Quantities stated in term contracts are estimates only, and are not guaranteed. Bid unit price on the estimated quantity and unit of measure specified. The State may order more or less than the estimated quantity on term contracts. Quantities stated on firm contracts are actual requirements of the ordering agency.
6. **BRAND NAME REFERENCES:** Any catalog brand name or manufacturer's reference used in the bid invitation is descriptive only, not restrictive, and used to indicate the type and quality desired. Bids on brands of like nature and quality will be considered. If bidding on other than referenced specifications, the bid **must** show the manufacturer, brand or trade name, and other descriptions, and should include the manufacturer's illustrations and complete descriptions of the product offered. The State reserves the right to determine whether a substitute offered is equivalent to and meets the standards of the item specified, and the State may require the vendor to supply additional descriptive material. The vendor guarantees that the product offered will meet or exceed specifications identified in this bid invitation. If the vendor takes no exception to specifications or reference data in this bid he will be required to furnish the product according to brand names, numbers, etc., as specified in the invitation.
7. **GUARANTY:** All items bid **shall** be newly manufactured, in first-class condition, latest model and design, including, where applicable, containers suitable for shipment and storage, unless otherwise indicated in the bid invitation. The vendor hereby guarantees that everything furnished hereunder will be free from defects in design, workmanship and material, that if sold by drawing, sample or specification, it will conform thereto and will serve the function for which it was furnished. The vendor further guarantees that if the items furnished hereunder are to be installed by the vendor, such items will function properly when installed. The vendor also guarantees that all applicable laws have been complied with relating to construction, packaging, labeling and registration. The vendor's obligations under this paragraph **shall** survive for a period of one year from the date of delivery, unless otherwise specified herein.
8. **SAMPLES:** Samples or demonstrators, when requested, **must** be furnished free of expense to the state. Each sample should be marked with the vendor's name and address, bid number and item number. If samples are not destroyed during reasonable examination they will be returned at vendor's expense, if requested, within ten days following the opening of bids. All demonstrators will be returned after reasonable examination.
9. **TESTING PROCEDURES FOR SPECIFICATIONS COMPLIANCE:** Tests may be performed on samples or demonstrators submitted with the bid or on samples taken from the regular shipment. In the event products tested fail to meet or exceed all conditions and requirements of the specifications, the cost of the sample used and the reasonable cost of the testing **shall** be borne by the vendor.
10. **AMENDMENTS:** The bid cannot be altered or amended after the bid opening except as permitted by regulation.
11. **TAXES AND TRADE DISCOUNTS:** Do not include state or local sales taxes in the bid price. Trade discounts should be deducted from the unit price and the net price should be shown in the bid.
12. **AWARD:** Term Contract: A contract award will be issued to the successful vendor. It results in a binding obligation without further action by either party. This award does not authorize shipment. Shipment is authorized by the receipt of a purchase order from the ordering agency. Firm Contract: A written state purchase order authorizing shipment will be furnished to the successful vendor.
13. **LENGTH OF CONTRACT:** This solicitation will show the period of time the term contract will be in effect.
14. **DELIVERY ON FIRM CONTRACTS:** This solicitation will show the number of days to place a commodity in the ordering agency's designated location under normal conditions. If the vendor cannot meet the stated delivery, alternate delivery schedules may become a factor in an award. The Office of State Procurement has the right to extend delivery if reasons appear valid. If the date is not acceptable, the agency may buy elsewhere and any additional cost will be borne by the vendor.

- 15. DELIVERY REQUIREMENTS:** No substitutions or cancellations are permitted without written approval of the Office of State Procurement. Delivery **shall** be made during agency work hours only 8:00 a.m. to 4:30 p.m., unless prior approval for other delivery has been obtained from the agency. Packing memoranda **shall** be enclosed with each shipment.
- 16. STORAGE:** The ordering agency is responsible for storage if the contractor delivers within the time required and the agency cannot accept delivery.
- 17. DEFAULT:** All commodities furnished **will** be subject to inspection and acceptance of the ordering agency after delivery. Back orders, default in promised delivery, or failure to meet specifications authorize the Office of State Procurement to cancel this contract or any portion of it and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting contractor. The contractor **must** give written notice to the Office of State Procurement and ordering agency of the reason and the expected delivery date. Consistent failure to meet delivery without a valid reason may cause removal from the vendors list or suspension of eligibility for award.
- 18. VARIATION IN QUANTITY:** The State assumes no liability for commodities produced, processed or shipped in excess of the amount specified on the agency's purchase order.
- 19. INVOICING:** The contractor **shall** be paid upon the completion of all of the following: (1) submission of an original and the specified number of copies of a properly itemized invoice showing the bid and purchase order numbers, where itemized in the invitation for bid, (2) delivery and acceptance of the commodities and (3) proper and legal processing of the invoice by all necessary state agencies. Invoices **must** be sent to the "Invoice To" point shown on the purchase order.
- 20. STATE PROPERTY:** Any specifications, drawings, technical information, dies, cuts, negatives, positives, data or any other commodity furnished to the contractor hereunder or in contemplation hereof or developed by the contractor for use hereunder **shall** remain property of the state, be kept confidential, be used only as expressly authorized and returned at the contractor's expense to the F.O.B. point properly identifying what is being returned.
- 21. PATENTS OR COPYRIGHTS:** The contractor agrees to indemnify and hold the State harmless from all claims, damages and costs including attorneys' fees, arising from infringement of patents or copyrights.
- 22. ASSIGNMENT:** Any contract entered into pursuant to this solicitation is not assignable nor the duties thereunder delegable by either party without the written consent of the other party of the contract.
- 23. OTHER REMEDIES:** In addition to the remedies outlined herein, the contractor and the State have the right to pursue any other remedy permitted by law or in equity.
- 24. CANCELLATION:** If the State cancels this contract for any of the reasons set forth in this RFP any delivered but unpaid for goods will be returned in normal condition to the contractor by the State. If the State is unable to return the commodities in normal condition and there are no funds legally available to pay for the goods, the contractor may file a claim with the Arkansas Claims Commission under the laws and regulations governing the filing of such claims. If upon cancellation the contractor has provided services which the State has accepted, the contractor may file a claim. **NOTHING IN THIS CONTRACT SHALL BE DEEMED A WAIVER OF THE STATE'S RIGHT TO SOVEREIGN IMMUNITY.**
- 25. DISCRIMINATION:** In order to comply with the provision of Act 954 of 1977, relating to unfair employment practices, the vendor agrees that: (a) the vendor **will not** discriminate against any employee or applicant for employment because of race, sex, color, age, religion, handicap, or national origin; (b) in all solicitations or advertisements for employees, the vendor **will** state that all qualified applicants **will** receive consideration without regard to race, color, sex, age, religion, handicap, or national origin; (c) the vendor will furnish such relevant information and reports as requested by the Human Resources Commission for the purpose of determining compliance with the statute; (d) failure of the vendor to comply with the statute, the rules and regulations promulgated thereunder and this nondiscrimination clause **shall** be deemed a breach of contract and it may be cancelled, terminated or suspended in whole or in part; (e) the vendor **will** include the provisions of items (a) through (d) in every subcontract so that such provisions **will** be binding upon such subcontractor or vendor.
- 26. CONTINGENT FEE:** The vendor guarantees that he has not retained a person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies maintained by the vendor for the purpose of securing business.
- 27. ANTITRUST ASSIGNMENT:** As part of the consideration for entering into any contract pursuant to this solicitation, the vendor named on the front of this solicitation, acting herein by the authorized individual or its duly authorized agent, hereby assigns, sells and transfers to the State of Arkansas all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this state for price fixing, which causes of action have accrued prior to the date of this assignment and which relate solely to the particular goods or services purchased or produced by this State pursuant to this contract.
- 28. DISCLOSURE:** Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, **shall** be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy **shall** be subject to all legal remedies available to the agency.

SECTION 6 - VENDOR'S ACKNOWLEDGMENT AND SIGNATURE

- Vendor **must** sign and submit this page with their Technical Proposal. See bid solicitation document for additional information and instructions.
- Failure of vendor to sign and submit this page with their technical proposal **shall** cause the vendor's proposal to be rejected.
- Exceptions to requirements **shall** cause the vendor's proposal to be rejected.

By signature below, vendor acknowledges, affirms, agrees to and **shall** fully comply with all requirements as shown this section of the RFP.

*Authorized Signature: _____ Title: _____

Printed/Typed Name: _____ Date: _____