City of Franklin, Tennessee Specifications

Purchasing Office Solicitation No.: 2020-009

1. Solicitation identified: These Specifications apply to the following procurement solicitation:

healthcare and dependent care flexible spending account administrative services

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2. Notice to Bidders publication date: **September 26, 2019**

3. Solicitation release date: **September 26, 2019**

4. Deadline for optional submittal in writing of questions of a non-procedural nature seeking to clarify or revise any aspect of this procurement solicitation: **October 3, 2019, 2:00 p.m. Central Time**

5. Bids submittal deadline and scheduled opening: **October 10, 2019, 2:00 p.m. Central Time**

6. Tentative date of release of City's tabulation of bids received and notice of intent to award: **November 1, 2019**

7. Tentative date of award: Meeting of Board of Mayor and Aldermen at which the procurement is tentatively scheduled to be awarded to the responsible bidder that submits the lowest priced responsive bid: **November 12, 2019**

8. Target effective date for term of award: **upon execution of the procurement agreement (on or about December 1, 2019) for calendar years 2020, 2021 and 2022**

9. Objective: To award, by means of a competitive procurement process, to the responsible bidder that submits the lowest priced responsive bid to furnish all labor, materials and means necessary to render the healthcare and dependent care flexible spending account administrative services as specified below. See the accompanying Instructions for Bidders for additional information and instructions, including the definitions of the terms "responsible bidder" and "responsive bid."

10. Exceptions:

    a. To avoid the need to take an exception to a specification, potential bidders may request revisions to the specifications before the deadline for optional submittal in writing of questions of a non-procedural nature seeking to clarify or revise any aspect of this

procurement solicitation. See the accompanying Instructions for Bidders for contact information.

b. Any deviation or variance from the City's specifications shall be considered by the City to be an exception.

c. Any exceptions to the City's specifications shall be identified by the bidder on the City's specifications document as well as listed and described in detail, along with any other exceptions to this procurement solicitation, in a separate written document to be prepared by the bidder and included in or with the bid, referencing any subsection number. Such listing shall include a description of exactly how such exceptions deviate from the City's expectations as expressed and implied by the procurement solicitation, and shall indicate why such exceptions should be judged by the City to meet or exceed those expectations. Any and all exceptions to this procurement solicitation which the City, in its sole discretion, deems not to meet or exceed the City's intention as expressed and implied by the procurement solicitation may be considered by the City as a factor in evaluating the bid.

11. General terms and conditions:

a. Bid price: The bid price shall include the cost of all equipment, labor, insurance coverages, materials and delivery and/or freight charges, and any required trade and/or contractor license fees, business license fees and construction and/or building permit(s), necessary to supply and deliver the specified products and/or render the specified services.

b. Licenses and permits: The bidder awarded the purchase shall obtain all required licenses and permits, in accordance with applicable state and local codes, necessary to supply and deliver the specified products and/or render the specified services, and shall pay any fees therefor, including but not limited to: trade and/or contactor licenses; state, county and/or city business licenses; and construction and/or building permits.

c. Payment terms: As a matter of practice, the City pays for goods and/or services only after receipt by the City of such goods and/or services as ordered, and only after receipt of an accurate, proper, complete and itemized invoice for such goods and/or services as ordered, net thirty (30) calendar days from date of delivery, or date of invoice, whichever is later. The City's preferred payment terms, as described in the preceding sentence, are offered to the bidder as a condition of award. If the bidder prefers alternate payment terms, then the bidder shall indicate on the Submittal Form its preferred payment terms. Payment terms may be a factor in the City's selection criteria. Payment terms are non-negotiable after award is made.

d. Applicable laws and regulations: All applicable federal and state laws, city ordinances, orders, rules and regulations of all authorities having jurisdiction over the specified service(s) shall apply to the quoted purchase price, and they will be deemed to be included in these specifications the same as though they are written out in full herein.

e. Use of subcontractors: The bidder awarded the purchase may not subcontract any service component of the award except as is indicated in its bid. Requirements for references and insurance shall apply to any subcontractor.

f. Safe work area: The bidder awarded the purchase will be expected to utilize best practices to minimize the risk of personal injury to the public, City personnel and employees of the bidder and/or the bidder's subcontractors, if any.

g. Other documents to be required of the bidder recommended to be awarded the purchase: See the accompanying "Instructions for Bidders" for a listing of other documents to be required of the bidder recommended to be awarded the purchase.

h. Damages: The bidder awarded the purchase shall be responsible for any damages it causes in the course of performing the specified service(s), including to existing utilities, underground irrigation, concrete, asphalt, buildings, or grounds, and shall repair or replace any damaged property to the satisfaction of the City at the bidder's own expense and at no additional charge to the City.

i. Standard Procurement Terms and Conditions: By submitting its bid, the bidder certifies that it has read and accepts all terms, conditions and requirements of this solicitation, including the terms and conditions identified and listed in the City's Standard Procurement Terms and Conditions attached hereto and hereby incorporated by reference.

j. Refusal to honor submittal: If and after an award is made by the City, if the bidder refuses to execute an agreement or contract or in any other way honor the terms and conditions of its submittal, the City shall be entitled to seek compensation for its damages, which may include the cost of conducting a new solicitation.

k. Confidential and/or proprietary information; trade secrets: All contents of all submittals are subject to public disclosure and shall not contain any confidential and/or proprietary information and/or trade secrets. Further, by submitting its bid, the bidder indemnifies and holds the City of Franklin harmless against any loss or damage, including reasonable attorney fees, it may incur as a result of the City's reliance upon the bidder's representation that materials supplied by the bidder do not contain trade secrets or proprietary information which is not subject to public disclosure.

12. Detailed specifications: Please note:

- Bidders shall provide in or with their bid a detailed description of any goods, products, items, software and/or hardware included in their bid, as well as the bid services to be rendered.
- Bidders are required to mark with a "C" the blank line next to any specification below to which their bid COMPLIES. (Specifications without a blank line are for context and need not be marked.)
- Bidders are required to mark with an "E" the blank line next to any specification below to which their bid takes EXCEPTION. (Specifications without a blank line are for context and need not be marked.)

- Any exceptions to the City's specifications shall be identified by the bidder on the City's specifications document as well as listed and described in detail, along with any other exceptions to this procurement solicitation, in a separate written document to be prepared by the bidder and provided in or with the bid, referencing any subsection number. Such listing shall include a description of exactly how such exceptions deviate from the City's expectations as expressed and implied by the procurement solicitation, and shall indicate why such exceptions should be judged by the City to meet or exceed those expectations.
- Bidders are required to submit with their bid these Specifications for this procurement, marked by the bidder as to compliance herewith as per the instructions above.

12.1. The City of Franklin, Tennessee is seeking bids from individuals or firms to render healthcare and dependent care flexible spending account administrative services.

12.2. _____ Bidder shall be qualified and competent, as demonstrated by its experience as a service provider for the services sought by the City and as evidenced by substantiating information supplied with its bid, to administer the City's healthcare and dependent care flexible spending accounts.

12.3. _____ The services to be rendered pursuant to this procurement solicitation are to be offered as a requirements contract for a term of award of three (3) years, effective upon the effective date of any procurement agreement resulting from this procurement solicitation, as such procurement agreement is executed in full by both parties. The City is targeting an effective date of on or about December 1, 2019. The services to be rendered pursuant to this procurement solicitation are to be offered for the three (3) calendar years beginning January 1, 2020 and concluding December 31, 2022.

12.4. _____ At any time after commencement but before or as soon as practicable after the expiration of this term of award, including any extensions to the term of award made pursuant to this provision, the City and the bidder awarded the purchase may choose to exercise an option to extend the term of award twice, each time for up to one (1) additional year, for a maximum possible term of award of five (5) years total, provided: (a) that both parties consent to such an extension at that time; (b) that the decision to exercise such an extension is memorialized in writing and is executed by one or more authorized representatives of each party; (c) that the same terms and conditions that apply to the original term of award shall also apply to such an extension, including pricing; (d) that if the bidder awarded the purchase chooses not to consent to an extension to the term of award, then it shall notify the City of that decision a minimum of six (6) months in advance of the scheduled expiration of the term of award; and (e) at the City's discretion, such as if the

City does not have or anticipates not having a successor service provider selected by the expiration of the term of award, including any extensions anticipated by this procurement solicitation if exercised, the City and the bidder awarded the purchase may negotiate an additional extension beyond such expiration. Note that the City and the bidder awarded the purchase each specifically retain the right, with or without cause, not to extend the term of award.

12.5. Eligible and current participants:

12.5.1. Currently, the City has 720 employees eligible to participate in the City's healthcare and dependent care flexible spending account (FSA) programs.

12.5.2. Currently, the City has 141 participants in the Healthcare FSA and 9 participants in the Dependent Care FSA.

12.6. Detailed specifications:

12.6.1. _____ Products: Healthcare Spending Account and Dependent Care Spending Account.

12.6.2. _____ Rate Guarantee: The initial contract period shall be three (3) years with two (2) one-year options to extend the term of service by mutual consent for a maximum possible term of service of five (5) years total. All fees quoted in the original bid shall remain constant during the entire term of service including any extensions thereto.

12.6.3. _____ Admin Rate: All fees shall be expressed as per-participating-employee-per-month (PPEPM) unless otherwise indicated. The PPEPM fee is to be all-inclusive of both recurring and non-recurring expenses; no fees other than the quoted PPEPM fee included in the bid may be quoted by the bidder and none will be paid by the City.

12.6.4. _____ Method of Enrollment Transfer: Data feed; must be compatible with Kronos. The awarded service provider must integrate with Kronos via file feed.

12.6.5. _____ Debit Card: To be included in PPEPM fee.

12.6.6. _____ Direct Deposit: Included.

12.6.7. _____ Draft Cafeteria Plan Documents: Included; please indicate whether full documents or templates are provided.

12.6.8. _____ Conduct Non-Discrimination Testing: Included; please indicate what tests are available and how often.

12.6.9. _____ Employer Reports: Included; please indicate what reports are provided and the frequency, list should include an unsubstantiated claims report.

12.6.10. _____ Administration of Runout Claims: Included; at termination of contract, service provider must provide for administration for claims (include fee for runout in PPEPM fee).

12.6.11. _____ Implementation: The City's notice of award will not be issued until after November 12, 2019. The City is targeting a notice-of-award issue date of November 15, 2019. Regardless, the bidder's implementation timeline must anticipate being able to render services effective January 1, 2020. Include fee for implementation in PPEPM fee.

12.6.12. _____ Funding: City will maintain the checking account and City's Finance department will issue payment via website on a semi-monthly basis.

12.6.13. _____ Member Access: Online member access capabilities to include, but not limited to, account balance, claims history, ordering new cards, or file reimbursement claim.

12.6.14. _____ Point of Contact: Please indicate whether there is an option to provide a designated person(s) assigned to the City's account.

12.7. Insurance requirements:

12.7.1. _____ Before award of the procurement by the City, the bidder recommended to be awarded the purchase shall provide one or more certificates of insurance providing evidence of the following minimum types and limits of unexpired insurance coverage:

Type of Coverage	Limits of Coverage	Certificate of Insurance
Commercial General Liability	• $1,000,000 Each Occurrence • $2,000,000 General Aggregate • $1,000,000 Personal and Advertising Injury • $2,000,000 Products-Completed Operations Aggregate • Coverage shall be Primary and Non-Contributory • Waiver of Subrogation shall apply	Certificate of Insurance shall indicate Certificate Holder[1] as Additional Insured with Additional Insured endorsement attached for both Premises/Operations and Products/Completed Operations
Workers Compensation[2]	• Statutory Limits • Waiver of Subrogation shall apply	Certificate Holder[1] only
Employers Liability[2]	• $1,000,000 Bodily Injury Each Accident • $1,000,000 Policy Limit Bodily Injury by Disease • $1,000,000 Each Employee Bodily Injury by Disease	Certificate Holder[1] only
Employee Dishonesty	$500,000 Per Occurrence	Certificate Holder[1] only

[1] Certificate Holder shall be listed as follows:
City of Franklin
109 3rd Ave. South
Franklin, TN 37064

[2] Workers Compensation and Employers Liability coverages are not required for Tennessee employers with fewer than five (5) employees except that employers in the construction business or trades (construction service providers) are required to carry Workers Compensation coverage unless they are sole proprietors or partners with no employees.

Type of Coverage	Limits of Coverage	Certificate of Insurance
Professional Liability	$1,000,000 Combined Single Limit	Certificate Holder[1] only
Cyber	$1,000,000 Cyber Liability $500,000 Network and Information Security Expenses	Certificate Holder[1] only

12.7.2. _____ If and when insurance coverage documented by the certificate(s) of insurance referenced above expires before the expiration of the term of award, including any extensions thereto, pursuant to this procurement solicitation, then the bidder awarded the purchase shall immediately suspend work or supply, and the City may suspend payment for products thereafter delivered and services thereafter rendered by the bidder awarded the purchase, unless and until the bidder awarded the purchase provides the City with one or more replacement certificates of insurance for unexpired insurance coverage that meets or exceeds the insurance requirements as specified above.

12.7.3. _____ In the event that insurance coverage documented by the certificate(s) of insurance referenced above is materially modified or canceled before the expiration of the term of award, including any extensions thereto, pursuant to this procurement solicitation, then the bidder awarded the purchase shall, immediately upon learning of any such material modification or cancelation, suspend work or supply and shall, within three (3) calendar days of such learning, notify the City of any such material modification or cancelation, and the City may suspend payment for products thereafter delivered and services thereafter rendered by the bidder awarded the purchase, unless and until the bidder awarded the purchase provides the City with one or more replacement certificates of insurance for unexpired insurance coverage that meets or exceeds the insurance requirements as specified above.

12.7.4. _____ The bidder awarded the purchase shall agree to impose the City's insurance requirements upon any subcontractors it utilizes for this procurement. The bidder awarded the purchase may not subcontract any service component of the award except as is indicated in its bid.