

BID SOLICITATION



City of Chattanooga
101 East 11th Street, Suite G13
Chattanooga, TN 37402

BID OPENING DATE AND TIME:
 29-JAN-20 at 2:00 PM
BID NUMBER: 305752

BUYER:
PHONE #: (423) 643-7230
DELIVERY REQUIRED:

SEALED BIDS
 Mail or submit two (2) signed copies of bid form to this office in the enclosed envelope. Retain one copy for your file.

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A 101 East 11th Street, Suite G13
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Item	Class-Item	Quantity	Unit	Unit Price	Total
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Requisition No.: 193372
 Ordering Dept.: Human Resources
 Buyer: Marisol Hernandez
 Phone No.: 423-643-7235
 Email: Mhernandez@chattanooga.gov

Items Being Purchased: Healthcare and Dependent Daycare FSA Administration

ATTACHMENTS:
 Specifications
 Iran Divestment Act Form
 Affirmative Action Plan
 Appendix A

This Shall Be A Twelve (12) Month Blanket Contract To Supply Flexible Spending Account Administration. The Contract Term May Be Renewed For An Additional Two (2) Twelve (12) Month Terms Under The Same Terms And Conditions By Mutual Agreement. The City Of Chattanooga And The Contractor May Bilaterally Extend The Contract By Providing Written Confirmation Of Agreement By Both Parties At Least 30 Days Prior To The Contract's Current Expiration Date Into Any Successive Term As Provided Herein.

QUANTITIES ARE ESTIMATES ONLY THE CITY OF CHATTANOOGA SHALL GUARANTEE NO MINIMUM OR MAXIMUM AMOUNT PURCHASED DURING THE LIFETIME OF THE CONTRACT.

*** BID MUST BE RECEIVED NO LATER THAN ***
 *** 2:00 PM EST ON January 29, 2020 ***

City of Chattanooga (COC) Terms and Conditions posted on Website
<http://www.chattanooga.gov/purchasing/standard-terms-and-conditions>

If you can't download call buyer for a copy.

NOTE:
 ALL BIDS MUST BE SIGNED
 All bids received are subject to the terms and conditions contained herein and as listed in the above referenced website. The undersigned Bidder acknowledges having received, reviewed, and agrees to be bound to these terms and conditions, unless specific written exceptions are otherwise stated.

The City of Chattanooga reserves the right to reject any and/or all bids, waive any informalities in the bids received, and to accept any bid which in its opinion may be for the best interest of the city.

The City of Chattanooga will be non-discriminatory in the purchase of all goods and services on the basis of race, color, or national origin.

**** NOTE ****

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Item	Class-Item	Quantity	Unit	Unit Price	Total
PLEASE PROVIDE US WITH THE FOLLOWING INFORMATION:					
Company Name _____					
Address _____					
Phone/Toll-Free No. _____					
Fax No. _____					
eMail Address _____					
Contact Person's Name _____					
Estimated Delivery _____					
Minority-Owned Business _____ Small Business _____ Veteran _____					
Minority Woman-Owned Business _____ Disabled Veteran _____					
Woman-Owned Business _____					
**** ALL ITEMS MUST BE QUOTED F.O.B. DESTINATION ****					

NOTE: ALL BIDS RECEIVED ARE SUBJECT TO THE TERMS AND CONDITIONS

The City is Exempt from all Federal and State Tax.
 Bids will be received at the above mentioned address.

TERMS OF PAYMENT: _____

TELEPHONE NUMBER: _____

ALL BIDS MUST BE SIGNED – The undersigned offers the above quoted prices under the conditions contained herein.

COMPANY: _____

SIGNATURE: _____

NAME AND TITLE: _____

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City of Chattanooga
 101 East 11th Street, Suite G13
 Chattanooga, TN 37402

Item	Class-Item	Quantity	Unit	Unit Price	Total
1	Implementation / Set Up Fee (If Any)	1	Each	_____	_____
2	Annual Set-up Fee (If any)		Each	_____	_____
3	Basic Monthly Administration Health Care FSA Fee		Month	_____	_____
4	Basic Monthly Administration Dependent Care FSA Fee		Month	_____	_____
5	Debit Card Fee (If Applicable)		Each	_____	_____
6	Other -Onsite Meetings / Fairs		Each	_____	_____

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COMPANY: _____

TERMS OF PAYMENT: _____

SIGNATURE: _____

TELEPHONE NUMBER: _____

NAME AND TITLE: _____

Chapter No. 817 (HB0261/SB0377). "Iran Divestment Act" enacted.

Vendor Disclosure and Acknowledgement

By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list created pursuant to § 12-12-106.

(SIGNED) _____

(PRINTED NAME) _____

(BUSINESS NAME) _____

(DATE) _____

For more information, please contact the State of Tennessee, Central Procurement Office
<https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/library-/public-information-library.html>

Affirmative Action Plan

The City of Chattanooga is an equal opportunity employer and during the performance of this Contract, the Contractor agrees to abide by the equal opportunity goals of the City of Chattanooga as follows:

1. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, or handicap. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, national origin, or handicap. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
2. The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, or handicap.
3. The Contractor will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding, a notice advising said labor union or workers' representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. During the term of all construction contracts or subcontracts in excess of \$10,000 to be performed for the City of Chattanooga, the following non-discriminatory hiring practices shall be employed to provide employment opportunities for minorities and women:
 - a. All help wanted ads placed in newspapers or other publications shall contain the phrase "Equal Employment Opportunity Employer".
 - b. Seek and maintain contracts with minority groups and human relations organizations as available.
 - c. Encourage present employees to refer qualified minority group and female applicants for employment opportunities.
 - d. Use only recruitment sources which state in writing that they practice equal opportunity. Advise all recruitment sources that qualified minority

group members and women will be sought for consideration for all positions when vacancies occur.

5. Minority statistics are subject to audit by City of Chattanooga staff or other governmental agency.
6. The Contractor agrees to notify the City of Chattanooga of any claim or investigation by State or Federal agencies as to discrimination.

(Signature of Contractor)

(Title and Name of Company)

(Date)

January 15, 2020

Ref. No. RFQ 305752

**PURCHASING DIVISION
101 EAST 11th STREET, STE. G-13
CHATTANOOGA, TENNESSEE 37402
CITY HALL**

Invitation to Bid for the City of Chattanooga, TN

Bids will be received at 101 East 11th Street, Ste. G-13, Chattanooga, TN, 37402, until 2:00 p.m., e.s.t., on Tuesday, January 29, 2020.

Requisition No.: - 193372

Ordering Dept.: Human Resources

Buyer: Marisol Hernandez

Phone No.: 423-643-7235

Fax No.: 423-643-7244

Items Being Purchased:

FLEXIBLE SPENDING ACCOUNT (FSA) ADMINISTRATION for CITY OF CHATTANOOGA.

*****INVITATION TO BID MUST BE RECEIVED*****

NO LATER THAN

2:00 P.M. E.S.T. ON January 29, 2020

****ALL QUESTIONS MUST BE SUBMITTED IN WRITING****

AND RECEIVED NO LATER THAN

4:00 P.M. E.S.T. ON January 20, 2020

The City of Chattanooga reserves the right to reject any and/or all bids, waive any informalities in the bids received, and to accept any bid which in its opinion may be for the best interest of the City.

The City of Chattanooga will be non-discriminatory in the purchase of all goods and services on the basis of race, color or national origin.

The City of Chattanooga (COC) Terms and Conditions posted on Website are applicable: <http://www.chattanooga.gov/purchasing/standard-terms-and-conditions>

NOTE: ALL BIDS MUST BE SIGNED.

All bids received are subject to the terms and conditions contained herein and as listed in the above referenced website. The undersigned Offeror acknowledges having received, reviewed, and agrees to be bound to these terms and conditions, unless specific written exceptions are otherwise stated within Offeror's bid.

REQUEST FOR QUOTE

Flexible Spending Account Administration

For

City of Chattanooga

January 15, 2020

Background

The City of Chattanooga (City), is requesting administrative services for its Flexible Spending Account (FSAs). Currently the City has a flexible spending account for eligible employees administered by TASC.

The City offers medical and dependent care accounts and both are offered at Open Enrollment each year for a July 1 – June 30 plan year. The City has approximately 2,350 employees who are eligible to enroll in the accounts. The payments are deducted from employee payrolls on a weekly and a bi-weekly basis. Currently, the dependent daycare FSA enrollment is approximately 0 weekly and 26 biweekly. The medical FSA enrollment is approximately 5 weekly and 278 biweekly.

The City has elected to have a carryover provision for the medical FSAs. The City has a run out period at the end of the plan year as well. Currently, there are approximately 86 carry over accounts.

GENERAL INSTRUCTIONS TO PROPOSERS

Sealed Bids must be submitted in hard copy format to the Purchasing Division, City of Chattanooga, by no later than 2:00 p.m., EDT, on January 29, 2020 to the attention of:

City of Chattanooga Purchasing Division
Attn: Marisol Hernandez
101 East 11th Street
Suite G13
Chattanooga, TN 37402
Phone: (423) 643-7236
Fax: (423) 643-7244

Late or misdirected bids shall be rejected and returned unopened without exception. Postmarks are not accepted.

Quantity and Format

Proposer shall submit two (2) complete copies of their bid; one (1) original, one (1) copy and one (1) electronic copy in PDF format on a flash drive. All bids shall be submitted in a sealed non-transparent envelope or box marked "**RFB 305752 - "Flexible Spending Account Administration for City of Chattanooga."**

Implied Requirements

All products and services not specifically mentioned in this bid, but which are necessary to provide the functional capabilities described by the Proposer, shall be included in the Bid.

Proposer-Supplied Materials

Any material submitted by a Proposer shall become the property of the City unless otherwise requested at the time of submission. **Any firm submitting a bid should assume the information included in the bid is subject to Open Records / Freedom of Information Act.**

Incurring Costs

The City shall not be liable for any cost incurred by the proposer prior to the issuance of a contract purchase agreement and will not pay for the information solicited or obtained. Proposer shall not include or integrate any such expense as part of its bid.

Economy of Preparation

Bids shall be prepared simply and economically. Bids shall provide a straightforward and concise bid description. Emphasis shall be placed on clarity and content.

Bid Withdrawal Procedure

A Bid may be withdrawn at any time until the date and time set above for opening of bids. Any bid not so withdrawn shall, upon opening, constitute an irrevocable offer to provide the specifications set forth in the bid, until the successful bid(s) is/are accepted and a contract has been executed between the City and the successful Proposer(s).

General Reservation of City Rights

The City of Chattanooga may contact any firm for the purpose of obtaining additional information or clarification.

General Terms

Any contract resulting from this Bid will be subject to the City of Chattanooga's Standard Terms and Conditions.

<http://www.chattanooga.gov/purchasing/standard-terms-and-conditions>

Any exceptions to said Terms and Conditions must be submitted with Bid response.

Proposers shall state any exceptions to or deviations from the terms of this Bid and the Standard Terms and Conditions. Where proposer wishes to propose alternative approaches to meeting the City's technical or contractual requirements, these should be thoroughly explained. The Contractor shall be bound to accept all stated terms not except in its bid.

City reserves the right to accept or reject any or all exceptions / deviations at its sole discretion. City reserves the right to reject excepted or conditional bids at its sole discretion.

Any resulting contract shall NOT be open to other Tennessee governmental agencies (including school districts) as a "piggyback contract".

ADDITIONAL BID INFORMATION

Please note the City will not pay an outside entity commission other than Russ Blakely & Associates, L.L.C. The City also asks for bids to be submitted directly by bidding carriers and not Advisors, Brokers or Consultants.

Bid Timeline

- Bid to be released by City – January 15, 2020**
- Last day to ask questions* (see below) – January 20, 2020**
- City response to questions – January 24, 2020**
- Last day to submit bid – January 29, 2020**

*Please send questions or the need for additional information in writing to the City’s purchasing department.

The following data is available upon request from the City’s Purchasing Department. Requests must be made directly to Marisol Hernandez, Buyer at mhernandez@chattanooga.gov

- Plan Summary (weekly)**
- Plan Summary (monthly)**

*All questions, and requests for information or clarification must be submitted in writing, and will be accepted until 4:00 PM on January 20, 2020, and shall be sent to:

City of Chattanooga Purchasing Division
Attn: Marisol Hernandez, Buyer
101 East 11th Street
Suite G13
Chattanooga, TN 37402
Phone: (423) 643-7235
Fax: (423) 643-7244
mhernandez@chattanooga.gov

The City specifically requests that any communication concerning this bid be made exclusively with the Purchasing Division Buyer until selection has been completed. Failure to honor this request will be negatively viewed in the selection process.

BID SCOPE OF WORK/MINIMUM REQUIREMENTS

Provider shall:

1. Provide administration of all flexible spending accounts included in the City benefit offerings, as well as any enhancements.
2. Be able to administer a debit/credit card under the Flexible Spending Account programs and have frequent claim/reimbursement processing.
 - a. Provide clear communications regarding the features and functionality of such debit/credit card.
 - b. Clearly explain all instances when the card may be used (pharmacy, doctor's office, vision provider, etc.).
 - c. Must provide a minimum of two debit cards to each account holder for reimbursement, at no additional cost to the participant.
3. Maintain a fully automated claims adjudication system in compliance with electronic transmission standards and security requirements and all other regulations as required by HIPAA.
4. Ensure that the plan design, plan documents, implementation, communication and reports are in compliance with all current applicable laws and regulations.
5. Participant Account Contributions
 - a. Accept the plan enrollment elections via electronic file transmission and post to participant recordkeeping accounts, those elections.
 - b. Participant contributions are payroll deducted weekly and twice a month, over 24 pay periods.
6. Accept Health Flexible Spending Accounts (FSA), Dependent Care Assistance Program (DCAP), and employer pre-tax contributions via files transmitted from the City's Oracle Information System.
 - a. Participant contributions are payroll deducted on weekly and semi-monthly basis.
 - b. Files will be transmitted to the TPA and will need to be posted to the participant accounts by the applicable payroll date.
7. Provide administrative services as it relates to the Internal Revenue Code Sections 105, 125, 132, and 137.

8. Provide administrative, technical, and physical safeguards to protect any City information maintained in the contractor's custody.
9. The bidder will be required to provide a complete description of administrative services including but not limited to the following:
 - a. Direct participant submissions;
 - b. Claims adjudication;
 - c. Direct payment to participants with individualized statements;
 - d. Direct deposit to participant accounts of claim payments;
 - e. Reports to participant or including balancing and reconciliation of accounts;
 - f. Provide a toll-free 800 number for employer and participant increase;
 - g. Process Flexible Spending Account claims;
 - h. Process Flexible Spending Account claim checks;
 - i. Send reimbursements to the participants homes and via direct deposit;]
10. Provider must be regularly and continuously engaged in the business of providing flexible spending accounts for at least 10 years.
11. Account management staff should have at least 5 or more years of day to day experience related to the administration of benefits.
12. Provider shall poses all permits, licenses and professional credential nieces to supply products and perform services as specified under this bid.
13. Provider must have established quality control program and service standards
14. Provider must have process receive and track requests for payment (claims) for participants.
15. Provider must have established processes to verify documentation, determine conformance of the claim to IRS regulations and determine validity of claim.
16. Provider must administer City's current carryover provision for the health care FSA.
17. Provider must be able to process claims for a ninety (90) days run out period after the close of the plan year.

18. Provider must offer participants the ability to request a debit card via a web application, customer service center or form.

Proposal Pricing

Please provide pricing information relative to your proposal to meet the City's program requirements on Attachment A.

Notes:

- A. Rate increase will only be made at the time of contract renewal or extension and will be a factor in the review process. Any proposed rate increase must be fully justified in writing 120 days in advance of the renewal date. The City will determine whether the requested rate adjustment or an alternate option is in the best interest of the City. Any rate adjustments will be effective upon the effective date of the contract extensions or renewal and shall remain in effect during the extension or renewal period.
- B. You may not quote \$0 administrative fees in exchange for other product offerings or use of commissions to offset administrative fees.

Provide Pricing:

Please note the City will not pay an outside entity commissions other than Russ Blakely & Associates, LLC. The City also asks for bids to be submitted directly by bidding carriers and not Advisors, Brokers or Consultants.

TERM OF CONTRACT

Contract for the Flexible Spending Account Administration shall be a 12 month contract beginning on July 1, 2020. The contract term may be renewed for two (2) optional twelve (12) month terms under the same terms and conditions by mutual agreement. The Contractor shall submit to the City of Chattanooga invoices for services provided. Invoices are due after service has been rendered unless negotiated otherwise.

APPENDIX A – BID PRICING

	2020-2021 Monthly Cost	2021- 2022 Monthly Cost	2022- 2023 Monthly Cost
Implementation Set-Up Fee (if Any)			
Annual Set-Up Fee (If Any)			
Basic Monthly Administration Health Care FSA Fee			
Basic Monthly Administration Dependent Care FSA Fee			
Debit Card Fee (if Applicable)			
Other – Onsite meetings/fairs			
Total Cost			
Separate Optional Services:			
Discrimination Testing			
Ad-hoc Reporting			
Communications / Enrollment			