

## ADDENDUM NO. 1

DATE: June 10, 2020

TO: All Bidders

FROM: Penny Owens, Purchasing Agent

SUBJECT: Addendum No. 1 – Flexible Spending Account and Health Reimbursement Account Administration

RFPs TO BE OPENED: **June 12, 2020, at 11:00:00 a.m. Eastern Time**

This addendum is published to provide responses to questions from potential proposers. This addendum becomes a part of the Contract Documents and modifies the original specifications as noted.

**Question #1:** Is the City currently working with an employee benefits broker/consultant? If so, are you able to share who?

Response: Yes, Willis Towers Watson

**Question #2:** What led the City to this FSA/HRA marketing?

Response: Our contract term is ending.

**Question #3:** What are you looking for in a long-term FSA/HRA partner?

Response: The FSA/HRA partner needs to meet all the conditions outlined in the Scope of Services.

**Question #4:** Out of the 1,305 HRA participants, how many also are enrolled in an FSA?

Response: Please see section III. Background of the RFP.

**Question #5:** Who is currently administering the FSA and HRA administration?

Response: WageWorks/Health Equity

**Question #6:** How do you anticipate the decision making process playing out (i.e. finalist presentations, demos, etc.)?

Response: See Section 7.4 Evaluation of Proposals.

**Question #7:** When is the City targeting to finalize decisions and begin the set-up process with a selected vendor?

Response: The City intends to have the process completed by December 31, 2020 for a January 1, 2021 start date.

**Question #8:** On a scale of 1-10, how motivated is the City to change their FSA/HRA administrator?

Response: The evaluation process will determine if the City changes administrator.

**Question #9:** How will the funding for the claims be managed and are the funds for the FSA and HRA maintained together in one account or two separate accounts?

Response: The current vendor drafts our bank account on a daily basis and they are two separate accounts.

**Question #10:** For direct deposit claims, would we send the direct deposit file to the bank or would the City of Knoxville?

Response: If the question is referring to the reimbursement to the employee, the vendor would direct deposit to the employee's bank.

**Question #11:** Who created the current Plan Documents? The RFP mentions ongoing support of the current plan documents and normally the creator of the documents assists in maintaining them.

Response: WageWorks

**Question #12:** What is the current administrative fee?

Response: The current fee is \$3.50 per employee per month for each active FSA and HRA account.

**Question #13:** Would the City ever entertain voluntary benefits as a part of the FSA plan if it meant the fees could be waived or reduced?

Response: The City already offers voluntary benefits.

**Question #14:** Can you provide us with the contribution amounts for the following products:

- HRA
- FHRA

Response: Please refer to Section III. Background for contribution amounts.

**END OF ADDENDUM NO. 1**