

City of Franklin Addendum No. 2 to

Purchasing Office Solicitation No.: 2020-009

1. Solicitation identified: This Addendum No. 2 applies to the following procurement solicitation:
healthcare and dependent care flexible spending account administrative services
Purchasing Office Solicitation No.: 2020-009
2. Notice to Bidders publication date: **September 26, 2019**
3. Solicitation release date: **September 26, 2019**
4. Addendum No. 1 release date: **September 30, 2019**
5. 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**
6. Addendum No. 2 release date: **October 4, 2019**
7. Bids submittal deadline and scheduled opening: **October 10, 2019, 2:00 p.m. Central Time**
8. Tentative date of release of City's tabulation of bids received and notice of intent to award: **November 1, 2019**
9. 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**
10. 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**

11. Addendum:

In reference to the City of Franklin's September 26, 2019 Purchasing Office Solicitation No. 2020-009 for healthcare and dependent care flexible spending account administrative services, the City has been asked certain additional questions about the solicitation by one or more vendors who are potential bidders.

The purpose of this Addendum No. 2 is to announce the City's responses to the questions that have been asked since issuance of Addendum No. 1.

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Please note that the submittal deadline and scheduled opening of all bids received remains unchanged and is:

October 10, 2019, 2:00 p.m. Central Time

Below are the additional questions asked since issuance of Addendum No. 1 and the City's responses thereto:

Q1: What is the claims funding arrangement and frequency of funding between the City and [its current FSA service provider]?

A1: The claims funding arrangement for the City's current FSA program is contribution-based funding. The City's current FSA service provider floats uniform coverage to the City, meaning if the claim reimbursements are above what has been submitted from payroll contributions, the City makes an additional deposit to cover the amount. The frequency of funding for the City's current FSA program is semi-monthly.

Q2: Will the vendor have ACH access to a City bank account for claims? If not, will prefunding be provided?

A2: See A1 above. The City will submit contributions on a semi-monthly basis.

Q3: Will the City supply the vendor with a payroll file of actual FSA payroll deductions? If so, will the City conform to the vendor file specs?

A3: The City will supply the awarded service provider with a payroll file of actual FSA payroll deductions. Whether the City conforms to the service provider's file specifications depends upon those file specifications. Per specification 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."

Q4: Will the City provide an electronic open enrollment and ongoing file for new hires, terminations and changes? If so, will the City conform to the vendor file specs?

A4: The City will offer FSA to new hires and have an annual open enrollment. Whether the City conforms to the service provider's file specifications depends upon those file specifications. Per specification 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."

Q5: Can you disclose the current Per Participant Per Month FSA administrative fee? Does this fee include the debit card or is that an additional fee?

A5: For the City's current FSA program, \$4.75 PPPM / \$265.00 annual renewal fee; includes debit card.

Q6: Who pays the monthly administrative fee for the FSA – the City or the participating employee?

A6: For the City's current FSA program, the City pays the administrative fee.

Q7: How many onsite enrollment meetings will be required / expected and at how many different locations?

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A7: The City anticipates 10-12 onsite group meetings for enrollment will be required / expected for the first year and fewer or possibly none for subsequent years. As to how many different locations, at least 8, all within the corporate limits of the City of Franklin.

Q8: Can you disclose the current FSA service provider?

A8: The City's current FSA program service provider is TASC.

Q9: Who is the current FSA administrator?

A9: Please see A8 above.

Q10: Are administrative fees paid by the City; or do plan participants pay any portion of the fees?

A10: Please see A6 above.

Q11: Please provide the fees billed to the City by the administrator.

A11: Please see A5 above.

Q12: Is debit card offered? If so, can you confirm if the card process is compliant with IRS regulations?

A12: For the City's current FSA program, debit card is offered. As to whether the card process is compliant with IRS regulations, yes.

Q13: Are any open enrollment events or meetings needed? If so, can you quantify and provide a sample schedule to show number of events, potential dates, locations?

A13: Please see A7 above. As to a sample schedule, that would be determined at a later date.

Q14: How are claims funded? Can you describe the current funding process?

A14: Please see A1 above.

Q15: Are there any issues to be mitigated?

A15: No.

Q16: Is there any way [the City] can extend our deadline until Friday the 11th? Our legal team is needing more time for review and I'm worrying about FedEx getting there on time.

A16: The City declines to extend the submittal deadline and scheduled opening of all bids received.

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12. Acknowledge addendum: Bidders shall acknowledge this addendum on the Bid Submittal Form in the space to the right of the text on that form that reads, "Acknowledge any and all issued addenda to this solicitation."
13. Questions seeking to clarify or revise the procurement solicitation: Questions seeking to clarify or revise any aspect of the procurement solicitation shall be submitted by contacting:

City of Franklin Purchasing Office
Franklin City Hall, Suite 107
109 3rd Ave. South
Franklin, TN 37064
purchasing@franklintn.gov
Tel: 615-550-6692
Fax: 615-550-0079

Such questions of a non-procedural nature shall be submitted before the deadline for optional submittal in writing of questions of a non-procedural nature seeking to clarify or revise the procurement solicitation.

Such questions of a procedural nature may be submitted either before or after the deadline for optional submittal in writing of questions of a non-procedural nature seeking to clarify or revise the procurement solicitation.

Depending upon the inquiry, the City may request that the question seeking to clarify or revise any aspect of the procurement solicitation be submitted in writing, and the City may choose to announce, typically in the form of an addendum, both the inquiry and the City's response thereto.

14. Communication with City during procurement phase: Any questions seeking to clarify or revise any aspect of the procurement solicitation should be addressed to the City as described above. Until the procurement award has been made, suppliers / service providers shall not communicate about either the content of or the procurement process pertaining to this procurement solicitation with any official, employee or other representative of the City except through the City's Purchasing Office. The City reserves the right to disqualify any supplier / service provider that initiates unauthorized communication with the City during the procurement phase (that is, the period of time between when the procurement solicitation has been posted on the [Business Opportunities webpage](https://www.franklintn.gov) of the City's website (<https://www.franklintn.gov/>) and when the procurement award has been made).