



## Department of Purchasing

100 N. Main Street, 2<sup>nd</sup> Floor  
Suffolk, VA 23434  
(757) 925-6762 Fax (757) 925-6763

May 1, 2020

To All Interested Parties:

**Subject: Provide Section 125 Administration, Supplemental Insurance and related insurance services**

Please note the following response to questions received regarding the above Request for Proposal. All available information has been provided. .

**Question:** I do have one question it looks as though your medical insurance is with Anthem Blue Cross Blue Shield and you are with The Local Choice Plan? The RFP did not state anything about the medical. I wanted to check with you to see if you would like if chosen any assistance with the medical plan? Are you going to be putting out an separate RFP for the Medical?

**Answer:** **There is no need for medical as the Board approved the contract with Anthem last year.**

**Question:** Can we just bid on the FSA (Section 125) as we do not provide the other supplemental insurance plans?  
Can you disclose the reason for the bid? Are there service issues or cost issues?  
What are the current FSA fees being charged to the school system?  
Are you working with a broker or consultant on this RFP?

**Answer:** **Yes you can propose on all or any of the listed items in the RFP. Suffolk Public Schools reserves the right to award a contract or contracts that meet our needs. We are going out to RFP due to current contract expiration. Currently we do not pay FSA costs as they were a part of the proposal last time. NTA offered FSA for the ability to sell supplemental products. We have had no issues with our current provider. Our current consultant is Gallagher. We do not know if they are going to propose the supplemental products. If they do, then we may hire someone else to help evaluate. If not, we may use them to assist in evaluating proposals.**

**Question:** Please provide the number of employees, by product/program, that have been enrolled for 15+ years (ie. How many in each program would have to be grandfathered?)

If selected as the new provider, will we be able to offer new products such as whole life, universal life, critical illness?

Are you expecting the RFP response to include the actual products, including the rates, that would be offered? Or are you just looking for our administrative capabilities in the RFP and if selected, we would then go to market for the actual products and carriers to be offered to the employees (due to time constraints)?

**Answer:** **Approximately 25-35 percent would be eligible for grandfathering under the terms of the RFP. This doesn't necessarily mean that those eligible for grandfathering will accept the grandfathering if a proposer offers similar products at better rates. The grandfathering is allowed simply to provide options for those that may have superior plans and rates than what may be provided by another provider during this RFP. Furthermore some of the current older policies have financial incentives that Suffolk Public Schools doesn't want to take away from their employees.**

**A new provider will be expected to provide opportunities for any holder of these policies with no restrictions. They must match or exceed the plan quality of all of the stated programs in the RFP. Proposers may offer additional programs at their discretion in the submission of the RFP.**

**It is expected that proposers will provide pricing and the actual products that are asked for in the RFP so the evaluation process can take place. It is also expected that proposers provide this information in their packet. Pricing can be negotiated downward during the negotiation period should your firm be shortlisted.**

**Question:** The RFP mentions preparing 2500 benefit packages. Is this billed separately from the Administration PEPM Fee or built in?

**Answer:** **This has historically been a free service from the current provider, NTA. Keep in mind this company also sells the supplemental insurances and the benefit guide has been used to aid NTA in selling their products. For the sake of your proposal, a proposer that may not be selling the products may need to incorporate their costs into their proposal. SPS doesn't have a preference in how you or if you charge for this packets.**

**Question:** What is the current administration fee per employee for the FSA?

**Answer:** **There is currently no fee for the FSA for the division.**

**Question:** **How many employees are currently electing the DCAP FSA?**

**Answer:** **We have a total of 384 FSA accounts**

**Question:** How many enrollment meetings (on-site assistance) and how many sites require TPA attendance? Do you currently pay a fee for this feature?

**Answer:** We require a minimum of one meeting per location especially if there is a change in supplemental providers to explain changes. However, the current provider averages 2-3 visits per open enrollment per building at no charge to the division. The current provider usually schedules this out in conjunction with the school locations during the open enrollment time and to provide us Section 125 compliance.

**Question:** Is the web based open enrollment feature a 'deal breaker'?

**Answer:** Suffolk Public Schools currently has a rather robust program that is provided as a part of the current program. While this wouldn't necessarily disqualify your proposal, this certainly will weigh in on the grading of your proposal against those that provide this enrollment feature. The current provider also provides us the opportunity to use this software when Suffolk Public Schools enrolls employees throughout the year for medical and other benefits.

**Question:** We use one of the leading benefit administration software vendors. If we do not have an educational institution as a reference are we disqualified? (we have municipalities and large employers)

**Answer:** You may submit a proposal with references that most closely match Suffolk Public Schools. Your firm not having a K-12 reference doesn't disqualify your proposal, it does however, when put against others that have considerable K-12 experience, may cause your firm's proposal to not be graded as high as others that have such experience in K-12 education. K-12 does feature scheduling challenges that do not exist in other governmental entities or in the private sector due to the nature of our business.

**Question:**

Please email Anthony Hinds at [anthonyhinds@spsk12.net](mailto:anthonyhinds@spsk12.net) if you have any additional questions and sign below to acknowledge receipt of the addendum and include with your proposal.

Addendum 1 Acknowledged:

\_\_\_\_\_

Date \_\_\_\_\_

Sent by:

Anthony W. Hinds  
Purchasing Manager