



**State of Delaware**  
**Office of Management & Budget**  
**Statewide Benefits Office**

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**STATE EMPLOYEE BENEFITS COMMITTEE**

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**Request for Proposal**  
**for Flexible Spending Account and**  
**Pre-Tax Commuter Administrative Services**

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**February 17, 2014**

**Intent to Bid Deadline –**  
**March 3, 2014, no later than 4:00 p.m. EST**

**OMB14001-FSA&Commutr**

500 W. Loockerman Street, Suite 320 • Dover, DE 19904  
Phone (302) 739-8331 Fax (302) 739-8339 [www.ben.omb.delaware.gov](http://www.ben.omb.delaware.gov)

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# I. Introduction

The State Employee Benefits Committee (SEBC) is seeking proposals from vendors to administer the Flexible Spending Account (“FSA”) and Pre-Tax Commuter Benefit (“PTC”) programs. **Proposals submitted to this RFP must be for administration of both FSA and PTC programs. Proposals that do not include both programs will not be considered.**

This Request for Proposal (RFP) is issued pursuant to Title 29 Delaware Code, Chapter 69, Sect. 6981 and 6982.

**Important Dates** (A full timeline is included in Section I.D.)

<b>Contract Effective Date:</b>	<b>January 1, 2015</b>
<b>Intent to Bid Due:</b>	<b>Monday, March 3, 2014, by 4:00 p.m. EST</b>
<b>Proposal Submissions Due:</b>	<b>Monday, March 24, 2014, by 3:00 p.m. EST</b>

## A. Background and Overview

### *Organization Description*

The SEBC is chaired by the Director of the Office of Management and Budget (OMB). The Controller General, Insurance Commissioner, State Treasurer, Secretary of Health and Social Services, Secretary of Finance and Chief Justice of the Supreme Court comprise the remainder of the SEBC. The SEBC controls and manages benefits for approximately 36,000 active employees.

The Statewide Benefits Office (SBO) is a division within the OMB. The SBO functions as the administrative arm of the SEBC responsible for the administration of all Statewide benefit programs with the exception of pension and deferred compensation benefits. These programs include, but are not limited to, health, prescription, dental, vision, disability, group life, flexible spending accounts, wellness and disease management programs, and pre-tax commuter benefits.

### **Background Information**

Currently the State of Delaware offers healthcare and dependent care flexible spending accounts (FSA) and Pre-Tax Commuter (PTC) benefits to approximately 36,000 full-time and part-time eligible employees under a voluntary Section 125 plan.

You may view all information specific to the FSA and PTC governed by the SEBC at the following web sites:

<http://ben.omb.delaware.gov/fsa/index.shtml>

<http://ben.omb.delaware.gov/commuter/index.shtml>

<http://gss.omb.delaware.gov/fleet/>

The State Employee Benefits Committee for the State of Delaware reserves the right to reject any and all proposals or award to multiple vendors; however, **proposals submitted to this RFP must be for administration of both FSA and PTC programs. Proposals that do not include both programs will not be considered.**

**The State is requesting two different pricing scenarios:**

**Option 1: Assume that the employees pay-all of the administrative fees for the plan.**

**Option 2: Assume that the State will pay the administrative fees.**

**These options should be noted for both the FSA and Pre-Tax Commuter Benefit plans on Appendix J - Fee Quote.**

## **B. Proposal Objectives**

The SEBC desires to contract with an organization specializing in providing FSA and PTC programs for clients of similar size, large municipalities or State governments and with experience customizing a PTC program. The organization must have prior experience directly related to the services requested in this RFP and must be able to demonstrate clearly their ability to:

- offer state of the art administrative services;
- provide excellent customer service to participants;
- provide excellent account management services to the State, including timely reporting;
- performance guarantees; and
- be responsive to changes in the programs and requests of the SEBC.

## **C. General Plan Information and Scope of Work**

### **Flexible Spending Accounts Plan Information**

**1. Number of enrollees in January, 2014:**

Health Care FSA Only: 4,807  
Dependent Care FSA Only: 280  
Both: 555  
**Total Count: 5,642**

**2. Plan Year** - January 1 – December 31

**3. Open Enrollment** - Conducted annually in November.

**4. Administrative Costs** - All costs for administration of this program shall be borne by the awarded vendor.

5. **Eligibility** - The eligibility rules for the flex plan(s) are as similar as possible to those of other benefits, primarily health care. Therefore, all permanent part-time and full-time employees will be eligible for the spending accounts.
6. **Enrollment** – A new employee can enroll in the plan the first of the month following ninety (90) days of employment. Terminations and allowable election changes will be processed as they occur and noted on the biweekly file.
7. **Different Employee Pay Periods** - Most employees are paid twenty-six (26) times per year. There are a certain number of teachers that are paid twenty-two (22) times a year or situations where employees are on unpaid leave. The flexible benefit plan stipulates that, upon return to paid status, the deductions will be increased to account for the unpaid time period in equal installments, until the end of the plan year. This will impact the design of any “salary reduction” agreement – particularly, flexible spending accounts and the proper administration of appropriate payroll deductions.
8. **Grace Period** - The State of Delaware currently offers the grace period, in which participants may incur expenses from January 1st through March 15th and be reimbursed from the previous year's FSA. On October 31, 2013 the IRS released Notice 2013-71, which outlines changes to the existing "use-or-lose" rule. Under this regulation, employers with Health Care Flexible Spending Accounts offered under Section 125 cafeteria plans may opt to allow employees to rollover up to \$500 of their balance into the following year's election. The new carryover rule may not be offered in conjunction with the grace period. At this time, the State has opted to continue offering the grace period for its participants.
9. **Overpayments** - Any overpayments to the participants as a result of processing errors will be at the expense of, and the responsibility of, the successful bidder.
10. **Maximum Employee Contributions** - They follow the federal guidelines and are as follows:
  - a. Dependent Care: \$5,000 joint / \$2,500 for married filing separately (\$50 minimum)
  - b. Health Care: \$2,500 per year (\$50 minimum)

**The scope of work include the following:**

1. **Communication** -
  - a. The State of Delaware requires the vendor to produce all communication materials for open enrollment and administration of the plan. This includes Annual Open Enrollment flyers and posters, the Enrollment form, Election Change form, Unpaid Leave of Absence Form, Claim Form, Direct Deposit Form, Summary Plan Descriptions, and plan documents for the SBO website. These documents should be available electronically and via hard copy to the State of Delaware. These documents should also reflect current regulations. Open enrollment materials should be made available for website posting and prospective vendors should also anticipate an annual open enrollment mailing. The Fee Quote form, Appendix J, includes an area to separately price these services and should

include postage fees. At this time communications and administrative fees are paid by the State from forfeiture funds from prior years.

- b. The vendor will also provide notification of changes in regulations affecting the plans and provide advice to the State on ways to enhance understanding and participation in the plans.
- c. The vendor will also provide confirmation statements after the open enrollment period to each enrolled participant.

2. **Open Enrollment** -

- a. Open Enrollment should be web based directly to the vendor. The vendor will capture the information and send an electronic file to the State to upload into the State's payroll system. State of Delaware will supply the eligibility file. As a requirement, the vendor must use the current file specs and will only receive the employee identification number and the last four (4) digits of social security numbers as identifiable information. Under no circumstances will the full nine (9) digits for social security numbers be released. (See Appendix K for the mandatory file layouts.)
- b. The State will upload the data and create an electronic file with all necessary information for the vendor containing the open enrollment information. The file will be available at a date to be determined following the open enrollment process. (See Appendix K for the mandatory file layouts.)

3. **Enrollment and Ongoing Eligibility** -

- a. The Statewide Benefits Office receives all new enrollments and election changes. The forms are entered into the payroll system by the Statewide Benefits Office. Terminations are processed automatically based on system rules.
- b. The State of Delaware payroll file will be updated regularly on a pay cycle basis and available via the FTP server noting payroll deductions and any new enrollments, changes and terminations.

4. **On-going Administration and Customer Service** -

- a. Offer an optional FSA debit card to all Health Care FSA participants and direct deposit reimbursement.
- b. Maintain a toll free phone number and reasonable hours of operation to accommodate Eastern Standard Time.
- c. Excellent account management and customer service.
- d. Ensure compliance with Federal tax laws, including any reporting requirements, and applicable State laws and regulations.

- e. Employee satisfaction survey specific to the State of Delaware.
  - f. Provide dedicated account and member service to the State.
  - g. Maintain current, complete and confidential records for each covered participant.
  - h. Maintain on-going participant benefits information.
  - i. Maintain account balance information.
  - j. Provide claim forms (creation, production, and distribution).
  - k. Accept claim forms online, via fax and by U.S. mail.
  - l. Process claims no later than Friday on a weekly basis if received by close of business Wednesday and all necessary information is supplied.
  - m. Provide claim payment information to the State electronically every week.
  - n. Perform necessary discrimination testing and information for federal documents as required.
  - o. Provide legal defense of claims.
  - p. Provide the State of Delaware with monthly billing of administrative fees.
  - q. Agree to State of Delaware payment procedures and timelines.
5. **Reporting** -
- a. Provide the State of Delaware with bi-weekly utilization, reconciliation and cost reports.
  - b. Provide participants with account balance information quarterly as well as with each explanation of benefits.
  - c. Provide reminder notices of remaining balances sixty (60) days prior to the end of the plan year and 30 days prior to the end of the submission period
  - d. Refer to Appendix N for a full listing of the standard reports we currently receive.

## ***Pre-Tax Commuter Benefit Program Plan Information***

### **Number of enrollees in January, 2014:**

Direct-Pay Parking by Vendor: 281  
Fleet Link/Van Pool: 425 (payroll deduction)  
Parking: 31(reimbursement)  
SEPTA: 5 (PA transit, reimbursement)  
DART: 19 (DE transit, reimbursement)  
**Total Count: 761**

***Please note there is limited public transportation in the State of Delaware, so the level of participation will be lower than a similar sized group in a more metropolitan setting.***

The State of Delaware's Pre-Tax Commuter Program allows employees to set aside Pre-Tax money to help pay for out-of-pocket parking, van pooling or mass transit expenses incurred as they travel to work. Employees authorize the State of Delaware to deduct a Pre-Tax amount for parking or vanpool/mass transit from each paycheck up to IRS limits. Any elected amount over the IRS limit should be taken as a separate post-tax deduction. Eligible employees can enroll, change, or cancel their enrollment anytime in this program through the administrator's online enrollment website.

Currently 425 employees utilize the State's vanpool program. Fleet Link (the name of the State of Delaware's vanpool program) rents vans to State employees to a group of four (4) or more at a monthly cost of \$842.73 for a minivan and \$972.37 for a 15-Passenger van. This monthly cost is the same, regardless of the number of passengers. Fleet Link allows each vanpool to determine how the monthly cost is to be divided among the passengers. Some vanpools divide the cost equally, while others exclude the driver then divide the cost equally. (The latter option is sometimes used when only the driver incurs a parking cost.)

Enrollment in the Pre-Tax commuter program is required if a participant is a Fleet Link rider. If a participant rides in a Fleet Link vanpool, the deduction information is collected and sent via an Excel spreadsheet from Fleet Link to the Plan Administrator on a biweekly basis. It is then the Plan Administrator's responsibility to upload that information and take the proper deductions. The Plan Administrator will then reimburse the State of Delaware Fleet Link Division each month based on deductions taken.

Employees may also utilize (at their cost for reimbursement) the state's Delaware Transit Corporation, statewide bus service, known as "DART", and the Philadelphia area public transportation system, known as "SEPTA".

The vendor will be expected to arrange payment directly to parking garages in the City of Wilmington and offer vouchers to participants. Employees may request a reimbursement of unspent funds in a voucher. In addition, there are approximately 4,300 State employees that work in the downtown Wilmington area that may utilize parking services.

The scope of services include the following:

- Administration of Pre-Tax Commuter Benefit Program.

- Communication Materials: flyers, posters, etc., similar to the description in the FSA section above.
- Eligibility, including enrollment, premium and claim reconciliation.
- Claim processing/reimbursement and voucher delivery.
- Excellent account management and customer service.
- All aspects of enrollment into program.
- Ensure compliance with Federal tax laws, including any reporting requirements, and applicable State laws and regulations.
- Monthly reports of utilization.
- Employee satisfaction survey specific to the State of Delaware.
- All costs associated with the program shall be borne by the proposing firm
- Successful bidder must agree to accept the State’s existing electronic file formats (See Appendix K).

**D. Timetable/Deadlines**

The following timetable is expected to apply during this RFP process:

<b>Event</b>	<b>Target</b>
RFP Advertised	M 02/17 & 02/24
Intent to Bid Deadline	M 03/03
Follow-up Questions due to SBO from Confirmed Bidders	M 03/10
Responses to Questions to Confirmed Vendors	F 03/14
Deadline for Bids	M 03/24
Notification of Finalists - Invitation to Interview	Week of 04/28
Finalist Interviews <sup>1</sup>	Week of 05/12
Contract Award	June 2014
Plan Effective Date	01/01/15

<sup>1</sup> The SEBC will require each of the finalists to make a presentation in Dover, Delaware. The presentation will be at the expense of the proposing firm.

## E. Evaluation Process

### Proposal Review Committee

The Proposal Review Committee (PRC) will review all proposals submitted in response to the RFP. The PRC shall be comprised of representatives from each of the following offices:

- Office of Management and Budget
- Controller General's Office
- Department of Finance
- Department of Health and Social Services
- State Insurance Commissioner's Office
- State Treasurer's Office
- Chief Justice of the Supreme Court

The PRC shall determine the firms that meet requirements pursuant to selection criteria of the RFP and procedures established in 29 Del. C. §6981 and 6982. The PRC shall interview at least one (1) of the qualified firms.

**The minimum requirements are mandatory. Failure to meet any of the minimum requirements outlined in the RFP may result in disqualification of the proposal submitted by your organization.**

The PRC shall make a recommendation regarding the award of contract to the SEBC who shall have final authority, in accordance with the provisions of this RFP and 29 Del.C. §6982, to award a contract to the successful firm or firms as determined by the SEBC in its sole discretion to be in the best interests of the State of Delaware. The SEBC may negotiate with one or more firms during the same period and may, at its discretion, terminate negotiations with any or all firms. The SEBC reserves the right to reject any and all proposals or award to multiple vendors.

### Evaluation Criteria

All proposals shall be evaluated using the same criteria and scoring process. The following criteria shall be used by the PRC to evaluate proposals:

Topic and Weighting	Description
Financial - 25%	Cost for requested services as detailed in the RFP in relation to other competitive proposals.

<b>Organization's Ability - 25%</b>	Depth of the organization's experience and ability with accounts of similar size. Proven ability and infrastructure, including on-line web portal technology and data security requirements, to perform the services as outlined in the Scope of Work for multiple employer units such as agencies and school districts.
<b>Experience - 25%</b>	Qualifications and experience of the organization's personnel to provide excellent customer service to the participants and account management services.
<b>Administrative Services - 25%</b>	Demonstrated ease of access to account management personnel and the ability to be responsive and solve problems. Ability to provide reports and all account management services within required timeframes. Flexibility to facilitate anticipated and unanticipated regulatory and any processing changes requested by the State.

The SEBC will use the information contained in your proposal to determine whether you will be selected as a finalist and for contract negotiations. The proposal the SEBC selects will be a working document. As such, the SEBC will expect the proposing firm to honor all representations made in its proposal.

It is the proposing firm's sole responsibility to submit information relative to the evaluation of its proposal and the SEBC is under no obligation to solicit such information if it is not included with the proposing firm's proposal. Failure of the proposing firm to submit such information in a manner so that it is easily located and understood may have an adverse impact on the evaluation of the proposing firm's proposal.

The proposals shall contain the essential information for which the award will be made. The information required to be submitted in response to this RFP has been determined by the SEBC and the PRC to be essential in the evaluation and award process. Therefore, all instructions contained in this RFP must be met in order to qualify as a responsive contractor and to participate in the PRC's consideration for award. Proposals that do not meet or comply with the instructions of this RFP may be considered non-conforming and deemed non-responsive and subject to disqualification at the sole discretion of the PRC.

### **RFP Award Notification**

After review by the PRC, a recommendation will be made to the SEBC for award of the contract. The contract may be awarded on a contingent basis if there are outstanding requirements that must be satisfied, including, but not limited to, the technical standards and security requirements. The contract shall be awarded to the vendor whose proposal is determined by the SEBC to be most advantageous, taking into consideration the evaluation criteria set forth in the RFP. It should be explicitly noted that the SEBC is not obligated to award the contract to the vendor who submits the lowest bid rather the contract will be awarded to the vendor whose proposal is determined by the SEBC to be the most advantageous. The award is subject to the appropriate State of Delaware

approvals. After a final selection is made, the winning vendor will be invited to negotiate a contract with the State; remaining vendors will be notified in writing of their selection status.

## **Award of Contract**

The final award of a contract is subject to approval by the SEBC. The SEBC has the sole right to select the successful vendor(s) for award, to reject any proposal as unsatisfactory or non-responsive, to award a contract to other than the lowest priced proposal, to award multiple contracts, or not to award a contract, as a result of this RFP. Notice in writing to a vendor of the acceptance of its proposal by the SEBC and the subsequent full execution of a written contract will constitute a contract, and no vendor will acquire any legal or equitable rights or privileges until the occurrence of both such events.

## **F. Confidentiality of Documents**

The OMB is a public agency as defined by State law, and as such, it is subject to the Delaware Freedom of Information Act, 29 Del. C. Ch. 100 (FOIA). Under the law, all the State's records are public records unless otherwise declared by law to be not public and are subject to inspection and copying by any person. Organizations are advised that once a proposal is received by the State, a decision on contract award is made and the contract awarded, its contents will become public record and nothing contained in the proposal will be deemed to be confidential except proprietary information. Pricing information and fee structures are treated as confidential only until the contract to the awarded vendor has been executed and cannot be included as proprietary information.

Proposing firms must submit one hard copy of any information the firm is seeking to be treated as proprietary in a separate, sealed envelope labeled "Proprietary Information" with the RFP name included. The envelope must contain a letter from the proposing firm's legal counsel describing the documents in the envelope, representing in good faith that the information in each document is not public record as defined by FOIA at 29 Del. C. § 10002(d) and State the reasons that each document meets the said definitions. The documents must also be provided electronically on a CD with a complete redacted copy. In order to submit a complete electronic copy, you must scan the letter as the first page so that the file is clearly designated.

Upon receipt of a proposal accompanied by such a separate, sealed envelope, the State will open the envelope to determine if the procedure described above has been followed. Such requests will not be binding on the SEBC to prevent such a disclosure but may be evaluated under the provisions of 29 Del.C. Chapter 100. Any final decisions regarding disclosure under FOIA shall be made at the sole discretion of the OMB.

**Please see the section entitled Submission of Proposal for a detailed description of the number, format, and type of copies that are required.**

All documentation submitted in response to this RFP and any subsequent requests for information pertaining to this RFP shall become the property of the State of Delaware, OMB and shall not be returned to the proposing firm. All proposing firms should be aware that government solicitations and responses are in the public domain.

## II. Terms and Conditions

### A. Proposal Response Requirements

1. **Conformity** - Your proposal must conform to the requirements set forth in this RFP. The SEBC reserves the right to deny any and all exceptions taken to the RFP requirements. By submitting a bid, each vendor shall be deemed to acknowledge that it has carefully read all sections of this RFP, including all forms, schedules and exhibits hereto, and has fully informed itself as to all existing conditions and limitations. The failure or omission to examine any form, instrument or document shall in no way relieve vendors from any obligation in respect to this RFP.
2. **Concise and Direct** - Please provide complete answers and explain all issues in a concise, direct manner. Unnecessarily elaborate brochures or other promotional materials beyond those sufficient to present a complete and effective proposal are not desired. Please do not refer to another answer if the question appears duplicative, but respond in full to each question. If you cannot provide a direct response for some reason (e.g., your company does not collect or furnish certain information), please indicate the reason rather than providing general information that fails to answer the question. **“Will discuss” and “will consider” are not appropriate answers, nor is a reference to the current contractual terms by an incumbent.** All information requested is considered important. If you have additional information you would like to provide, include it as an appendix to your proposal.
3. **Realistic** – It is the expectation of the SEBC that vendors can fully satisfy the obligations of the proposal in the manner and timeframe defined within their proposal. Proposals must be realistic and must represent the best estimate of time, materials, and other costs including the impact of inflation and any economic or other factors that are reasonably predictable. The State of Delaware shall bear no responsibility or increased obligation for a vendor’s failure to accurately estimate the costs or resources required to meet the obligations defined in the proposal.
4. **Completeness of Proposal** – The proposal must be complete and comply with all aspects of the specifications. Any missing information could disqualify your proposal. Proposals must contain sufficient information to be evaluated and, therefore, must be complete and responsive. Unless noted to the contrary, we will assume that your proposal conforms to our specifications in every way. The SEBC reserves full discretion to determine the competence and responsibility, professionally, and/or financially, of vendors. Failure to respond to any request for information may result in rejection of the proposal at the sole discretion of the SEBC.

### B. General Terms and Conditions

#### General

1. **Intent to Bid** – You must indicate your intent to bid via email to Ms. Laurene Eheman at [laurene.eheman@state.de.us](mailto:laurene.eheman@state.de.us) by Monday, March 3, 2014, no later than 4:00 p.m. EST.

2. **No Bid** - To assist us in obtaining competitive bids and analyzing our procurement processes, if you choose not to bid we ask that you let us know the reason. We would appreciate your candor. For example: objections to (specific) terms, do not feel you can be competitive, or cannot provide all the services in the Scope of Work. Please email Ms. Laurene Eheman at [laurene.eheman@state.de.us](mailto:laurene.eheman@state.de.us).
3. **Definitions** – The following terms are used interchangeably throughout this RFP:
  - a. bidder, vendor, contractor, organization
  - b. SEBC, State of Delaware
  - c. proposal, bid, vendor’s submission
4. **Discrepancies, Revisions and Omissions in the RFP** – The vendor is fully responsible for the completeness and accuracy of their proposal and for examining this RFP and all addenda. Failure to do so is at the sole risk of the vendor. **Should the vendor find discrepancies, omissions, unclear or ambiguous intent or meaning, or terms not appropriate to the services requested**, the vendor shall notify the contact for this RFP, Ms. Laurene Eheman, electronically, and only electronically, at [laurene.eheman@state.de.us](mailto:laurene.eheman@state.de.us), at least ten (10) days before the proposal opening by using the *RFP Terms and Conditions Exception Tracking Chart*, Appendix M. This will allow for the issuance of any necessary addenda. It will also help prevent the opening of a defective proposal and exposure of the vendor’s proposal upon which an award could not be made. All unresolved issues should be addressed in the proposal.

Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention Ms. Laurene Eheman, electronically, and only electronically at [laurene.eheman@state.de.us](mailto:laurene.eheman@state.de.us), no later than ten (10) calendar days prior to the time set for opening of the proposals.

If it becomes necessary to revise any part of the RFP, an addendum will be posted on the State of Delaware’s website at [bids.delaware.gov](http://bids.delaware.gov) and emailed to all vendors that submitted an Intent to Bid. The State of Delaware or SEBC is not bound by any statement related to this RFP made by any State of Delaware employee, contractor or its agents.

5. **Questions** – The SEBC anticipates this will be an interactive process and will make every reasonable effort to provide sufficient information for vendor responses. Vendors are invited to ask questions during the proposal process and to seek additional information, if needed. However, do not contact any member of the SEBC about this RFP or the FSA and PTC administration services selection process. Communications made to other State of Delaware personnel or attempting to ask questions by phone or in person will not be allowed or recognized as valid and may disqualify the vendor.

Vendors should only rely on written statements issued by the RFP designated contact, Ms. Laurene Eheman. **All proposing vendors must submit their questions electronically, and only electronically, to Ms. Laurene Eheman at [laurene.eheman@state.de.us](mailto:laurene.eheman@state.de.us) no later than Monday, March 10, 2014, at 4:00 p.m. EST.** The SBO will then put all questions received and the responses into one document, post it on [bids.delaware.gov](http://bids.delaware.gov), and email it to all vendors who

confirmed their intention to bid. Again, all questions regarding this proposal should be directed only, and by email only, to Ms. Laurene Eheman at [laurene.eheman@state.de.us](mailto:laurene.eheman@state.de.us).

### **Contract/Rate Guarantee Periods**

The State of Delaware reserves the right to incorporate standard State contractual provisions into any contract negotiated as a result of a proposal submitted in response to this RFP. Any proposed modifications to the terms and conditions of the standard contract are subject to review and approval by the State of Delaware. The vendor is required to sign the contract for all services. If the vendor to whom the award is made fails to enter into the agreement as herein provided, the award will be annulled and an award made to another vendor. Such vendor shall fulfill every stipulation embraced herein as if they were the party to whom the first award was made.

### **Performance Guarantees**

The State expects exceptional client account management and participant customer service from their vendors and is interested in evaluating financial and non-financial performance guarantees. The State reserves the right to negotiate both financial and non-financial performance guarantees. Please refer to Appendix H.

### **Use of Subcontractors**

Subcontractors are subject to all the terms and conditions of the RFP.

### **Required Reporting of Fees and MWBE (2<sup>nd</sup> Tier) Spend**

One of the primary goals in administering this contract is to keep accurate records regarding its actual value. This information is essential in order to update the contents of the contract and to establish proper bonding levels if they are required. The integrity of future contracts revolves around the State's ability to convey accurate and realistic information to all interested bidders. Therefore, be advised that a Monthly Usage Report will be filed with the State's Contracting Office that discloses the fee paid to the successful vendor for the administration of this contract.

In accordance with Executive Order 14 and 29 – Increasing Supplier Diversity Initiatives within State Government and Ensuring Representation of Veteran-Owned Businesses, the State is committed to supporting its diverse business industry and population. The successful Vendor will be required to report quarterly on the participation by a certified minority, woman, or veteran owned business for subcontracted services that are provided for the administration of this contract.

### **Rights of the PRC**

- The PRC reserves the right to:
  - Select for contract or negotiations a proposal other than that with lowest costs.
  - Reject any and all proposals received in response to this RFP.
  - Make no award or issue a new RFP.
  - Waive or modify any information, irregularity, or inconsistency in a proposal received.

- Request modification to proposals from any or all vendors during the review and negotiation.
  - Negotiate any aspect of the proposals with any organization.
  - Negotiate with more than one organization at the same time.
  - Select more than one contractor/vendor to perform the applicable services.
- Right of Negotiation – Discussions and negotiations regarding price, performance guarantees, and other matters may be conducted with organizations(s) who submit proposals determined to be reasonably susceptible of being selected for award, but proposals may be accepted without such discussions. The PRC reserves the right to further clarify and/or negotiate with the proposing organizations following completion of the evaluation of proposals but prior to contract execution, if deemed necessary by the PRC and/or the SEBC. The SEBC also reserves the right to move to other proposing firms if negotiations do not lead to a final contract with the initially selected proposing firm. The PRC and/or the SEBC reserves the right to further clarify and/or negotiate with the proposing firm(s) on any matter submitted.
  - Right to Consider Historical Information – The PRC and/or the SEBC reserves the right to consider historical information regarding the proposing firm, whether gained from the proposing firm’s proposal, question and answer conferences, references, or any other source during the evaluation process.
  - Right to Reject, Cancel and/or Re-Bid – The PRC and/or the SEBC specifically reserve the right to reject any or all proposals received in response to the RFP, cancel the RFP in its entirety, or re-bid the services requested. The State makes no commitments, expressed or implied, that this process will result in a business transaction with any vendor.

### **C. Submission of Proposal**

1. **Format** - For each requirement or question, retain the numbering/lettering convention, copy the item and state your answer below it. Please completely answer the question even if you must restate information provided in a minimum requirement or in another question.

In each section, and for each attachment or appendix you reference, clearly separate the corresponding materials with a tab. Please include a table of contents for the appendices.

2. **Hard Copies** – Please submit four (4) complete hard copies - binders are preferred instead of spiral bound - of your proposal to Ms. Laurene Eheman at the following address:

Ms. Laurene Eheman, RFP and Contract Coordinator  
Office of Management and Budget  
Statewide Benefits Office  
500 W. Loockerman Street, Suite 320  
Dover, DE 19904  
Phone: (302) 739-8331  
Fax: 302) 739-8339

*Complete* means that it includes all information you may deem proprietary and confidential. In other words, the information deemed proprietary and confidential must not be redacted or separated from the rest of the information.

3. **Electronic Copies** – Please include a *complete* electronic copy of your proposal in a PDF format on its own CD. You must scan all the documents; for example, a signed cover letter, the signed Officer's Statement and any appendices. Please divide the PDF into manageable sections for easier readability.<sup>2</sup> Please label and carefully package the CD.
4. **Redacted Copies** – Information that you assert is confidential and proprietary must be submitted in a redacted form within the entire proposal. This means the information must be blacked out or substituted with a blank page that references the page or document that is missing. For example:

For all transactions, the following conditions must be met:

- individual section policies are followed;
- verbal price quotes are obtained;
- State Contracts must be utilized;
- purchases over \$5,000 have a corresponding purchase order prior to the charge; and fragmentation of purchases is prohibited.

In addition, [REDACTED]

[REDACTED] Employees must reimburse the State of Delaware for any expenditure above the allowable amounts.

Any questions on requirements should be directed to staff in OMB Financial Operations.

#### 2. Coordinator/Back-Up Coordinator – Designation, Roles and Responsibilities

The Coordinator or Back-Up Coordinator will be responsible for maintaining a file which shows all applications, signed affidavits, and policies and procedures. Any issue that arises with the employee or [REDACTED] is to be dealt with first by the Coordinator or Back-up Coordinator. The Coordinator or Back-Up Coordinator is also responsible for ensuring that the purchases comply with the state and federal legislation, regulations, policies and procedures. [REDACTED]

[REDACTED] and attached to a weekly log (Exhibit C). Any employee not producing a receipt must complete an affidavit statement certifying that they did in fact purchase the particular item. The affidavit statement must be signed by the employee and the supervisor or section designee.

**Reconciler** - The Reconciler is responsible for applying the chartfield information in the First State Financial system. The Reconciler is also responsible for ensuring that the purchases comply with the state and federal legislation, regulations, policies and procedures.

**Approver** - [REDACTED]

#### 3. Request for an Application

All requests need to be addressed to the employee's supervisor for approval. The supervisor then will request a SuperCard approval from the Coordinator or Back-up Coordinator.

One (1) hard copy is needed with the redacted materials. Imagine you are flipping through the hard copy. You would see that section on a page with information blacked out (redacted) that the author considers confidential and proprietary. If an entire document, section or appendix consisting of multiple pages is considered confidential and proprietary, use a blank page with a reference to the missing information. For example, "Appendix C – Disaster Recovery Plan – is confidential and proprietary and is not public record as defined by FOIA at 29 Del. C. § 10002(d)".

<sup>2</sup> As stated in the Technical Standards and Security Requirements section, Directions, please ensure that your responses (and exhibits, if any) to that section are in a separate tab.

One (1) electronic copy is needed with the redacted materials in a PDF format on a separate CD from the non-redacted copy. You must scan all the documents; for example, the signed cover letter, the signed Officer's Statement and any appendices. Please divide the PDF into manageable sections for easier readability. Please label and carefully package the CD.

<b>Recap of Proposal Copy Formats</b>	<b>Hard Copies</b>	<b>PDF Copies on separate CDs</b>
Confidential and Proprietary documents: <u>Only</u> those documents (not redacted) and the attorney's cover letter in a marked and sealed envelope	1	1
Complete bid <u>with</u> redacted sections	1	
Complete bid <u>without</u> redacted sections	4	1

5. **Proposal Submission Date** – Both hard and electronic copies of your complete proposal must be received at the above address no later than **3:00 p.m. EST on Monday, March 24, 2014**. If the office is closed on the bid due date due to weather or other emergency, the due date and time cannot be pushed forward one day. Any proposal received after this date and time shall not be considered and will be returned to the proposing firm unopened. The proposing firm bears the risk of delays in delivery. The contents of any proposal shall not be disclosed or made available to competing entities during the negotiation process.
6. **Proposal Opening** – To document compliance with the deadline, the proposals will be date and time stamped upon receipt. Proposals will be opened only in the presence of State of Delaware personnel. There will be no public opening of proposals, but a public log will be kept of the names of all vendor organizations that submitted proposals. The list will be posted on bids.delaware.gov. The contents of any proposal will not be disclosed to competing vendors prior to contract award.
7. **Officer Certification** – All vendors participating in this RFP will be required to have a company officer attest to compliance with RFP specifications and the accuracy of all responses provided. **Please fill out the Officer Certification Form, Appendix L, and include it in your bid package.**
8. **Vendor Errors/Omissions** – The SEBC will not be responsible for errors or omissions made in your proposal. You will be permitted to submit only one proposal. You may not revise or withdraw submitted proposals after the applicable deadline.
9. **General Modifications to RFP** – The SEBC reserves the right to issue amendments or change the timelines to this RFP. All firms who submitted an Intent to Bid notice will be notified in writing via e-mail of any modifications made by the SEBC to this RFP.
10. **Modifications to Submitted Proposal** – Changes, amendments or modifications to proposals shall not be accepted or considered after the time and date specified as the deadline for submission of proposals. However, vendors may modify or withdraw its complete proposal by written request, provided that both proposal and request is received by Ms. Laurene Eheman

prior to the proposal due date and time. Pages for substitution will not be accepted or allowed. The proposal may be re-submitted in accordance with the proposal due date in order to be considered.

11. **Proposal Clarification** – The SEBC may contact any vendor in order to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications will be requested in writing and the vendor’s responses will become part of the proposal.
12. **References** – The SEBC may contact any customer of the vendor, whether or not included in the vendor’s reference list, and use such information in the evaluation process. Additionally, if applicable to the scope of work in this RFP, the State of Delaware may choose to visit existing installations of comparable systems, which may or may not include vendor personnel. If the vendor is involved in such site visits, the State of Delaware will pay travel costs only for the State of Delaware personnel for these visits.
13. **Time for Acceptance of Proposal** – The bidder agrees to be bound by its proposal for a period of at least 180 days, during which time the State may request clarification or correction of the proposal for the purpose of the evaluation.
14. **Incurred Costs** – This RFP does not commit the SEBC to pay any costs incurred in the preparation of a proposal in response to this request and vendor/bidder agrees that all costs incurred in developing its proposal are the vendor/bidder's responsibility.
15. **Basis of Cost Proposal** – Your proposal must be based on your estimated cost of all expenses for the services and funding arrangements requested.
16. **Certification of Independent Price Determination** – By submission of a proposal, the proposing firm certifies that the fees submitted in response to the RFP have been arrived at independently and without – for the purpose of restricting competition – any consultation, communication, or agreement with any other proposing firm or competitor relating to those fees, the intention to submit a proposal, or the methods or factors used to calculate the fees proposed. **Please fill out the Non-Collusion Statement, Appendix F, and include it in your bid package.**
17. **Improper Consideration** – Bidder shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee, group of employees, retirees or agent of the SEBC in an attempt to secure favorable treatment or consideration regarding the award of this proposal.
18. **Representation Regarding Contingent Fees** – By submission of a proposal, the proposing firm represents that it has not retained any person or agency to solicit or secure a contract for the services described herein upon an agreement or understanding for a commission or a percentage, brokerage, or contingent fee. The SEBC will not pay any brokerage fees for securing or executing any of the services outlined in this RFP. Therefore, all proposed fees must be net of commissions and percentage, contingent, brokerage, service, or finder’s fees.

19. **Confidentiality** – All information you receive pursuant to this RFP is confidential and you may not use it for any other purpose other than preparation of your proposal.

20. **Solicitation of State Employees** – Until contract award, vendors shall not, directly or indirectly, solicit any employee of the State of Delaware to leave the State’s employ in order to accept employment with the vendor, its affiliates, actual or prospective contractors, or any person acting in concert with the vendor, without prior written approval of the State’s contracting officer. Solicitation of State of Delaware employees by a vendor may result in rejection of the vendor’s proposal.

This paragraph does not prevent the employment by a vendor of a State of Delaware employee who has initiated contact with the vendor. However, State of Delaware employees may be legally prohibited from accepting employment with the contractor or subcontractor under certain circumstances. Vendors may not knowingly employ a person who cannot legally accept employment under state or federal law. If a vendor discovers that they have done so, they must terminate that employment immediately.

21. **Consultants and Legal Counsel** – The SEBC may retain consultants or legal counsel to assist in the review and evaluation of this RFP and the vendors’ responses. Bidders shall not contact the consultant or legal counsel on any matter related to this RFP.

22. **Contact with State Employees** – Direct contact with State of Delaware employees regarding this RFP other than the designated contact, Ms. Laurene Eheman, is expressly prohibited without prior consent. Vendors directly contacting State of Delaware employees risk elimination of their proposal from further consideration. Exceptions exist only for organizations currently doing business with the State who require contact in the normal course of doing that business.

23. **Organizations Ineligible to Bid** - Any individual, business, organization, corporation, consortium, partnership, joint venture, or any other entity including subcontractors currently debarred or suspended is ineligible to bid. Any entity ineligible to conduct business in the State of Delaware for any reason is ineligible to respond to the RFP.

24. **Exclusions** - The PRC reserves the right to refuse to consider any proposal from a vendor who:

- a. Has been convicted for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of the contract or subcontract;
- b. Has been convicted under State or Federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or other offense indicating a lack of business integrity or business honesty that currently and seriously affects responsibility as a State contractor;
- c. Has been convicted or has had a civil judgment entered for a violation under State or Federal antitrust statutes;

- d. Has violated contract provisions such as:
  - i. Knowing failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
  - ii. Failure to perform or unsatisfactory performance in accordance with terms of one or more contracts;
  - iii. Has violated ethical standards set out in law or regulation; and
  - iv. Any other cause listed in regulations of the State of Delaware determined to be serious and compelling as to affect responsibility as a State contractor, including suspension or debarment by another governmental entity for a cause listed in the regulations.

### III. Minimum Requirements

**The following minimum requirements are mandatory. Failure to meet any of these proposal criteria may result in disqualification of the proposal submitted by your organization.**

**“Will discuss” and “will consider” are not appropriate answers, nor is a reference to the current contractual terms by an incumbent.**

**If your responses to the minimum requirements are different for the FSA or PTC programs, please note and provide appropriate responses for each. If not noted, it will be assumed your response is applicable to both programs.**

As an introduction, please provide the firm’s name, home office address and telephone number, and the address and telephone number of additional offices, if any, that would provide the services requested under this RFP. Also provide the name and information for the primary contact, including email address, for this RFP. Also include your company’s website address.

1. The selected vendor must have at least five (5) years’ experience as an organization in providing the type of services to be procured through this competitive RFP process. Please confirm that you have reviewed the Scope of Services included in this RFP and that you have provided these services for other clients. The determination of the length of time an entity has provided these services will be based upon the initial date the entity established a contractual relationship to provide such services. The proposing organization must provide sufficient detail to demonstrate it has experience in working with FSA and PTC programs similar in size and complexity. Because more detailed questions follow, please provide only a broad outline here of the organization’s years of experience and qualifications for the services listed in the Scope of Services.
2. The individual who will act as the SEBC’s primary contact shall be, at a minimum, a senior level manager and shall have at least five (5) years’ experience providing FSA & PTC account management, of which three (3) years’ experience must have been in providing FSA and PTC administration services to clients of similar size. Please provide a statement detailing such experience and a resume.
3. Please confirm your organization’s acceptance that payments made by the State will be by Automated Clearing House (ACH) as per its ACH processing procedures. Claim payments will be made within four (4) business days and administrative fees will be paid monthly. See <https://w9.accounting.delaware.gov/?OpenForm> for the required information.
4. Please confirm your organization’s acceptance that the term of the contract between the successful organization and the State will be for three (3) years and may be renewed for two (2) additional one-year extensions at the discretion of the SEBC.
5. On the Fees Quote form, Appendix J, provide rates and fees for a three (3) year contract period beginning effective January 1, 2015. The vendor must guarantee the contract period rates and

fees through December 31, 2017, with a rate cap for two (2) additional optional one-year periods that may be exercised at the discretion of the SEBC. The rate caps must be expressed as a percentage increase from the prior year's rates.

6. Please confirm that all charges are stated on the Fee Quote, Appendix J, including any optional services you provide that were not requested by the State of Delaware. **If you include a fee in your response to any question, or state there is no fee, that information must be noted on the Fee Quote form. If a fee is not included on the form, it will be assumed there is no fee for that service, whether or not a question reminds you to include a fee on the Fee Quote form.**
7. Please confirm that the fees in your bid are valid for a minimum of 180 days from submission of proposal.
8. Please confirm your company is appropriately licensed to do business in the State of Delaware and provide a copy of the license.
9. Please confirm that your organization will not use the names, home addresses or any other information obtained about participants of the FSA & PTC programs for the purpose of offering for sale any property or services that are not directly related to services negotiated in the RFP without the express written consent of the State.
10. Verify that the primary contact and/or lead personnel assigned to a transition team and account management team will be part of any interview team. Additionally, during the presentation the vendor must provide a demonstration of the on-line access for participants and the account management functions.
11. Confirm that your organization is operating as an independent contractor and that it is liable for any and all losses, penalties, damages, expenses, attorney's fees, judgments, and/or settlements incurred by reason of injury to or death of any and all persons, or injury to any and all property, of any nature, arising out of the vendor's negligent performance under this contract, and particularly without limiting the foregoing, caused by, resulting from, or arising out of any act of omission on the part of the vendor in their negligent performance under this contract.
12. Confirm that your organization shall maintain insurance that will protect against claims under Worker's Compensation Act and from any other claims for damages for personal injury, including death, which may arise from operations under this contract. The vendor is an independent contractor and is not an employee of the State of Delaware.
13. During the term of this contract, the vendor shall, at its own expense, carry insurance minimum limits as follows:

a.	Comprehensive General Liability	\$1,000,000 per person and \$3,000,000 per occurrence
b.	Medical or Professional Liability	\$1,000,000/\$3,000,000
c.	Misc. Errors and Omissions	\$1,000,000/\$3,000,000

The successful vendor must carry (a) and (b) and/or (c), above, depending on the type of service being delivered.

If the contractual service requires the transportation of State employees, the vendor shall, in addition to the above coverage, secure at its own expense the following coverage;

a.	Automotive Liability (Bodily Injury)	\$100,000/\$300,000
b.	Automotive Property Damage (to others)	\$ 25,000

Please provide a copy of your certificate of insurance with the appropriate types and coverage.

14. Please confirm that SBO's administrative staff will have access to an on-line portal with enrollment information for both programs.
15. Please confirm that your organization can accept paper enrollment forms for FSA new hires through the year and also for any PTC changes.
16. Please confirm that your organization will provide a weekly invoice for reconciliation for both the 22-week pay and 26-pay participants, a monthly report of suspension of FSA debit cards, and an annual report of unsubstantiated FSA debit charges.
17. Please confirm that your organization will provide a year-end forfeiture report, bi-weekly discrepancy reports, and *ad hoc* reports as requested.
18. Your company must have proven ability to perform the services described in this RFP. Of your company's current clients, list three (3) or more references with an excess of 30,000 eligible lives/4,000 enrolled lives. If possible, at least one reference should be a governmental client of a similar size. Additionally, provide references for three (3) terminated clients and note the date of termination and reason. **Please Note:** You must provide the references at this time, not only if selected as a finalist, in order to show your ability to serve clients of a similar size. If requested, the SEBC will agree to notify you before contacting your references.

Include the following information:

- a. Client name
- b. Principal location
- c. Location servicing account, if different
- d. Client contact including name, title address, email and phone number
- e. Number of participants in
  1. Health Care Account
  2. Dependent Care Account
  3. Pre-Tax Commuter Accounts
  4. List of services provided other than the above account types

- f. Effective date of contract
  - g. (Date and reason for termination)
19. It is anticipated that an award of the FSA and PTC Administrative Services contract will be made on or before July 31, 2014. Please confirm that if you are awarded the contract no later than July 31, 2014, you would be able to successfully implement the FSA program for a November, 2014, Open Enrollment and a January 1, 2015, effective date.
  20. Please confirm that requested State data (along with other relevant documentation such as procedure manuals and system access) will be made available to the State or its authorized agents for purpose of an audit.
  21. Please confirm your organization is willing to accept the State's performance guarantees and fees at risk, at minimum, as listed in Appendix H. If you propose higher penalties than the minimums, please indicate those by using a strikeout font and insertion.
  22. Please confirm your organization's willingness to negotiate financial and non-financial performance guarantees.
  23. For the pre-tax commuter program, please confirm that your organization accepts the term that the State holds the funds in-house after payroll deduction until such time as a request is made to issue a voucher/fare media or a reimbursement request is made.
  24. For the flexible spending account program, please confirm that your organization accepts the term that the State holds the funds in-house after payroll deduction until such time as a claim paid via debit card or participant reimbursement is made.
  25. Please confirm your organization's acceptance that all data records (claims and administration) will be maintained by the administrator but will be the property of the State of Delaware (or another party designated by the State) within thirty (30) days of notification of termination and without cost.
  26. Please confirm your organization's acceptance: The RFP and the executed Contract between the State and the successful organization will constitute the Contract between the State and the organization. In the event there is any discrepancy between any of these contract documents, the following order of documents governs so that the former prevails over the latter; contract and RFP. No other documents will be considered. These documents contain the entire agreement between the State and the organization.
  27. Please confirm your organization's acceptance: The payment of an invoice for administrative fees by the SEBC shall not prejudice the SEBC's right to object or question any invoice or matter in relation thereto. Such payment by the SEBC shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any costs invoiced therein. Vendor's invoice or payment shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the SEBC, based on audits, to not constitute allowable costs. Any payment shall be reduced for overpayment, or increased for underpayment on subsequent invoices.

24. Please confirm your organization's acceptance: The SEBC reserves the right to deduct from amounts that are or shall become due and payable to the vendor under this contract between the parties any amounts which are or shall become due and payable to the SEBC by the vendor.
25. Please confirm that your organization will not use the State's name, either express or implied, in any of its advertising or sales materials without the State's express written consent.
26. Open Enrollment should be web based directly to the vendor. The vendor will capture the information and send an electronic file to the State to upload into the State's payroll system. State of Delaware will supply the eligibility file. As a requirement, the vendor must use the current file specs and will only receive the employee identification number and the last four (4) digits of social security numbers as identifiable information. Under no circumstances will the full nine (9) digits for social security numbers be released.
27. Please confirm your organization can and will accept the data elements in the Data File Descriptions and Layouts, Appendix K.
33. Please confirm that any participant address changes in the eligibility feed (Eligibility File - Hr\_rpl.dat (DHR944)) that is available biweekly will be updated, either automatically or manually.
34. **Please confirm your organization's acceptance. For your response, if you do not accept this indemnity paragraph as written, you must provide a redline of suggested changes. Be advised that the State cannot agree to major changes.**

Vendor shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) directly arising out of (A) the negligence or other wrongful conduct of the vendor, its agents or employees, or (B) vendor's breach of any material provision of this Agreement not cured after due notice and opportunity to cure, provided as to (A) or (B) that (i) vendor shall have been notified in writing by the State of any notice of such claim; and (ii) vendor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise.

35. **(This paragraph is not a duplicate – see bolded phrase.) Please confirm your organization's acceptance. For your response, if you do not accept this indemnity paragraph as written, you must provide a redline of suggested changes. Be advised that the State agree to major changes.**

Vendor shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, including any claims or expenses with respect to the resolution of any **data security breaches/ or incidents**, together with all reasonable costs and expenses (including attorneys' fees) directly arising out of (A) the negligence or other wrongful conduct of the vendor, its agents or employees, or (B) vendor's breach of any material provision of this Agreement not cured after due notice and opportunity to cure, provided as to (A) or (B) that (i) vendor shall have been notified in writing by the State of any notice of such claim; and (ii)

vendor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise.

36. Please confirm your organization's agreement that:
  - a. Only the State may terminate the contract for convenience.
  - b. The vendor can terminate the contract for cause with written notice to the State of no less than 180 days.
  - c. The State can terminate the contract for cause with written notice to the vendor of no less than 30 days.
37. Please confirm your organization's agreement with the State's right to modify the benefit design for both or either programs during the contract period with reasonable notice and if permissible under State and federal laws.
38. Willingness to supply the State with renewal information and/or contract amendments at least 150 days prior to renewal.
39. Please confirm that significant changes that could negatively impact employees/participants may only take effect annually on the anniversary of the plan effective date or as permissible under State and federal law. Such changes must be communicated in writing with a sixty (60) days' written notice to employees and ninety (90) days' notice to the Statewide Benefits Office.
40. The State requires your organization to confirm that all services identified in your proposal are provided solely by your organization and identify any services that may be provided by a subcontractor. Subcontractors are subject to all the terms and conditions of the RFP. If a subcontractor(s) is involved, note in your response to this question and complete Appendix O included herein. **(If a subcontractor provides IT services, please respond as directed in the *Technology and Security Requirements* section.)**
41. Please confirm that your organization will process all applicable plan reimbursements and/or refunds owed, including remaining reimbursements/refunds (if any) following contract termination (if it occurs). Reimbursement shall be in the form of direct deposit or personal check, at the employee's option.
42. Please confirm that your organization will work to develop relationships, or continue established relationships, with parking garages in the City of Wilmington at which a significant number of State employees park and attempt to develop, or continue, direct-pay arrangements.
43. Please confirm that your organization has an on-line web portal where employees can change or cancel their PTC enrollment at any time.
44. Please confirm that your organization can accept paper forms for both programs via U.S. Mail or a toll-free fax line.

45. Please confirm there is a toll-free customer service number for participants.
46. Please confirm that your organization offers a debit card to the Health Account FSA participants.
47. For the participant's optional FSA debit card, please confirm that your organization can deduct the entire annual fee from the participant's available balance at the beginning of the plan year or pro-rate as applicable.
48. Please confirm that, if awarded the contract, your organization will execute the Business Associate Agreement form, Appendix I. **For your response, if you do not accept the language as written, you must provide the document with redlines of suggested changes. Be advised that the State will not consider substantive changes.**
49. Please confirm that your organization will be in compliance with HIPAA, EDI and Privacy on behalf of the State's plan.
50. Please confirm that services will extend to all eligible State of Delaware employees in all three (3) counties.
51. Please confirm that your organization will perform nondiscrimination testing annually as required by the IRS. Additionally, please explain your process.

## IV. Vendor Questionnaire

**Failure to respond** to any request for information may result in rejection of the proposal at the sole discretion of the State. Whenever applicable, you must clearly and succinctly indicate how your standard procedures would be modified in order to accommodate any specific requirements of the State that deviate from your standard procedures. **Generic responses or stock answers that do not address State-specific requirements will be deemed unresponsive.** Please note that Officers will be held accountable for accuracy/validity of all answers.

**If a question is repeated in multiple sections, if your answer is the same please do not refer to your answer in another section but copy it under each question.**

**Questionnaire Exception Tracking Chart** – The *RFP Questionnaire Exception Tracking Chart*, Appendix G, for this section is different and separate from the *Technology Exception Tracking Chart*, Appendix D, and the *RFP Terms and Conditions Exception Tracking Chart*, Appendix M.

- a. **If you have an exception**, you must copy and paste the term into the *RFP Questionnaire Exception Tracking Chart* and provide a detailed explanation; **OR**
- b. Check the box to acknowledge that you **take no exceptions** to the specifications, terms or conditions found in the *Questionnaire* section and submit it with your bid package.

### General Information

1. Why should the State of Delaware purchase flexible spending account and Pre-Tax commuter benefit administrative services through your company? What sets your company apart from others offering similar services?
2. How would you handle State Holidays and emergency closings for the State of Delaware offices/banks in terms of payment by State or to members? Confirm your willingness to deviate from the typical timeframe for payments which may be impacted by holidays, emergency closings, fiscal year start-up or unforeseen circumstances.
3. Please provide an organization chart of employees who would be involved in this account along with their duties, titles, years of experience and physical locations. (If there will be separate staff to handle each component of administration, please provide staffing charts for each).
4. Please confirm your willingness to assign a dedicated account manager at implementation and to have this person present and involved at all implementation meetings and phone calls.
5. For each of the following areas, indicate if the State of Delaware will have a dedicated or designated contact person and/or staff. Please describe how these areas work together.

	FSA Administration		Pre-Tax Administration	
<i>Dedicated</i> contact person:	Yes	No	Yes	No
a. Implementation	_____	_____	_____	_____
b. Eligibility	_____	_____	_____	_____
c. Billing/Accounting	_____	_____	_____	_____
d. Technical Support	_____	_____	_____	_____
e. Customer Service	_____	_____	_____	_____
f. Communications	_____	_____	_____	_____
g. Legal/Compliance	_____	_____	_____	_____

	FSA Administration		Pre-Tax Administration	
<i>Designated</i> contact person:	Yes	No	Yes	No
a. Implementation	_____	_____	_____	_____
b. Eligibility	_____	_____	_____	_____
c. Billing/Accounting	_____	_____	_____	_____
d. Technical Support	_____	_____	_____	_____
e. Customer Service	_____	_____	_____	_____
f. Communications	_____	_____	_____	_____
g. Legal/Compliance	_____	_____	_____	_____

6. Do you encourage employers to contact the dedicated or designated staff directly, or work through the account executive? Describe how the State of Delaware will access the functional areas identified in the above question.
  
7. Describe any merger/acquisition plans your organization has been involved with in the past 24 months. Are there projected mergers, acquisitions or reorganization planned for your organization? If so, are these projected events reflected in your proposal? If not, how would the State of Delaware be impacted by such events?
  
8. Summarize any legal actions taken against your company in the past three years, including number of suits, causes of action, and amount of any monetary settlement or judgment.
  
9. Provide latest audited financial statement including sources and uses of funds.
  
10. List your company's top three (3) Quality Improvement (QI) programs for this business for 2013. What steps have you taken over the past year to improve your products and the experience of your customers?
  
11. How would you ensure the State's compliance with Federal tax laws and reporting requirements?
  
12. Describe your disaster contingency plans and procedures for this program.

13. What changes do you plan during the next 12 – 24 months to enhance your member service and technology capabilities?
14. Please describe any experience you may have with large employers who use People Soft HR systems and how your prior experience could benefit the State of Delaware.
15. The State of Delaware currently offers the grace period for use-or-lose. With the new maximum \$500 rollover option, which option would you advise your clients to adopt and why?

## **FLEXIBLE SPENDING ACCOUNT BENEFIT ADMINISTRATION**

### **FSA Program Administration**

1. Provide an overview of the FSA plan administration services you will provide.
2. For year ending 2013, provide the following related to FSA Administration only:
  - a. Number of covered participants for which you provide FSA administration
  - b. Number of employers using your FSA services
  - c. Number of staff (full-time equivalent) dedicated to FSA administration.
3. What location would claims be paid out of?
4. Do you have a minimum participation requirement for the FSA? If so, how many? What would happen at the end of each enrollment period if the minimum were not achieved?
5. Do you require a minimum claim amount for submission and reimbursement? Do you require a minimum payroll deduction?
6. Explain how forfeitures are handled based on participant paying administrative fee versus State paying administrative fees.
7. How do you handle the following:
  - a. Mid-year (newly eligible) enrollees
  - b. Overpayments
  - c. Dependent care claim requests exceeding available funds
  - d. Calculation of annual amount for mid-year contribution amount changes
  - e. Reimbursement request for invalid or duplicate expenses
8. What days of the week are claims paid or are claims paid on an “as processed” basis? What is the processing time for claim payment (i.e. received by Tuesday, paid by Friday)?
9. Describe your billing process for administration fees.

10. For FSA administration, will you require front loading of funding to begin the plan year?
11. How long are records retained? In what manner are they retained?
12. Upon termination of the contract, how long will issues/questions be addressed for employees and the State? What provisions would be made to provide requested documentation to the State from the beginning to the end of the contract?

### **FSA Program Implementation**

13. How many days lead time do you require for initial set up? Please explain your implementation process.
14. Please confirm that a dedicated account manager for FSA program administration will be assigned to the State's account no later than ninety (90) days prior to Open Enrollment.
15. Please explain in detail the work plan for implementation of the FSA program administration. A timeline and project plan should be included as well as indication of persons/organizations responsible for each element. Please provide copies of any informational brochures/guidelines you could provide for eligible employees.
16. If you are awarded the contract, how would your organization communicate the change in administrator to State employees? Are customized communications available? Please attach sample communication materials and indicate the additional cost, if any, on the Fee Quote form, Appendix J.
17. Will you be willing to put a percentage of fees at risk during the implementation process? If so, please so state.

### **FSA Debit Card Capabilities**

18. Describe your capabilities and process for potential debit card administration.
19. Can the card be customized for the State of Delaware?
20. Please describe how the Debit Card works for the program.
21. Is the card exclusively used to purchase qualifying healthcare expenses? Please describe how the card distinguishes between valid FSA purchases and other goods that are not eligible for reimbursement.
22. Must each individual participant request the card or is it sent to everyone upon enrollment and the participants election of the debit card option?
23. Under what circumstances will employees be required to provide substantiation of claim when utilizing the debit card?

24. Do you require a file from the medical vendor to justify co-payments/deductibles or simply a plan structure/description?

25. What is your procedure for handling debit card utilization from terminated employees?

**FSA Member Communications/Enrollment/Customer Service**

26. Please describe in detail your communications capabilities both in terms of on-line and direct mail communications. Please provide sample communications materials and describe any additional cost associated with these services. If any, please note on Appendix J – Fee Quote.

27. What communication/education pieces are available to employees at no charge? Please provide samples. In what languages are the written materials available? Is there an additional charge for materials written in Spanish? Is postage and fulfillment included in the fees quoted? Please note on Appendix J – Fee Quote.

28. Please indicate your willingness to tailor standard application forms, claim for reimbursement forms, debit cards, etc. to meet the State of Delaware’s needs. Is there a cost for customization? If so, be sure to include that cost on Appendix J, Fee Quote.

29. Please describe your online enrollment process for open enrollment.

30. Describe the structure and staffing of your customer service office, including the number of customer service representatives (CSR’s). How many CSR’s will be assigned to the State of Delaware? What is their average tenure?

31. Please provide the location of the call center which will be handling our account. Also, describe how overflow calls are handled and the location to which overflow calls are routed.

32. What are your member service hours of operation? What are your 24-hour customer service capabilities?

33. Is there a toll-free number available (at no additional charge) to answer questions? Please describe which days of the week and hours of the day a live telephone operator is available to answer questions.

34. Please describe any automated services available to employees regarding their accounts (i.e., voice response).

35. How do you accommodate non-English speaking callers? What languages are supported?

36. Describe your guidelines and requirements for continuing education among your staff for compliance and regulatory issues, customer service, and State of Delaware specific account information.

37. Does your organization offer a fully interactive website for members? Is it available 24 hours/day 7 days/week? What information is available for members? Is the web in multiple languages? Can links be made to the State of Delaware's internal website?
38. Provide a complete description of your customer service procedures from receipt of a question or complaint by telephone and/or letter to complete resolution.
39. Do your customer service representatives record each call and are calls monitored for quality? Are statistics available to the State for their own participants – volume, average wait time, abandonment rate, etc.?
40. Please provide a sample claim form and EOB form.
41. Can employees submit claims online, by U.S. Mail, and by a mobile device/app? Also via fax? Is the fax number toll free?
42. How often and when do you produce account statements for participants?
43. What information will employees furnish as proof that a claim was incurred with regard to the FSA? For network copayments? For services not covered by the medical or dental programs?

#### **FSA File Processing and Reporting**

44. How frequently must the State submit eligibility data? Note: The State of Delaware would like to reduce risk of loss from terminated employees– please address steps to reduce this risk.
45. What is the average lag time between receipt of eligibility information and information downloading into your system? The maximum lag time?
46. How is enrollment and individual account balance information communicated to the State of Delaware?
47. Please attach samples of your standard reports and indicate which reports are available monthly, quarterly, and annually at no charge. Additionally, which reports, if any, are available to the State of Delaware on-line?
48. How often and when do you produce participant account statements for The State of Delaware?

#### **FSA Funding, Accounting and Reconciliation**

49. Describe your banking/funding procedures and flow of funds (include flowchart).
50. What is your process for reconciliation of funding (employee deductions) versus paid claims with the State of Delaware?
51. Please provide any other details of your reconciliation process.
52. How are surpluses and deficits handled?

53. Describe your process for receiving/crediting payment for your services.
54. Please specify how the State of Delaware is notified of individual account balances. Would the State be notified of remaining account balances in the event of a contract termination?

**FSA Quality Indicators**

55. What was your average claim turnaround time for spending account reimbursements for full year 2011? For 2012? 2013?
56. What was your FSA payment accuracy rate for full year 2012? For 2013?
57. For 2012 and 2013, provide the following customer service statistics:
- a. Average speed of answer
  - b. Percent of telephone inquiries resolved during initial call
  - c. Total number of calls received
58. How often do you measure employee satisfaction with your program? Please attach a copy of the most recent survey with results.
59. Are you willing to conduct an annual employee satisfaction survey to the State of Delaware participants?

**PRE-TAX COMMUTER BENEFIT ADMINISTRATION**

**PTC Program Administration**

1. Provide an overview of the Pre-Tax commuter benefit plan administration services.
2. Does your per participant rate vary by number of employees enrolled in the program? If so, please indicate. Is the proposed rate tied to a minimum enrollment?
3. What location would claims be paid out of?
4. Do you have a minimum participation requirement for the Pre-Tax Commuter benefit? If so, how many? What would happen at the end of each enrollment period if the minimum were not achieved?
5. Do you require a minimum claim amount for submission and reimbursement? Do you require a minimum payroll deduction?
6. Explain the circumstances in which the proposed rates could be increased or decreased in the future.

7. For year ending 2013, provide the following related to Pre-Tax Commuter Administration only:
  - a. Number of covered participants for which you provide Pre-Tax administration
  - b. Number of employers using your Pre-Tax Commuter services
  - c. Number of staff (full-time equivalent) dedicated to Pre-Tax Commuter administration.
8. Describe the definition of participant and when the “per participant” rate is charged.
9. Describe your billing process for administration fees.
10. How long are records retained? In what manner are they retained?
11. Upon termination of the contract, how long will issues/questions be addressed for employees and the State? What provisions would be made to provide requested documentation to the State.
12. Do you subcontract any services for your Commuter Benefit programs? If so, please describe the relationship and submit Appendix O, Subcontractor Information form.

#### **PTC Implementation**

13. How many days lead time do you require for initial set up? Please explain your implementation process.
14. Please confirm that a dedicated account manager for Pre-Tax commuter benefit program administration will be assigned to the State’s account during the implementation process and will participate in all meetings/conference calls.
15. Please explain in detail the work plan for implementation of the Pre-Tax commuter benefit program administration. A timeline and project plan should be included as well as indication of persons/organizations responsible for each element. Please provide copies of any informational brochures/guidelines you could provide for eligible employees.
16. If you are awarded the contract, how would your organization communicate the change in administrator to State employees? Are customized communications available? Please attach sample communication materials and indicate the additional cost, if any, on the Fee Quote form, Appendix J.
17. Will you be willing to put a percentage of fees at risk during the implementation process? If so, please so state.

#### **PTC Enrollment**

18. Provide a brief overview on how the enrollment process works. Describe how the procedure differs between various enrollment processes (IVR, Web, CSR, paper, etc.).

19. Do enrollments carry over from month to month, or is re-enrollment required? From year to year?
20. Can you accept enrollment for amounts over the tax limit, and allow additional purchases over the tax limit on an after-tax basis?
21. How often may participants make changes to their payroll deductions?
22. Are there any cases where an employee forfeits money in the plan? Please describe.

**PTC Member Communications/Customer Service**

23. Will you continue activities to promote the program after implementation? Please describe your marketing strategy.
24. How will you help to promote the program and increase participation?
25. What communication/education pieces are available to employees at no charge? Please provide samples. In what languages are the written materials available? Is there an additional charge for materials written in Spanish? Is postage and fulfillment included in the fees quoted? Please note on Appendix J – Fee Quote.
26. Please indicate your willingness to tailor standard application forms, claim for reimbursement forms, debit cards, etc. to meet the State of Delaware’s needs. Is there a cost for customization? If so, be sure to include that cost on Appendix J, Fee Quote.
27. Describe the structure and staffing of your customer service office, including the number of customer service representatives (CSR’s). How many CSR’s will be assigned to the State of Delaware? What is their average tenure?
28. What are your member service hours of operation? What are your 24-hour customer service capabilities?
29. Is there a toll-free number available (at no additional charge) to answer questions and a toll free fax number? Please describe which days of the week and hours of the day a live telephone operator is available to answer questions.
30. Please describe any automated services available to employees regarding their accounts (i.e., voice response).
31. How do you accommodate non-English speaking callers? What languages are supported?
32. Describe your guidelines and requirements for continuing education among your staff for compliance and regulatory issues, customer service, and State of Delaware specific account information.

33. Does your organization offer a fully interactive website for members? Is it available 24 hours/day 7 days/week? What information is available for members? Is the web in multiple languages? Can links be made to the State of Delaware's internal website?
34. Provide a complete description of your customer service procedures from receipt of a question or complaint by telephone and/or letter to complete resolution.
35. Do your customer service representatives record each call and are calls monitored for quality? Are statistics available to the State for their own participants – volume, average wait time, abandonment rate, etc.?
36. How often do you measure employee satisfaction with your program? Please attach a copy of the most recent survey with results.
37. Are you willing to conduct an annual employee satisfaction survey to the State of Delaware participants?

#### **PTC Voucher System**

38. Describe the arrangements that you have with voucher providers. Do any offer discounts that would be passed to our employees?
39. Describe your process for purchase and distribution of vouchers from the time and method of request to the final receipt of the vouchers by telephone and by the web.
40. What is the procedure for employees' receipt of vouchers? Describe any Affidavit of Receipt or similar documents that you maintain (e.g. that the voucher was received and is being used for work commute)?
41. What is the turn-around time for the issuance of a voucher? Please include estimated mail time to employees' home. What is the cut-off date by which an employee must submit a voucher request for the following month?
42. What is your procedure for lost vouchers? Is there a process for replacement of lost, stolen, or returned vouchers? If so, please describe the process, and any limitations.
43. What is your procedure for handling requests for vouchers from terminated employees?

#### **PTC Cash Reimbursement**

44. The State of Delaware would require you to process the reimbursement checks via direct deposit or sent to the employees' home. Is there a process for replacement of lost or returned checks? If so, please describe the process and any limitations.
45. Describe your methodology for determining that a voucher is not "readily available" and that cash reimbursement is therefore permissible.

46. Do you have customized claim forms? In what languages are the claim forms available? How does an employee obtain the claim forms and submit the claim forms? What happens when an employee does not have a receipt for their purchase?
47. How often do you process cash reimbursements? What is the turnaround time for reimbursement after a claim is filed?
48. Will you review claims for reasonableness? That is, will claims for reimbursement be monitored for excessiveness or possible fraud?
49. What is your procedure for handling cash reimbursement claims from terminated employees?
50. Describe your process for reimbursements after end of the year when the services were incurred within the year.
51. Describe any time limits in place for reimbursements. Does this same time limit apply in the event of a plan termination? If not, please explain.
52. Is there any fee associated with participant reimbursement? Can you reimburse by direct deposit or check?

#### **PTC Debit Card**

53. Do you offer a debit card? If yes, describe the process to use a debit card.
54. Can the card be customized for the State of Delaware?
55. Tell us about the card network. Does the State of Delaware have access to the debit card network for commuter benefits purchases?
56. Is the card exclusively used to purchase commuter benefits? Is there a block so that a participant cannot use the card to purchase other goods?
57. For those areas that do not utilize the debit card, do you offer cash reimbursement and voucher purchases? If you only offer cash reimbursement, are you in compliance with IRS regulations on all provisions of the final transit benefit regulations?
58. What is your procedure for handling debit card utilization from terminated employees?

#### **PTC Parking**

59. Describe the arrangements that you have with contracted parking vendors located in the City of Wilmington. How is reimbursement handled? Voucher system, debit cards, or cash reimbursement? Do any offer discounts that would be passed to our employees?
60. What percentage applies to each method? How many parking vendors are located in the City of Wilmington that are not under contract with your company? Would you be willing to risk performance guarantees on obtaining contracts with these vendors?

### **PTC File Processing and Reporting**

61. How frequently must the State submit eligibility data? Note: The State of Delaware would like to reduce risk of loss from terminated employees— please address steps to reduce this risk.
62. What is the average lag time between receipt of eligibility information and information downloading into your system? The maximum lag time?
63. How is enrollment and individual account balance information communicated to the State of Delaware? For reporting purposes, can you separate data for participants who use mass transit, parking or cash reimbursement?
64. Please attach samples of your standard reports and indicate which reports are available monthly, quarterly, and annually at no charge. Additionally, which reports, if any, are available to the State of Delaware on-line?
65. How do you capture information for pre- and post-tax elections?

### **PTC Funding, Accounting and Reconciliation**

66. Describe your banking/funding procedures and flow of funds (include flowchart).
67. What is your process for reconciliation of funding (employee deductions) versus paid claims with the State of Delaware?
68. Please provide any other details of your reconciliation process.
69. How are surpluses and deficits handled?
70. Describe your process for receiving/crediting payment for your services.
71. Please specify how the State of Delaware is notified of individual account balances. Would the State be notified of remaining account balances in the event of a contract termination?

### **PTC Quality Indicators**

72. For 2012 and 2013, provide the following customer service statistics:
  - a. Average speed of answer
  - b. Percent of telephone inquiries resolved during initial call
  - c. Total number of calls received
73. Describe the problem resolution system you have implemented to respond to disputes from employees and vendor providers. How do you track responses to formal disputes and how many were filed on average per client during 2012 and 2013? What is the average turnaround time for each step in the process?

## V. Technical Standards and Security Requirements

**Carefully read the following descriptions and requirements for your responses!**

**Omission of the acknowledgements or responses and forms could result in a determination that your bid is non-responsive.**

### **Subcontractors:**

**If any of your computer applications/programs are leased from and/or hosted by a vendor, the third-party vendor is considered a sub-contractor and is also subject to, and required to comply with, all of the State's technology and security requirements.** The *Subcontractor Information Form* must be submitted. Be advised that in signing the *Subcontractor Information Form* the subcontractor agrees to comply with all of the terms, conditions, and requirements of this procurement which includes this section, Technical Standards and Security Requirements. Therefore, the subcontractor must complete this section and all the forms provided herein. (See the Checklist of Forms section below.) The completed forms need to be submitted by your organization as part of your proposal, not remitted separately by the subcontractor.

### **Cloud Providers and Computing:**

Please refer to the National Institute of Standards and Technology (NIST)'s *Definition of Cloud Computing* at <http://csrc.nist.gov/publications/nistpubs/800-145/SP800-145.pdf>. **Any vendor that receives the State's data via the internet and is an external host of the State's data is deemed to be a Software as a Service (SaaS) cloud provider and must comply with the related State security protocols, Standards, and Terms.** Because the selected vendor for the FSA and PTC administrative services will be storing the State's data, the State considers the vendor (and their subcontractors, if any) an external host and therefore a cloud provider.

1. All non-negotiable terms and conditions for cloud providers must be accepted without exception. Bidders and subcontractors who do not accept the non-negotiable terms without exception will be considered non-responsive and eliminated from consideration.<sup>3</sup>
2. Bidders and subcontractors may take minor exceptions to the negotiable terms and conditions for cloud providers. The State has the final determination in consideration of exceptions.

### **Data Ownership:**

All data generated from the original source data shall be the property of the State. The control of the disclosure of those data shall be retained by the State and the Department of Technology and Information.

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<sup>3</sup> Reference: 29 Del Code § 6924 (m)

**Directions:**

2. **Proposal** - Because your responses to this section of the RFP will be analyzed by a different department, please provide your hard copy responses (which would include your subcontractors, if any) in a separate tab. For the pdf submission, please submit a separate and complete pdf copy with your subcontractor's response, if applicable. (Don't forget to scan the documents with signatures, handwritten information, or exhibits for your complete electronic copy.)

3. **Checklist of Forms** – You must print and scan all the forms for your pdf copy.

a. **State of Delaware Cloud and Offsite Hosting Specific Terms and Conditions**

At Appendix A, a copy of the form is provided only for your convenience. Go to the link at the end of this paragraph and use the fillable pdf form to provide your responses. Print out a copy of the completed form to include in your bid packet. For #2, please respond to each sub-topic with its corresponding letter.

Again, any vendor that receives the State's data via the internet and is an external host of the State's data is deemed to be a Software as a Service (SaaS) cloud provider and must comply with the related State security protocols, Standards, and Terms. Because the selected vendor for the FSA and PTC administrative services will be storing the State's data, the State considers the vendor an external host and therefore a cloud provider. **Therefore you may not respond that a term is not applicable because you are not a cloud provider.**

b. At Appendix B - **Contractor Confidentiality (Non-Disclosure) and Integrity of Data Agreement**

c. At Appendix C - **Software Inventory Template**

d. At Appendix D – **Technology Exception Tracking Chart**

e. If applicable, at Appendix E – **Technology Subcontractor Information Form**

4. **Clarity** – Though some items may be similar or seem duplicative to other requirements or questions, please respond to each question completely. Your responses must be clearly stated. For example, vendors may not reference an attachment as a response without clearly referencing the specific statement(s) or section(s) in the attachment that serve as the response. If a response and exception is not understood, only one (1) clarification question will be asked. If your response is still unclear, your bid will be considered non-responsive and will therefore be eliminated from consideration.

5. **Exception Tracking Chart** – The *Technology Exception Tracking Chart*, Appendix D, for this section is different and separate from the chart for the RFP *Questionnaire Exception Tracking Chart*, Appendix G.

a. **If you have an exception**, you must copy and paste the term into the chart and provide a detailed explanation; **OR**

- b. Check the box to acknowledge that you **take no exceptions** to the specifications, terms or conditions found in the *Technology Standards and Security Requirements* section and submit it with your bid package.
6. **Definitions** – In the following section, “contractor” has the same meaning as “vendor”, “bidder”, and/or “subcontractor” as does “Service Provider” in the *State of Delaware Cloud and Offsite Hosting Specific Terms and Conditions* form.

---- Continued on Next Page ----

**TECHNICAL STANDARDS AND SECURITY REQUIREMENTS –  
ACKNOWLEDGEMENT REQUIRED**

**Omission of the acknowledgements or responses and forms  
could result in a determination that your bid is non-responsive.**

**Non-Negotiable Requirements**

**1. USE OF SUBCONTRACTORS:**

Please clearly identify whether you will utilize a subcontractor(s) for IT services. If a subcontractor is involved, complete the *Subcontractor Information Form* included herein. Be advised that in signing the *Subcontractor Information Form* the subcontractor agrees to comply with all of the terms, conditions, and requirements of this procurement.<sup>4</sup>

**Response:**

**2. TERMS AND CONDITIONS:**

The State is taking a very deliberate approach to cloud-based engagements because of concerns around the protection of our data, access control, and the lack of mature standards in the industry. It is for this reason that explicit details of the cloud solutions<sup>5</sup> are required, including an item-by-item acknowledgement from the candidate vendor. **Proposals must contain the form - *State of Delaware Cloud and Offsite Hosting Specific Terms and Conditions*. All of the Terms and Conditions (T&C) must be signed (acknowledged). T&C 1 through 9 are non-negotiable and numbers 10 through 23 that the solution accommodates should be signed. If your response is that a term in 10 through 23 does not apply<sup>6</sup>, please so state on the Exception Tracking Chart with a detailed explanation.**

**Response:**

**3. CONFIDENTIALITY AND DATA INTEGRITY:**

The Department of Technology and Information is responsible for safeguarding the confidentiality and integrity of data in State computer files regardless of the source of those data or medium on which they are stored; e.g., electronic data, computer output microfilm (COM), tape, or disk. Computer programs developed to process State Agency data will not be modified without the knowledge and written authorization of the Department of Technology and Information. All data generated from the original source data, shall be the property of the State. The control of the disclosure of those data shall be retained by the State and the Department of Technology and Information.

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<sup>4</sup> Refer to the *Subcontractors* paragraph on the first page of this section for complete instructions.

<sup>5</sup> Refer to the *Cloud Providers and Computing* paragraph on the first page of this section. **The State considers any external host of State data to be cloud provider.**

<sup>6</sup> Or if it does apply and you have an exception, use the *Technology Exception Tracking Chart*, Appendix D.

The Contractor is required to agree to the requirements in the **CONFIDENTIALITY AND INTEGRITY OF DATA STATEMENT**, attached, and made a part of this RFP. Contractor employees, individually, may be required to sign the statement prior to beginning any work.

**Response:**

4. **SECURITY:**

Computer, network, and information security is of paramount concern for the State and the Department of Technology and Information. The State wants to ensure that computer/network hardware and software does not compromise the security of its IT infrastructure. The SANS Institute and the FBI have released a document describing the Top 20 Internet Security Threats. The document is available at [www.sans.org/top20.htm](http://www.sans.org/top20.htm) for your review. The Contractor is guaranteeing that any systems or software provided by the Contractor are free of the vulnerabilities listed in that document.

The awarded vendor shall maintain network security policy compliance in accordance with Secure File Transport to secure data classified as confidential or higher per the Data Classified Policy when moving data. References to the policy documents are provided in Question 8.

**Response:**

5. **DISPOSAL:**

Electronic information storage devices (hard drives, tapes, diskettes, compact disks, USB, multifunction peripherals, etc.) shall be disposed of in a manner compliant to Delaware Department of Technology and Information policy DTI-005.01, Disposal of Electronic Equipment/Storage Media. Reference to the policy document is provided in Question 8.

**Response:**

6. **CYBER SECURITY LIABILITY:**

**Directions: For your response, if you do not accept this indemnity paragraph as written, you must provide a redline of suggested changes. Be advised that the State will not consider substantive changes.**

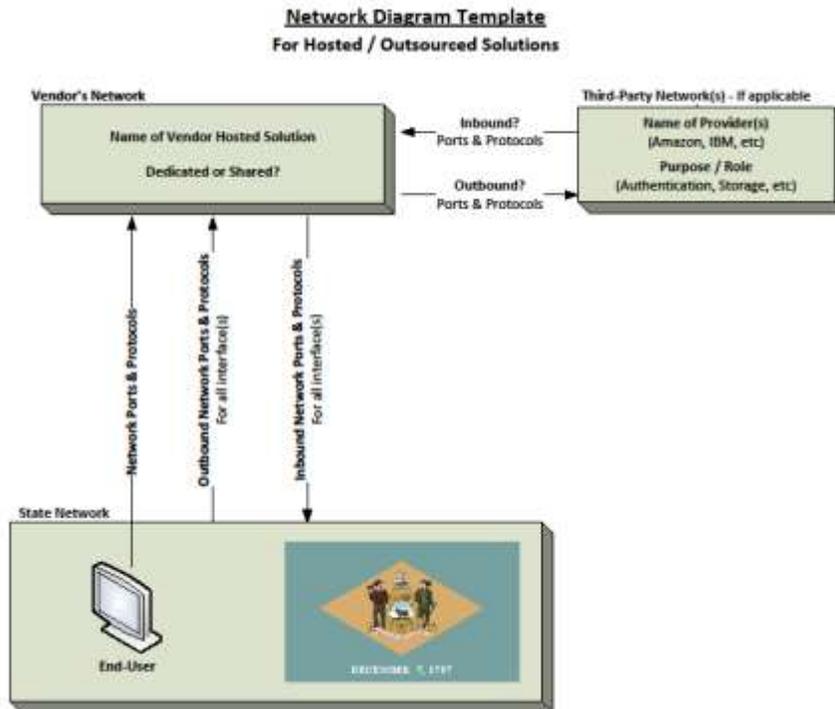
It shall be the duty of the Vendor to assure that all products of its effort do not cause, directly or indirectly, any unauthorized acquisition of data that compromises the security, confidentiality, or integrity of information maintained by the State. Vendor's agreement shall not limit or modify liability for information security breaches, and Vendor shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) arising out of such breaches. In addition to all rights and remedies available to it in law or in

equity, the State shall subtract from any payment made to Vendor all damages, costs and expenses caused by such information security breaches that have not been previously paid to Vendor.

**Response:**

7. **ARCHITECTURAL DOCUMENTATION REQUIREMENTS:**

- a. **Network Diagram** - A network diagram of the proposed solution is required that clearly documents the user's interaction with the solution and the State. The network diagram should follow this example:



**Confirm Attached:**

- b. **Software Inventory** - A software inventory of the proposed solution is required that list any software **that the State needs**. For example, a certain web browser (IE) or web service technology for an interface. Software inventories should use the format attached at Appendix C – Software Inventory.

**Confirm Attached:**

- c. **Database Dictionary or Data model** - A data dictionary OR a conceptual data model for state-owned business data must be provided to the state.<sup>7</sup> The data dictionary or conceptual data model does not have to be submitted with a vendor response to this RFP, but must be submitted once the design of the solution is complete or prior to implementation of the solution. The submitted data dictionary or conceptual data model must include at least the following items: entity names and descriptions, entity relationships and descriptions, attribute names, attribute descriptions, attribute data type, attribute lengths, and primary identifier for each entity.

Data dictionaries must be submitted in Excel or in a .csv file. The directions for how to format the Excel workbook is explained in the first section of the [Data Model Samples document](#). If a data model is submitted, it must be in either Sybase PowerDesigner or CA ERwin format. This document is also available at the following URL:  
<http://dti.delaware.gov/pdfs/pp/RFPRequirementsforSubmissionofaDataDictionaryorDataModel.pdf>

Any submission by a vendor to comply with these requirements that necessarily includes data that the vendor wishes to claim as proprietary must be submitted and labeled “Proprietary Information” with the RFP/Contract number. The envelope must contain a letter from the Vendor’s legal counsel describing the documents in the envelope, representing in good faith that the information in each document is not “public record” as defined by 29 Del. C. § 10002(d), and briefly stating the reasons that each document meets the said definitions. The vendor's counsel must also acknowledge what elements of the submission are not claimed as proprietary and are subject to release upon request.

**Response:**

**8. Mandatory Standards**

The following State technology standards and/or policies have been identified as being related to this solution. Please confirm your ability to meet **all** of these requirements<sup>8</sup>:

- a. Data Classification Policy  
<http://dti.delaware.gov/pdfs/pp/DataClassificationPolicy.pdf>
- b. Data Management Policy  
<http://dti.delaware.gov/pdfs/pp/DataManagementPolicy.pdf>
- c. State of Delaware Information Security Policy (DISP)  
<http://dti.delaware.gov/pdfs/pp/DelawareInformationSecurityPolicy.pdf>

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<sup>7</sup> The submission is required only of the contracted vendor. A response of “confirmed” indicates that if your organization is awarded the contract, you will comply and provide this information for your organization and any applicable sub-contractor(s).

<sup>8</sup> It will be a contractual term for the vendor to comply with these policies as they were published on the date of the release of this RFP. Though the documents are written as policies, you are being asked to confirm your ability to meet **all** of these requirements, not your agreement to adopt a client’s policy.

- d. Secure File Transport  
<http://dti.delaware.gov/pdfs/pp/SecureFileTransport.pdf>
- e. Strong Password Standard  
<http://dti.delaware.gov/pdfs/pp/StrongPasswordStandard.pdf>
- f. Web Application Security  
<http://dti.delaware.gov/pdfs/pp/WebApplicationSecurity.pdf>
- g. Cloud and Offsite Hosting Policy  
<http://dti.delaware.gov/pdfs/pp/CloudandOffsiteHostingPolicy.pdf>  
Terms & Conditions Form:  
<http://dti.delaware.gov/pdfs/pp/CloudandOffsiteHostingTemplate.pdf>
- h. Data Modeling Standard  
<http://dti.delaware.gov/pdfs/pp/DataModelingStandard.pdf>  
Requirements:  
<http://dti.delaware.gov/pdfs/pp/RFPRequirementsforSubmissionofaDataDictionaryorDataModel.pdf>
- i. Disposal of Electronic Equipment and Storage Media Policy  
<http://dti.delaware.gov/pdfs/pp/DisposalOfElectronicEquipmentAndStorageMedia.pdf>
- j. Data Center Policy  
<http://dti.delaware.gov/pdfs/pp/DataCenterPolicy.pdf>
- k. Data Integration Standard  
<http://dti.delaware.gov/pdfs/pp/DataIntegrationStandard.pdf>

**Response:**

# **APPENDICES**

**APPENDIX A**

**STATE OF DELAWARE CLOUD AND OFFSITE HOSTING  
SPECIFIC TERMS AND CONDITIONS**

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**!!! IMPORTANT !!!!**

**For your convenience, this is an example only!** Go to the following link and use the fillable pdf form to provide your responses. Print out a copy of the completed form to include in your bid packet. <http://dti.delaware.gov/pdfs/pp/CloudandOffsiteHostingTemplate.pdf>

**For #2, please respond to each sub-topic with its corresponding letter.**

Again, any vendor that receives the State’s data via the internet and is an external host of the State’s data is deemed to be a Software as a Service (SaaS) cloud provider and must comply with the related State security protocols, Standards, and Terms. Because the selected vendor for the FSA and PTC administrative services will be storing the State’s data, the State considers the vendor an external host and therefore a cloud provider. **Therefore you may not respond that a term is not applicable because you are not a cloud provider.**

**!!! IMPORTANT !!!!**

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Contract # \_\_\_\_\_, Appendix \_\_\_\_\_  
Between State of Delaware and \_\_\_\_\_ dated \_\_\_\_\_  
This document shall become part of the final contract.

	<b>Terms and Conditions Clauses 1-9 are mandatory for every engagement. Exceptions will be considered non-compliant and non-responsive.</b>	<b>Vendor’s Acknowledgement</b>
1	The State of Delaware shall own all right, title and interest in its data that is related to the services provided by this contract. The Service Provider shall not access State of Delaware User accounts, or State of Delaware Data, except (i) in the course of data center operations, (ii) response to service or technical issues, (iii) as required by the express terms of this contract, or (iv) at State of Delaware’s written request.	
2	Protection of personal privacy and sensitive data shall be an integral part of the business activities of the Service Provider to ensure that there is no inappropriate or unauthorized use of State of Delaware information at any time. To this end, the Service Provider shall safeguard the confidentiality, integrity, and availability of State information and comply with the following conditions:  a) Personal information obtained by the Service Provider shall become and remain property of the State of Delaware.	

	<p>b) At no time shall any data or processes which either belongs to or are intended for the use of State of Delaware or its officers, agents, or employees, be copied, disclosed, or retained by the Service Provider or any party related to the Service Provider for subsequent use in any transaction that does not include the State of Delaware.</p> <p>c) The Service Provider shall not use any information collected in connection with the service issued from this proposal for any purpose other than fulfilling the service.</p> <p>d) The Service Provider shall encrypt all non-public data in transit to the cloud during the life of the contract.</p> <p>e) For engagements where the Service Provider stores sensitive personally identifiable or otherwise confidential information, this data shall be encrypted at rest. Examples are Social Security Number, Date of Birth, Driver's License number; passwords, financial data, and federal/State tax information.</p>	
3	The Service Provider shall not store or transfer non-public State of Delaware data outside of the United States. This includes backup data and Disaster Recovery locations.	
4	The Service Provider shall inform the State of Delaware of any actual security breach that jeopardizes the State of Delaware data or processes. This notice shall be given to the State of Delaware within 24 hours of its discovery. Full disclosure of the jeopardized data shall be made. In addition, the Service Provider shall inform the State of Delaware of the actions it is taking or will take to reduce the risk of further loss to the State.	
5	Delaware Code requires public breach notification when citizen's personally identifiable information is lost or stolen. Reference: <a href="#">6 Del. C. § 12B-101(4)</a> . All communication shall be coordinated with the State of Delaware. When the Service Provider is liable for the loss, the State of Delaware shall recover all costs of response and recovery from the breach, for example: 3-year credit monitoring services, mailing costs, website, and telephone call center services. Without limitation of additional legal bases, pursuant to the <a href="#">State of Delaware Constitution of 1897 at Article VIII, §§ 3 and 4</a> and <a href="#">29 Del. C. § 6519(a)</a> the State of Delaware is not legally permitted to agree to any limitations on liability.	
6	The Service Provider shall contact the State of Delaware upon receipt of any electronic discovery, litigation holds, discovery searches, and expert testimonies related to, or which in any way might reasonably require access to the data of the State. The Service Provider shall not respond to subpoenas, service of process, and other legal requests related to the State of Delaware without first notifying the State unless prohibited by law from providing such notice.	

7	<p>In the event of termination of the contract, the Service Provider shall implement an orderly return of State of Delaware data in a State-defined format and the subsequent secure disposal of State of Delaware data.</p> <p><b>Suspension of services:</b> During any period of suspension, the Service Provider shall not take any action to intentionally erase any State of Delaware data.</p> <p><b>Termination of any services or agreement in entirety:</b> In the event of termination of any services or agreement in entirety, the Service Provider shall not take any action to intentionally erase any State of Delaware data for a period of 90 days after the effective date of the termination. After such 90 day period, the Service Provider shall have no obligation to maintain or provide any State of Delaware data and shall thereafter, unless legally prohibited, delete all State of Delaware data in its systems or otherwise in its possession or under its control.</p> <p><b>Post-Termination Assistance:</b> The State of Delaware shall be entitled to any post-termination assistance generally made available with respect to the Services unless a unique data retrieval arrangement has been established as part of the Service Level Agreement.</p> <p><b>Secure Data Disposal</b> When requested by the State of Delaware, the provider shall destroy all requested data in all of its forms, for example: disk, CD/DVD, backup tape, and paper. Data shall be permanently deleted and shall not be recoverable, according to National Institute of Standards and Technology (NIST) approved methods and certificates of destruction shall be provided to the State of Delaware.</p>	
8	<p>The Service Provider shall conduct criminal background checks and not utilize any staff, including sub-contractors, to fulfill the obligations of the contract who has been convicted of any crime of dishonesty, including but not limited to criminal fraud, or otherwise convicted of any felony or any misdemeanor offense for which incarceration for up to 1 year is an authorized penalty. The Service Provider shall promote and maintain an awareness of the importance of securing the State's information among the Service Provider's employees and agents.</p>	
9	<p>The Service Provider shall comply with and adhere to the following State Standards:</p> <ul style="list-style-type: none"> <li>• Data Modeling Standard</li> <li>• Strong Password Standard</li> </ul> <p>These standards are available at <a href="http://dti.delaware.gov/information/standards-policies.shtml">http://dti.delaware.gov/information/standards-policies.shtml</a>. Any future updates to the above standards that apply to this contract shall be mutually agreed on between both parties and documented via a contract addendum as needed.</p>	

	<b>Terms and Conditions Clauses 10-23 are preferred but not mandatory. The applicability of each depends on the nature of engagement</b>	<b>Vendor's Acknowledgement</b>
10	The Service Provider shall allow the State of Delaware access to system security logs, latency statistics, etc. that affect this engagement, its data and or processes. This includes the ability for the State of Delaware to request a report of the records that a specific user accessed over a specified period of time.	
11	The Service Provider shall allow the State of Delaware to audit conformance to the contract terms. The State of Delaware may perform this audit or contract with a third party at its discretion at the State's expense.	
12	The Service Provider shall perform an independent audit of their data centers at least annually at their expense, and provide a redacted version of the audit report upon request. The Service Provider may remove their proprietary information from the redacted version. For example, a Service Organization Control (SOC) 2 audit report would be sufficient.	
13	Advance notice (to be determined at contract time) shall be given to the State of Delaware of any major upgrades or system changes that the Service Provider will be performing. A major upgrade is a replacement of hardware, software or firmware with a newer or better version, in order to bring the system up to date or to improve its characteristics and usually includes a new version number. The State of Delaware reserves the right to defer these changes if desired.	
14	The Service Provider shall disclose its non-proprietary security processes and technical limitations to the State of Delaware such that adequate protection and flexibility can be attained between the State of Delaware and the Service Provider. For example: virus checking and port sniffing – the State of Delaware and the Service Provider shall understand each other's roles and responsibilities.	
15	The Service Provider shall enforce separation of job duties, require commercially reasonable non-disclosure agreements, and limit staff knowledge of customer data to that which is absolutely needed to perform job duties.	
16	The State of Delaware shall have the ability to import or export data in piecemeal or in entirety at its discretion without interference from the Service Provider. This includes the ability for the State of Delaware to import or export data to/from other Service Providers.	
17	The Service Provider shall be responsible for the acquisition and operation of all hardware, software and network support related to the services being provided. The technical and professional activities required for establishing, managing, and maintaining the environment are the responsibilities of the Service Provider. The system shall be available 24 hours per day, 365 days per year basis (with agreed-upon maintenance downtime), providing service to customers as defined in the Service Level Agreement.	

18	The Service Provider shall identify all of its strategic business partners related to services provided under this contract, including but not limited to, all subcontractors or other entities or individuals who may be a party to a joint venture or similar agreement with the Service Provider, who will be involved in any application development and/or operations.	
19	The State shall have the right at any time to require that the Service Provider remove from interaction with State any Service Provider representative who the State believes is detrimental to its working relationship with the Service Provider. The State will provide the Service Provider with notice of its determination, and the reasons it requests the removal. If the State signifies that a potential security violation exists with respect to the request, the Service Provider shall immediately remove such individual. The Service Provider shall not assign the person to any aspect of the contract or future work orders without the State's consent.	
20	The Service Provider shall provide a business continuity and disaster recovery plan upon request and ensure that the State's Recovery Time Objective (RTO) of <u>XXX</u> hours/days is met. (XXX will be negotiated by both parties.)	
21	The Service Provider shall comply with and adhere to the following State Standard: <ul style="list-style-type: none"> <li>• Website Common Look and Feel Standard</li> </ul> This standard is available at <a href="http://dti.delaware.gov/information/standards-policies.shtml">http://dti.delaware.gov/information/standards-policies.shtml</a> . <a href="http://www.dti.delaware.gov/information/standards-policies.shtml">http://www.dti.delaware.gov/information/standards-policies.shtml</a> --add Any future updates to the above standard that apply to this contract shall be mutually agreed on between both parties and documented via a contract addendum as needed.	
22	The Service Provider shall use web services exclusively to interface with the State's data in near real-time when possible.	
23	The Service provider shall encrypt all State of Delaware non-public data that resides on any Service Provider's mobile devices during the life of the contract.	

Service Provider Authorizing Official Name: \_\_\_\_\_ Sample Only \_\_\_\_\_

Service Provider Authorizing Official Signature: \_\_\_\_\_ Sample Only \_\_\_\_\_

**APPENDIX B**

**Contractor Confidentiality (Non-Disclosure) and Integrity of Data Agreement**

**STATE OF DELAWARE DEPARTMENT OF TECHNOLOGY AND INFORMATION**

William Penn Building  
801 Silver Lake Boulevard  
Dover, Delaware 19904

The Department of Technology and Information is responsible for safeguarding the confidentiality and integrity of data in State computer files regardless of the source of those data or medium on which they are stored; e.g., electronic data, computer output microfilm (COM), tape, or disk. Computer programs developed to process State Agency data will not be modified without the knowledge and written authorization of the Department of Technology and Information. All data generated from the original source data, shall be the property of the State of Delaware. The control of the disclosure of those data shall be retained by the State of Delaware and the Department of Technology and Information.

I/we, as an employee(s) of \_\_\_\_\_ or officer of my firm, when performing work for the Department of Technology and Information, understand that I/we act as an extension of DTI and therefore I/we are responsible for safeguarding the States' data and computer files as indicated above. I/we will not use, disclose, or modify State data or State computer files without the written knowledge and written authorization of DTI. Furthermore, I/we understand that I/we are to take all necessary precautions to prevent unauthorized use, disclosure, or modification of State computer files, and I/we should alert my immediate supervisor of any situation, which might result in, or create the appearance of, unauthorized use, disclosure or modification of State data.

Penalty for unauthorized use, unauthorized modification of data files, or disclosure of any confidential information may mean the loss of my position and benefits, and prosecution under applicable State or Federal law.

This Statement applies to the undersigned Contractor and to any others working under the Contractor's direction.

I, the Undersigned, hereby affirm that I have read DTI's Policy on Confidentiality (Non-Disclosure) and Integrity of Data and understood the terms of the above Confidentiality (Non-Disclosure) and Integrity of Data Agreement, and that I/we agree to abide by the terms above.

Contractor or Employee Signature \_\_\_\_\_  
Date: \_\_\_\_\_  
Contractor Name: \_\_\_\_\_





**APPENDIX E**

**TECHNOLOGY SUBCONTRACTOR INFORMATION FORM**

<b>PART I – STATEMENT BY PROPOSING VENDOR</b>		
1. CONTRACT NO. <b>OMB14001-FSA&amp;Commutr</b>	2. Proposing Vendor Name:	3. Mailing Address
4. SUBCONTRACTOR		
a. NAME	4c. Company OSD Classification: Certification Number: _____	
b. Mailing Address:	4d. Women Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4e. Minority Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4f. Disadvantaged Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4g. Veteran Owned Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4h. Service Disabled Veteran Owned Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No	
5. DESCRIPTION OF WORK BY SUBCONTRACTOR		
6a. NAME OF PERSON SIGNING	7. BY ( <i>Signature</i> )	8. DATE SIGNED
6b. TITLE OF PERSON SIGNING		
<b>PART II – ACKNOWLEDGEMENT BY SUBCONTRACTOR</b>		
9a. NAME OF PERSON SIGNING	10. BY ( <i>Signature</i> )	11. DATE SIGNED
9b. TITLE OF PERSON SIGNING		

**APPENDIX F**

**STATE OF DELAWARE NON-COLLUSION STATEMENT**

This is to certify that the undersigned Vendor has neither directly nor indirectly, entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this proposal, **and further certifies that it is not a sub-contractor to another Vendor who also submitted a proposal as a primary Vendor in response to this solicitation** submitted this date to the State of Delaware, Office of Management and Budget.

It is agreed by the undersigned Vendor that the signed delivery of this bid represents the Vendor's acceptance of the terms and conditions of this solicitation including all specifications and special provisions.

**NOTE:** Signature of the authorized representative **MUST** be of an individual who legally may enter his/her organization into a formal contract with the State of Delaware, Office of Management and Budget.

COMPANY NAME \_\_\_\_\_ (Check one) 

Corporation
Partnership
Individual

NAME OF AUTHORIZED REPRESENTATIVE \_\_\_\_\_

SIGNATURE \_\_\_\_\_ TITLE \_\_\_\_\_

COMPANY ADDRESS \_\_\_\_\_

PHONE NUMBER \_\_\_\_\_ FAX NUMBER \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_

FEDERAL E.I. NUMBER \_\_\_\_\_ STATE OF DELAWARE LICENSE NUMBER \_\_\_\_\_

COMPANY CLASSIFICATIONS: CERT. NO.:	Certification type(s)	Circle all that apply	
	_____	Minority Business Enterprise (MBE)	Yes
	Woman Business Enterprise (WBE)	Yes	No
	Disadvantaged Business Enterprise (DBE)	Yes	No
	Veteran Owned Business Enterprise (VOBE)	Yes	No
	Service Disabled Veteran Owned Business Enterprise (SDVOBE)	Yes	No

[The above table is for informational and statistical use only.]

PURCHASE ORDERS SHOULD BE SENT TO:  
(COMPANY NAME) \_\_\_\_\_

ADDRESS \_\_\_\_\_

CONTACT \_\_\_\_\_

PHONE NUMBER \_\_\_\_\_ FAX NUMBER \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_

**AFFIRMATION:** Within the past five years, has your firm, any affiliate, any predecessor company or entity, owner, Director, officer, partner or proprietor been the subject of a Federal, State, Local government suspension or debarment?

YES \_\_\_\_\_ NO \_\_\_\_\_ if yes, please explain \_\_\_\_\_

**THIS PAGE SHALL BE SIGNED, NOTARIZED AND RETURNED FOR YOUR BID TO BE CONSIDERED**

SWORN TO AND SUBSCRIBED BEFORE ME this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

Notary Public \_\_\_\_\_ My commission expires \_\_\_\_\_

City of \_\_\_\_\_ County of \_\_\_\_\_ State of \_\_\_\_\_



## APPENDIX H

### PERFORMANCE GUARANTEES

The following are the minimum performance guarantees the State requires. However, the State reserves the right to negotiate both financial and non-financial performance guarantees with the selected vendor. We encourage you to propose higher standards or penalties than the minimums noted below. Indicate these by using a strikeout font and insertion.

Terms: Vendor will perform a review of its records to determine whether each standard was met for the time period of the quarter immediately preceding the 45<sup>th</sup> day of the month following the end of a quarter (for example, May 15 for the first quarter of the calendar year – January 1 to March 31). Quarterly results will be averaged on an annual basis and penalty payments, if any, will be made annually within six (6) months of the end of the plan year. In no instance will a measurement or penalties apply to any period less than a full quarter.

Performance Guarantee	Standard	Penalty
Implementation	All administrative functions completed for a successful Open Enrollment in November, 2014, and for the plan year effective date of January 1, 2015.	5% of total administrative fees for the first quarter

Performance Guarantee	Standard	Penalty
Communication to members (during Open Enrollment)	"Welcome mailing" to include e-location of SPD and distribution of Debit Card within three (3) weeks from Open Enrollment closing; status of unsubstantiated documentation required from Debit Card holders to submit claims by 4/15.	1.00%
Call center / customer service	Average phone response time will be less than 10 seconds.	1.00%
Claims processing time	95% of all claims processed within two business days of receipt and 99% of all claims processed within three business days of receipt.	0.75%
Claims accuracy	99% of all claims will be processed correctly.	0.75%
Information processing / reporting	95% of all reports will be provided to the State on time and accurate as indicated on master reports list. Quarterly statements on routine basis.	1.00%

Website availability	<p>No later than three (3) business days prior to start of Open Enrollment, website changes will be complete, tested and verified as accurate by client. From 6am to 10pm EST during Open Enrollment, website must be 99% available with all components related to OE fully operational. Failure to meet website requirements during OE will not be subject to average quarterly criteria and will result in automatic application of full penalty.</p> <p>Website will be available at least 99% of the time for employee's to enroll and review status of account throughout the plan year. The State of DE will be notified of unexpected site problems or outages within 24 hours or sooner and will receive notice of site maintenance, site problems, system replacements, etc., with not less than seven (7) business days' notice.</p>	2.00%
Account management meetings and participation in member meetings	Quarterly Meetings (two quarterly meetings will be in person and two quarterly meetings will be by conference call), Conference Calls, SEBC Meetings, Ad Hoc Meetings as requested by SBO.	0.50%
State's Overall Satisfaction	Average score of no less than three (3) as the overall average rating for the entire year on the attached Account Management survey.	2.00%
Open Enrollment Files	<ol style="list-style-type: none"> <li>1. Test Eligibility file - processed in one (1) business day.</li> <li>2. Enrollment file – within five (5) business days at end of Open Enrollment.</li> <li>3. Final enrollment file - processed in one (1) business day.</li> </ol>	0.50%
Non-Discrimination Testing	<ol style="list-style-type: none"> <li>1. Mid year - mid to late June, processed within five (5) business days of receipt.</li> <li>2. End of year - After confirmation of last check, processed within five (5) business days.</li> <li>3. Beginning of plan year - After confirmation of last check, processed within five (5) business days.</li> </ol>	0.50%
<b>Total</b>		<b>10.00%</b>

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## *Account Management Team Survey*

### *(Vendor)*

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For Reporting Period: FY \_\_\_\_\_ Quarter : \_\_\_\_\_  
 Completed by: SBO Vendor Management Team

The Vendor Management Team of the Statewide Benefits Office is using this tool to evaluate the Account Management Team of (vendor) in serving as a provider of Flexible Spending Account and Pre Tax Commuter Benefit Programs for the State of Delaware.

**Knowledge:** Indicate the extent to which you agree that your Account Management Team:

	Strongly Agree 5	4	3	2	Strongly Disagree 1	
1. Understands your benefits plan	<input type="checkbox"/>	_____				
2. Understands your business needs. Meets with you to establish needs and service expectations.	<input type="checkbox"/>	_____				
3. Understands your service expectations. Develops a business plan that incorporates the agreed upon needs and expectations.	<input type="checkbox"/>	_____				
4. Displays knowledge regarding flexible spending account(s) and pre-tax commuter benefit products and services	<input type="checkbox"/>	_____				
5. Clearly explains your report results	<input type="checkbox"/>	_____				

Average Rating \_\_\_\_\_

**Professionalism:** Indicate the extent to which you agree that your Account Management Team:

	Strongly Agree 5	4	3	2	Strongly Disagree 1	
6. Actively listens to and acknowledges your issues and concerns	<input type="checkbox"/>	For any "1" or "2" responses, please provide specific comments in the area below _____				
7. Provides appropriate verbal communication	<input type="checkbox"/>	_____				
8. Provides appropriate written communication	<input type="checkbox"/>	_____				
9. Works with you to develop a positive working relationship	<input type="checkbox"/>	_____				

Average Rating \_\_\_\_\_

**Proactive Management:** Indicate the extent to which you agree that your Account Management Team:

	Strongly Agree 5	4	3	2	Strongly Disagree 1	
10. Actively monitors your account and interacts with you in a frequency that meets your needs	<input type="checkbox"/>	For any "1" or "2" responses, please provide specific comments in the area below _____				
11. Communicates potential problems/issues	<input type="checkbox"/>	_____				
12. Provides viable alternative solutions that meet your business needs	<input type="checkbox"/>	_____				
13. Manages and understands system requirements and their effect on your business	<input type="checkbox"/>	_____				
14. Sets realistic expectations regarding turn-around time	<input type="checkbox"/>	_____				

Average Rating \_\_\_\_\_

**Accessibility:** Indicate the extent to which you agree that your Account Management Team:

	Strongly Agree	4	3	2	Strongly Disagree	1	
	5						For any "1" or "2" responses, please provide specific comments in the area below
15. Available to you on a timely basis	<input type="checkbox"/>	_____					
16. Allocates appropriate time when meeting with you	<input type="checkbox"/>	_____					
17. Demonstrates flexibility with regard to schedule changes	<input type="checkbox"/>	_____					
18. Provides/communicates alternate contacts in the event of their absence	<input type="checkbox"/>	_____					
19. Advises you of schedule limitations upon contact for meetings, conference calls, projects etc.	<input type="checkbox"/>	_____					
Average Rating							_____

**Responsiveness:** Indicate the extent to which you agree that your Account Management Team:

	Strongly Agree	4	3	2	Strongly Disagree	1	
	5						For any "1" or "2" responses, please provide specific comments in the area below
20. Responds to your inquiries in a timely manner	<input type="checkbox"/>	_____					
21. Provides thorough responses to your inquiries	<input type="checkbox"/>	_____					
22. Follows-through regarding outstanding problems/issues/items	<input type="checkbox"/>	_____					
23. Solicits the assistance of product experts when needed	<input type="checkbox"/>	_____					
Average Rating							_____
Overall Average Rating							_____

**Please include any other comments or suggested action steps:**

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## Appendix I

### Business Associate Agreement

This Business Associate Agreement (“BA Agreement”) is undertaken pursuant to the parties’ performance of a certain contract (“Contract”) dated as of September 23, 2013, by and between the State of Delaware by and through the State Employee Benefits Committee (“Plan Sponsor”), on its own behalf and on behalf of the group health plan it sponsors for employees or other covered persons (the “Plan”), and \_\_\_\_\_ (“Contractor”).

In the performance of services on behalf of the Plan pursuant to the Contract, and in order for Contractor to use, disclose or create certain information pursuant to the terms of the Contract, some of which may constitute Protected Health Information (“PHI”) (defined below), Contractor is a Business Associate of the Plan as that term is defined by the Health Insurance Portability and Accountability Act of 1996, including the modifications required under the American Recovery and Reinvestment Act of 2009 (“ARRA”), and its implementing Administrative Simplification regulations (45 C.F.R. §§142, 160, 162 and 164) (“HIPAA”). Accordingly, Contractor, the Plan and Plan Sponsor mutually agree to modify the Contract to incorporate the terms of this BA Agreement to comply with the requirements of HIPAA, and to include additional provisions that Plan Sponsor, the Plan and Contractor desire to have as part of the Contract.

Therefore, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the parties agree as follows:

#### **I. DEFINITIONS**

The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

##### **A. Specific Definitions**

1. Business Associate. “Business Associate” shall generally have the same meaning as the term “business associate” at 45 CFR 160.103, and in reference to the party to this agreement, shall mean Contractor.
2. Covered Entity. “Covered Entity” shall generally have the same meaning as the term “covered entity” at 45 CFR 160.103, and in reference to the party to this agreement, shall mean the Plan.
3. HIPAA Rules. “HIPAA Rules” shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

#### **II. PERMITTED USES AND DISCLOSURES BY CONTRACTOR**

- A. During the continuance of the Contract, Contractor will perform services necessary in connection with the Plan as outlined in the Contract. These services may include Payment activities, Health Care Operations, and Data Aggregation as these terms are defined in 45 CFR §164.501. In connection with the services to be performed pursuant to the Contract, Contractor is permitted or required to use or disclose PHI it creates or receives for or from the Plan or to request PHI on the Plan’s behalf as provided below.

**B. Functions and Activities on the Plan's Behalf.** Unless otherwise limited in this BA Agreement, Contractor may use or disclose PHI to perform functions, activities, or services for, or on behalf of, the Plan as specified in the Contract. Contractor may decide in its own reasonable discretion what uses and disclosures of PHI are required for it to perform administrative services for the Plan as outlined in this BA Agreement and in the Contract as well as in accordance with the law.

1. Use for Contractor's Operations. Contractor may use PHI it creates or receives for or from the Plan for Contractor's proper management and administration or to carry out Contractor's legal responsibilities in connection with services to be provided under the Contract.
2. Disclosures for Contractor's Operations. Contractor may disclose the minimum necessary of such PHI for Contractor's proper management and administration or to carry out Contractor's legal responsibilities, but only if the following conditions are met:
  - a. The disclosure is required by law; or
  - b. Contractor obtains reasonable assurance, evidenced by written contract, from any person or organization to which Contractor will disclose such PHI that the person or organization will:
    - i) Hold such PHI in confidence and use or further disclose it only for the purpose for which Contractor disclosed it to the person or organization or as required by law; and
    - ii) Promptly notify Contractor (who will in turn promptly notify the Plan) of any instance of which the person or organization becomes aware in which the confidentiality of such PHI was breached.
3. Minimum Necessary Standard. In performing functions and activities in connection with the Contract, Contractor agrees to make reasonable efforts to use, disclose or request only the minimum necessary PHI to accomplish the intended purpose of the use, disclosure or request.

**C. Data Aggregation Services.** The Plan agrees and recognizes that Contractor performs Data Aggregation services for the Plan, as defined by the HIPAA Rules. In the course of performing normal and customary services under the Contract, this data aggregation is an essential part of Contractor's work on behalf of the Plan under the Contract. Accordingly, Contractor can perform these data aggregation services in its own discretion, subject to any limitations imposed by the Contract. The term "Data Aggregation" is defined under the HIPAA Rules to mean, with respect to PHI created or received by a Business Associate in its capacity as the Business Associate of a covered entity, the combining of such PHI by the Business Associate with the PHI received by the Business Associate in its capacity as a Business Associate of another covered entity, to permit data analyses that relate to the health care operations of the respective covered entities.

**D. Prohibition on Unauthorized Use or Disclosure**

1. Non-permitted Use and Disclosure of PHI. Contractor will neither use nor disclose PHI it creates or receives for or from the Plan or from another Business Associate of the Plan, except as permitted or required by the Contract and this BA Agreement, as required by law, as otherwise permitted in writing by the Plan, as authorized by a Covered Person.
2. Disclosure to the Plan and the Plan Business Associates. To the extent permitted or required by the Contract and this BA Agreement, Contractor will disclose PHI to other Business Associates of the Plan which the Plan has identified in a writing provided to Contractor. Contractor shall only disclose such PHI to such Business Associates, in their capacity as Business Associates of the Plan. Other than disclosures permitted by this Section II or as otherwise specifically identified in the Contract, Contractor will not disclose Covered Persons'

PHI to the Plan or to a Business Associate of the Plan except as directed by the Plan in writing.

3. No Disclosure to Plan Sponsor. Contractor will not disclose any Covered Persons' PHI to Plan Sponsor, except as permitted by and in accordance with Section VII or as otherwise specifically identified in the Contract.

### **III. OBLIGATIONS AND ACTIVITIES OF CONTRACTOR**

- A.** Contractor will develop, document, implement, maintain and use appropriate administrative, technical and physical safeguards to preserve the integrity and confidentiality of, and to prevent non-permitted use or disclosure of, PHI created or received for or from the Plan.
- B.** Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI by Contractor in violation of the requirements of this BA Agreement.
- C.** Contractor agrees to report to Covered Entity, without unreasonable delay and in any event within thirty (30) days, any use or disclosure of the PHI not provided for by this BA Agreement or otherwise in writing by the Plan. Contractor shall maintain a written log recording the date, name of Covered Person and description of PHI for all such unauthorized use or disclosure and shall submit such log to the Plan Sponsor semiannually and by request. Contractor agrees to directly provide notice to any effected participants in the event of a Breach and to send a written log each such Breach and notice to participants to the Covered Entity within thirty (30) days of notification. Contractor agrees to notify participants in accordance with the guidelines and standards set forth by the Department of Health and Human Services under the American Reinvestment & Recovery Act and the HITECH Act.
- D.** Contractor will require that any agent, including a subcontractor, to whom it provides PHI as permitted by this BA Agreement (or as otherwise permitted with the Plan's prior written approval), agrees to the same restrictions and conditions that apply through this BA Agreement to Contractor with respect to such information.
- E.** Contractor agrees to make internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Contractor on behalf of, Covered Entity available to the Covered Entity, or at the request of the Covered Entity to the Secretary, in a time and manner designated by the Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the HIPAA Rules.
- F.** Contractor agrees to implement administrative, physical, and technical safeguards (as set forth in the Security Rule) that reasonably and appropriately protect the confidentiality and integrity (as set forth in the Security Rule), and the availability of Electronic PHI, if any, that Contractor creates, receives, maintains, or transmits electronically on behalf of Covered Entity. Contractor agrees to establish and maintain security measures sufficient to meet the safe harbor requirements established pursuant to ARRA by making data unreadable, indecipherable, and unusable upon receipt by an unauthorized person. Contractor agrees to provide adequate training to its staff concerning HIPAA and Contractors responsibilities under HIPAA.
- G.** Contractor agrees to report to Covered Entity any Security Incident of which Contractor becomes aware.
- H.** Contractor agrees to ensure that any agent, including a subcontractor, to whom it provides Electronic PHI, agrees to implement reasonable and appropriate safeguards to protect such information.

#### **IV. INDIVIDUAL RIGHTS OBLIGATIONS**

- A. Access.** Contractor and the Plan agree that, wherever feasible, and to the extent that responsive information is in the possession of Contractor, Contractor will provide access to PHI as required by 45 CFR §164.524 on the Plan's behalf. Contractor will provide such access according to its own procedures for such access. Contractor represents that its procedures for such access comply with the requirements of 45 CFR §164.524. Such provision of access will not relieve the Plan of any additional and independent obligations to provide access where requested by an individual. Accordingly, upon the Plan's written or electronic request or the direct request of a Covered Person or the Covered Person's Personal Representative, Contractor will make available for inspection and obtaining copies by the Plan, or at the Plan's direction by the Covered Person (or the Covered Person's personal representative), any PHI about the Covered Person created or received for or from the Plan in Contractor's custody or control contained in a Designated Record Set, so that the Plan may meet its access obligations under 45 CFR §164.524. All fees related to this access, as determined by Contractor, shall be borne by Covered Persons seeking access to PHI.
- B. Amendment.** Contractor and the Plan agree that, wherever feasible, and to the extent that responsive information is in the possession of Contractor, Contractor will amend PHI as required by 45 CFR §164.526 on the Plan's behalf. Contractor will amend such PHI according to its own procedures for such amendment. Contractor represents that its procedures for such amendment comply with the requirements of 45 CFR §164.526. Such amendment will not relieve the Plan of any additional and independent obligations to amend PHI where requested by an individual. Accordingly, upon the Plan's written or electronic request or the direct request of a Covered Person or the Covered Person's Personal Representative, Contractor will amend such PHI contained in a Designated Record Set, in accordance with the requirements of 45 CFR §164.526. Upon receipt of written or electronic notice from the Plan, Contractor will amend or permit the Plan access to amend any portion of the PHI created or received for or from the Plan in Contractor's custody or control, so that the Plan may meet its amendment obligations under 45 CFR §164.526.
- C. Disclosure Accounting.** So that the Plan may meet its disclosure accounting obligations under 45 CFR §164.528, Contractor and the Plan agree that, wherever feasible and to the extent that disclosures have been made by Contractor, Contractor will provide the accounting that is required under 45 CFR §164.528 on the Plan's behalf. Contractor will provide such accounting according to its own procedures for such accounting. Contractor represents that its procedures for such accounting comply with the requirements of 45 CFR §164.528. Such provision of disclosure accounting will not relieve the Plan of any additional and independent obligations to provide disclosure accounting where requested by an individual. Accordingly, upon the Plan's written or electronic request or the direct request of a Covered Person or the Covered Person's Personal Representative, Contractor will provide an accounting as set forth below.

##### **1. Disclosure Tracking**

Starting as of the Effective Date of the Contract, Contractor will record each disclosure of Covered Persons' PHI, which is not exempted from disclosure accounting that Contractor makes to the Plan or to a third party.

The information about each disclosure that Contractor must record ("Disclosure Information") is (a) the disclosure date, (b) the name and (if known) address of the person or entity to whom Contractor made the disclosure, (c) a brief description of the PHI disclosed, and (d) a brief statement of the purpose of the disclosure.

For repetitive disclosures of Covered Persons' PHI that Contractor makes for a single purpose to the same person or entity (including the Plan), Contractor may record (a) the Disclosure Information for the first of these repetitive disclosures, (b) the frequency,

periodicity or number of these repetitive disclosures, and (c) the date of the last of these repetitive disclosures.

2. Exceptions from Disclosure Tracking

Contractor is not required to record disclosure information or otherwise account for disclosures of PHI that this BA Agreement or the Plan in writing permits or requires: (i) for the purpose of the Plan's payment activities or health care operations, (ii) to the individual who is the subject of the PHI disclosed, or to that individual's personal representative; (iii) to persons involved in that individual's health care or payment for health care; (iv) for notification for disaster relief purposes, (v) for national security or intelligence purposes, (vi) to law enforcement officials or correctional institutions regarding inmates; (vii) pursuant to an authorization; (viii) for disclosures of certain PHI made as part of a limited data set; (ix) for certain incidental disclosures that may occur where reasonable safeguards have been implemented; (x) for disclosures prior to April 14, 2003; or (xi) as otherwise excepted under 45 CFR §164.528.

3. Disclosure Tracking Time Periods

Contractor will have available for the Plan or for Covered Persons the Disclosure Information required for the six (6) years immediately preceding the date of the Plan's request for the Disclosure Information (except Contractor will not be required to have Disclosure Information for disclosures occurring before April 14, 2003).

**D. Right to Request Restrictions and Confidential Communications**

So that the Plan may meet its obligations to evaluate requests for restrictions and confidential communications in connection with the disclosure of PHI under 45 CFR §164.522, Contractor and the Plan agree that, wherever feasible and to the extent that communications are within the control of Contractor, Contractor will perform these evaluations on behalf of the Plan. Contractor will evaluate such requests according to its own procedures for such requests, and shall implement such appropriate operational steps as are required by its own procedures. Contractor represents that its procedures for evaluating such requests comply with the requirements of 45 CFR §164.522. Such evaluation will not relieve the Plan of any additional and independent obligations to evaluate restrictions or implement confidential communications where requested by an individual. Accordingly, upon the Plan's written or electronic request or the direct request of a Covered Person or the Covered Person's Personal Representative, Contractor will evaluate requests for restrictions and requests for confidential communications, and will respond to these requests as appropriate under Contractor's procedures.

**V. OBLIGATIONS OF THE COVERED ENTITY**

- A. Covered Entity shall provide Contractor with any changes in, or revocation of, permission by Individual to use or disclose PHI, if such changes affect Contractor's permitted or required uses and disclosures.
- B. Covered Entity shall notify Contractor of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522.
- C. Covered Entity shall not request Contractor to use or disclose PHI in any manner that would not be permissible under the HIPAA Rules if done by Covered Entity except as provided in this BA Agreement. In no event shall Covered Entity request Contractor to disclose to Covered Entity or agents of Covered Entity any PHI unless such disclosure is the minimum necessary disclosure that satisfies the request and that such disclosure is solely for the purpose of treatment, payment or plan operations.

## **VI. BREACH OF PRIVACY OBLIGATIONS**

Without limiting the rights of the parties under the Contract, the Plan will have the right to terminate the Contract if Contractor has engaged in a pattern of activity or practice that constitutes a material breach or violation of Contractor's obligations regarding PHI under this BA Agreement and, on notice of such material breach or violation from the Plan, fails to take reasonable steps to cure the breach or end the violation.

If Contractor fails to cure the material breach or end the violation after the Plan's notice, the Plan may terminate the Contract by providing Contractor written notice of termination, stating the uncured material breach or violation that provides the basis for the termination and specifying the effective date of the termination. Such termination shall be effective sixty (60) days from this termination notice.

### **A. Effect of Termination.**

#### **1. Return or Destruction upon Contract End**

Upon cancellation, termination, expiration or other conclusion of the Contract, Contractor will if feasible return to the Plan or destroy all PHI, in whatever form or medium (including in any electronic medium under Contractor's custody or control), that Contractor created or received for or from the Plan, including all copies of such PHI that allow identification of any Covered Person who is a subject of the PHI. Contractor will complete such return or destruction as promptly as practical after the effective date of the cancellation, termination, expiration or other conclusion of the Contract.

Following notice, Contractor shall pay the costs incurred in returning or destroying such PHI unless Plan Sponsor agrees to reimburse Contractor for reasonable costs following good faith negotiation between Contractor and Plan Sponsor subject to the requisite appropriation by the Delaware General Assembly as required by Title 29 Delaware Code Chapter 65 and Article 8, Section III of the Delaware Constitution.

#### **2. Disposition When Return or Destruction Not Feasible**

The Plan recognizes that in many situations, particularly those involving data aggregation services performed by Contractor for the Plan and others, that it will be infeasible for Contractor to return or destroy PHI. Accordingly, where in Contractor's discretion such return or destruction is infeasible, for any such PHI, upon cancellation, termination, expiration or other conclusion of the Contract, Contractor will limit its further use or disclosure of the PHI to those purposes that make their return to the Plan or destruction infeasible.

## **VII. PLAN SPONSOR'S PERFORMANCE OF PLAN ADMINISTRATION FUNCTIONS**

**A. Communication of PHI.** Except as specifically agreed upon by Contractor, the Plan and Plan Sponsor, and in compliance with any requirements imposed by this Section VIII, all disclosures of PHI from Contractor pursuant to the Contract shall be made to the Plan, except for disclosures related to enrollment or disenrollment in the Plan.

**B. Summary Health Information.** Upon Plan Sponsor's written request for the purpose either to, (a) obtain premium bids for providing health insurance coverage for the Plan, or (b) modify, amend or terminate the Plan, Contractor is authorized to provide Summary Health Information regarding the Covered Persons in the Plan to Plan Sponsor.

**C. Plan Sponsor Representation.** Plan Sponsor represents and warrants (A) that the Plan has been established and is maintained pursuant to law, (B) that the Plan provides for the allocation and delegation of responsibilities for the Plan, including the responsibilities assigned to

Contractor under the Contract, (C) that the Plan includes or incorporates by reference the appropriate terms of the Contract and this BA Agreement, and (D) that the Plan incorporates the provisions required by 45 CFR §164.504.

- D. **Plan Sponsor's Certification.** Contractor will not disclose Covered Persons' PHI to Plan Sponsor, unless and until the Plan authorizes Contractor in writing to disclose the minimum necessary Covered Persons' PHI to Plan Sponsor for the plan administration functions to be performed by Plan Sponsor as specified in the Plan.
- E. **Contractor Reliance.** Contractor may rely on Plan Sponsor's certification and the Plan's written authorization, and will have no obligation to verify that the Plan complies with the requirements of 45 CFR §164.504 or this BA Agreement or that Plan Sponsor is complying with the Plan.
- F. **The Plan Amendment.** Before the Plan will furnish Plan Sponsor's certification described above to Contractor, the Plan will ensure (1) that its Plan establishes the uses and disclosures of Covered Persons' PHI consistent with the requirements of 45 CFR §164 that Plan Sponsor will be permitted and required to make for the plan administration functions Plan Sponsor will perform for the Plan, and (2) that Plan Sponsor agrees to all the applicable conditions imposed by §164.504 on the use or disclosure of PHI.

#### VIII. **MISCELLANEOUS**

- A. **Regulatory References.** A reference in this BA Agreement to a section in the HIPAA Rules means the section as in effect or as amended, and for which compliance is required.
- B. **Survival.** The respective rights and obligations of Contractor under Section IV of this BA Agreement shall survive the termination of this BA Agreement.
- C. **Interpretation.** Any ambiguity in this BA Agreement shall be resolved in favor of a meaning that permits Covered Entity to comply with the HIPAA Rules. Except to the extent specified by this BA Agreement, all of the terms and conditions of the Contract shall be and remain in full force and effect. In the event of any inconsistency or conflict between this BA Agreement and the Contract, the terms and provisions and conditions of this BA Agreement shall govern and control. Nothing express or implied in this BA Agreement and/or in the Contract is intended to confer, nor shall anything herein confer, upon any person other than the parties and the respective successors or assigns of the parties, any rights, remedies, obligations, or liabilities whatsoever. This BA Agreement shall be governed by and construed in accordance with the same internal laws that are applicable to the Contract.
- D. **Duration.** This BA Agreement will continue in full force and effect for as long as the Contract remains in full force and effect. This BA Agreement will terminate upon the cancellation, termination, expiration or other conclusion of the Contract.
- E. **Term.** The Term of this BA Agreement shall be effective as of the date appearing on the signature page, and shall terminate when all of the PHI provided by Covered Entity to Contractor, or created or received by Contractor on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions of this BA Agreement.
- F. **Amendment.** Upon the effective date of any final regulation or amendment to final regulations with respect to the HIPAA Rules, this BA Agreement will automatically amend such that the obligations imposed on Plan Sponsor, the Plan and Contractor remain in compliance with such regulations, unless (1) Contractor elects to terminate the Contract by providing Plan Sponsor and the Plan notice of termination in accordance with the Contract at least thirty (30) days before the effective date of such final regulation or amendment to final regulations; or (2) Contractor notifies the Plan of its objections to any such amendment. In the event of such an objection, the parties

will negotiate in good faith in connection with such changes or amendment to the relevant final regulation.

- G. Conflicts.** The provisions of this BA Agreement will override and control any conflicting provision of the Contract. All nonconflicting provisions of the Contract will remain in full force and effect.
- H. Independent Relationship.** None of the provisions of this BA Agreement are intended to create, nor will they be deemed to create any relationship between the parties other than that of independent parties contracting with each other as independent parties solely for the purposes of effecting the provisions of this BA Agreement and the Contract.
- I. Rights of Third Parties.** This BA Agreement is between Contractor and the Plan and the Plan Sponsor and shall not be construed, interpreted, or deemed to confer any rights whatsoever to any third party or parties.
- J. Notices.** All notices and notifications under this BA Agreement shall be sent in writing by traceable carrier to the listed persons on behalf of Contractor, the Plan and Plan Sponsor at the addresses indicated on the signature page hereof, or such other address as a party may indicate by at least ten (10) days' prior written notice to the other parties. Notices will be effective upon receipt.
- K. Expenses.** Unless otherwise stated in this BA Agreement or the Contract, each party shall bear its own costs and expenses related to compliance with the above provisions. Any additional expenses incurred by Contractor in connection with services to be provided pursuant to this BA Agreement shall be included in the Contract.
- L. Documentation.** All documentation that is required by this BA Agreement or by the HIPAA Rules must be retained by Contractor for six (6) years from the date of creation or when it was last in effect, whichever is longer.

AGREED By and between the undersigned Parties this \_\_\_ day of \_\_\_\_\_ 20\_\_.

**For State of Delaware:**

By: \_\_\_\_\_  
Brenda L. Lakeman

Title: Director of Human Resource Management  
and Benefits Administration

**For Contractor:**

By: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Printed Name

**Address for Notices:**

Statewide Benefits Office, OMB  
Attention: Ms. Brenda L. Lakeman, Director  
HR Mgt and Benefits Administration  
Duncan Center, Suite 320  
500 W. Loockerman Street  
Dover, DE 19904

**Address for Notices:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**APPENDIX J – PART 1**

<p><b>FEE QUOTE – OPTION 1</b></p> <p><b>EMPLOYEE PAY-ALL OF ADMINISTRATIVE FEES</b></p>
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**Directions:** This form is set up in two parts for each program. However if a fee covers a service for both programs, please so indicate in any way that clearly sets forth the fee. Please specify how the fee is charged (i.e. flat fee, per participant, per transaction, etc.). Be sure to record all fees in the chart below.

Two (2) additional optional one-year periods may be exercised at the discretion of the SEBC. The rate caps must be expressed as a percentage increase from the prior year’s rates.

**A. Flexible Spending Account Programs**

Service Fee Per Participant	Rate Cap				
	Year 1	Year 2	Year 3	Optional Year 4	Optional Year 5
<b>Initial Set-Up Fee</b>	\$	\$	\$	%	%
<b>Annual Administrative Fee</b>	\$	\$	\$	%	%
<b>Monthly Administration Fee</b> (show w/ vendor handling the check, EOB, and direct deposit)	\$	\$	\$	%	%
<b>Annual fee for a Health Care FSA Debit Card</b>	\$	\$	\$	%	%
<b>Replacement/additional Health Care FSA Debit Cards</b>	\$	\$	\$	%	%
<b>Eligibility transmissions</b> - indicate fee per frequency					
<b>Reimbursement transmissions</b> – indicate fee per frequency					
<b>Reporting</b> (per Standard Listing of Reports, Appendix N, and indicate if a monthly or annual fee)	\$	\$	\$	%	%
<b>Discrimination Testing and Federal Reporting</b> (per head or a flat fee)	\$	\$	\$	%	%

<b>Creation of Open Enrollment material, SPDs, election change forms, unpaid LOA forms, claim forms, and direct deposit forms</b> (not production)	\$	\$	\$	%	%
<b>Open Enrollment Mailings</b> (pre and post enrollment mailings to include postage)	\$	\$	\$	%	%
<b>Misc. Fees (list in detail) (per participant or flat fee )</b> could include account service, consultation, legal advice, etc.	\$	\$	\$	%	%

1. Are there any required services listed in the RFP that are not included in the above fees? If so, please indicate.
2. Are there additional services your organization can provide within your fees above, which were not included in the RFP? If so, please describe.
3. Are there any charges that are not included above? If so, please describe.

**B. Pre-Tax Commuter Benefit Program**

Service	Rate Cap				
	Year 1	Year 2	Year 3	Optional Year 4	Optional Year 5
<b>Initial Set-Up Fee</b>	\$	\$	\$	%	%
<b>Annual Administrative Fee</b>	\$	\$	\$	%	%
<b>Monthly Administration Fee</b> (show w/ vendor handling the check, EOB, and direct deposit)	\$	\$	\$	%	%
<b>Annual fee for a PTC Debit Card</b>	\$	\$	\$	%	%
<b>Reporting</b> (per Standard Listing of Reports, Appendix N, and indicate if a monthly or annual fee)	\$	\$	\$	%	%

<b>Creation of communication materials and any required forms (not production)</b>	\$	\$	\$	%	%
<b>Misc. Fees (list in detail (per participant or flat fee ) could include account service, consultation, legal advice, etc.</b>	\$	\$	\$	%	%

1. Are there any required services listed in the RFP that are not included in the above fees? If so, please indicate.
2. Are there additional services your organization can provide within your fees above, which were not included in the RFP? If so, please describe.
3. Are there any charges that are not included above? If so, please describe.

**APPENDIX J – PART 2**

**FEE QUOTE – OPTION 2**

**STATE OF DELAWARE PAYS ADMINISTRATIVE FEES**

**Directions:** This form is set up in two parts for each program. However if a fee covers a service for both programs, please so indicate in any way that clearly sets forth the fee. Please specify how the fee is charged (i.e. flat fee, per participant, per transaction, etc.). Be sure to record all fees in the chart below.

Two (2) additional optional one-year periods may be exercised at the discretion of the SEBC. The rate caps must be expressed as a percentage increase from the prior year’s rates.

**A. Flexible Spending Accounts Program**

Service Fee Per Participant	Rate Cap				
	Year 1	Year 2	Year 3	Optional Year 4	Optional Year 5
<b>Initial Set-Up Fee</b>	\$	\$	\$	%	%
<b>Annual Administrative Fee</b>	\$	\$	\$	%	%
<b>Monthly Administration Fee</b> (show w/ vendor handling the check, EOB, and direct deposit)	\$	\$	\$	%	%
<b>Annual fee for a Health Care FSA Debit Card</b>	\$	\$	\$	%	%
<b>Replacement/additional Health Care FSA Debit Cards</b>	\$	\$	\$	%	%
<b>Eligibility transmissions</b> - indicate fee per frequency					
<b>Reimbursement transmissions</b> – indicate fee per frequency					
<b>Reporting</b> (per Standard Listing of Reports, Appendix N, and indicate if a monthly or annual fee)	\$	\$	\$	%	%
<b>Discrimination Testing and Federal Reporting</b> (per head or a flat fee)	\$	\$	\$	%	%

<b>Creation of Open Enrollment material, SPDs, election change forms, unpaid LOA forms, claim forms, and direct deposit forms</b> (not production)	\$	\$	\$	%	%
<b>Open Enrollment Mailings</b> (pre and post enrollment mailings to include postage)	\$	\$	\$	%	%
<b>Misc. Fees (list in detail) (per participant or flat fee)</b> could include account service, consultation, legal advice, etc.	\$	\$	\$	%	%

1. Are there any required services listed in the RFP that are not included in the above fees? If so, please indicate.
2. Are there additional services your organization can provide within your fees above, which were not included in the RFP? If so, please describe.
3. Are there any charges that are not included above? If so, please describe.

**B. Pre-Tax Commuter Benefit Program**

**Rate Cap**

<b>Service</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Optional Year 4</b>	<b>Optional Year 5</b>
<b>Initial Set-Up Fee</b>	\$	\$	\$	%	%
<b>Annual Administrative Fee</b>	\$	\$	\$	%	%
<b>Monthly Administration Fee</b> (show w/ vendor handling the check, EOB, and direct deposit)	\$	\$	\$	%	%
<b>Reporting</b> (per Standard Listing of Reports, Appendix N, and indicate if a monthly or annual fee)	\$	\$	\$	%	%
<b>Creation of communication materials and any required forms</b> (not production)	\$	\$	\$	%	%

<b>Misc. Fees (list in detail) (per participant or flat fee )</b> could include account service, consultation, legal advice, etc.	\$	\$	\$	%	%
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4. Are there any required services listed in the RFP that are not included in the above fees? If so, please indicate.
5. Are there additional services your organization can provide within your fees above, which were not included in the RFP? If so, please describe.
6. Are there any charges that are not included above? If so, please describe.

## APPENDIX K

### DATA FILE DESCRIPTIONS AND LAYOUTS

**NOTE: Data files must be deposited or retrieved from the State of Delaware SFTP server.**

1. **Fleet Link** - The vendor receives an excel spreadsheet on a monthly basis from Fleet Link. It includes the vanpool number, rider's first and last name, employee ID, and monthly payroll deduction. The specific date is developed around the payroll cycle. The vendor then returns a monthly report of the actual amount that is withheld. This may be different due to unpaid leave and other reasons if the funds are not available as requested.

**Please see the following documents for Numbers 2 to 7:**

2. **PTC Deduction File from Vendor - Decptin.dat** – This file contains employee pre-tax commuter requesting deduction amounts for the pay period as supplied by the vendor. Frequency – biweekly.
3. **PTC Deduction File to Vendor - Decptout.dat** – This file represents the pre-tax commuter deductions taken from employees in a pay period. Frequency – biweekly.
4. **FSA Enrollee File to Vendor - Delfsa.dat** – This file is used to provide vendor with FSA enrollee benefit, personnel, and deduction data. Frequency – biweekly.
5. **Eligibility File - Hr\_rpl.dat (DHR944)** – This file of all eligible employees is sent to the vendor twice a year for Open Enrollment preparation and conclusion. It is available bi-weekly for the vendor to capture new hires eligible for FSA and PTC.
6. **FSA Benefit Card (DBN110)** – Run twice a year for all card holders to inform vendor what insurance plans cardholders have, such as vision and/or dental.
7. **Discrimination File Layout (DBN109)** – Used three times per year for the required FSA analysis: December for a calendar year basis, December with specific date parameters as needed, and July for mid-calendar-year.

## File definition for decptin.dat

### General Information

- ❖ File Description – Commuter Pretax input file from vendor.
- ❖ Use(s) – File contains employee commuter pretax deduction amounts for the pay period as supplied by the vendor.
- ❖ File type – ASCII
- ❖ File Media – SFTP Server

### File Layout

<b>State of Delaware Payroll Deduction File Specs</b>				
(Records to be fixed width. Data to be all caps with commas and periods removed.)				
<b>Header Record:</b>				
Description	Start Position	End Position	Length	Comments
Record-Type	1	1	1	1 =(Header Record)
File-Create-Date	2	11	10	YYYY-MM-DD – Not an action item
Pay-End-Date (ML name "Bill To" Date)	12	21	10	YYYY-MM-DD
File-Source	22	27	6	"_____"
File-Description	28	77	50	"VENDOR Payroll Deduction File"
Fill	78	80	3	Blank
<b>Detail Record:</b>				
Description	Start Position	End Position	Length	Comments
Record-Type	1	1	1	2 = (Detail Record)
Emplid	2	7	6	Employee ID
SSN-Last4	8	11	4	last 4 digits of the National Id (SSN)
Deduction Code	12	17	6	Unique deduction code
Amount-To-Deduct	18	27	10	Pic '-----9v99' assumed decimal. Unique deduction code amount.
Fill	28	80	53	Blank
<b>Trailer Record:</b>				
Description	Start Position	End Position	Length	Comments
Record-Type	1	1	1	3 = (Trailer Record)
Total-Detail-Record-Count	2	8	7	Pic '9999999' no decimal
Fill	9	80	72	Blank

# decptout.dat

## General Information

- ❖ File Description – DE commuter pretax deductions taken from employees in a pay period.
- ❖ Use(s) – Used to communicate, to the CPT vendor, the amount of monies taken from an employee in a pay period
- ❖ File type – ASCII.
- ❖ File Media – SFTP Server.
- ❖ File Availability – File will be available to the vendor no later than 1200 hrs on the day following the day on which the “Confirm Process”, for the pay period being reported, is complete. Normally this will be on Tuesday, “Day 1” of the Delaware two week pay cycle.

## File Layout

<b>Header Record:</b>				
<b>Description</b>	<b>Start Position</b>	<b>End Position</b>	<b>Length/Type (Char or Num)</b>	<b>Comments</b>
Record-Type	1	1	Char 1	“1”
Filler	2	11	Char 10	Blanks
Pay-End-Date	12	21	Char 10	YYYY-MM-DD (Pay end date for the cycle in which the deductions were taken)
File-Source	22	27	Char 6	“SOD “
File-Description	28	77	Char 50	“DE CPT - Deductions taken”
Filler	78	80	Char 3	Blank
<b>Detail Record:</b>				
<b>Description</b>	<b>Start Position</b>	<b>End Position</b>	<b>Length/Type (Char or Num)</b>	<b>Comments</b>
DTL-Record-Type	1	1	Char 1	“2”
DTL-DEDCD	2	7	Char 6	
DTL-Emplid	8	13	Char 6	Employee ID
DTL-Amount-Deducted	14	24	Num 10	Pic ‘-----9v99’ assumed decimal. Floating negative sign (if applicable) No “\$” included
Filler	25	80	Char 57	Blanks
<b>Trailer Record:</b>				
<b>Description</b>	<b>Start Position</b>	<b>End Position</b>	<b>Length/Type (Char or Num)</b>	<b>Comments</b>
Record-Type	1	1	1	“3”
Total-Detail-Record-Count	2	8	7	Pic ‘9999999’ no decimal. Total number of detail records
Filler	9	80	72	Blank

## File definition for DELFSA.DAT

### General Information

- ❖ Acronym – Delaware Flexible Spending Account
- ❖ Use(s) – Used to provide vendor with FSA enrollee benefit, personnel, and deduction data.
- ❖ File type – ASCII
- ❖ File Media – Data File on Delaware SFTP Server
- ❖ File Availability – File will be available bi-weekly.

### File Layout

<b>Detail Record:</b>				
<b>Field Name</b>	<b>Start Position</b>	<b>End Position</b>	<b>Length/Type (Char or Num)</b>	<b>Comments</b>
NAMES.FIRST_NAME	1	30	30	Character / Initcap
NAMES.LAST_NAME	31	60	30	Character / Initcap
PERS_DATA_EFFDT.SEX	61	61	1	Number '1' = male, '2' = female If the gender is unknown then default to '1' = Male
EMPLOYMENT STATUS	62	63	2	Number '01' = active, '04' = terminated
JOB.DEL_NUM_PAYS	64	65	2	Number
JOB.EMPLID_SSN	66	75	10	Number
JOB.DEPTID	76	84	9	Character
FSA_BENEFIT. COVERAGE_BEGIN_DT	85	92	8	MMDDCCYY
ADDRESSES.ADDRESS1	93	147	55	Character
ADDRESSES.ADDRESS2	148	202	55	Character
ADDRESSES.CITY	203	232	30	Character
ADDRESSES.STATE	233	238	6	Character
ADDRESSES.POSTAL	239	248	10	Number
FSA_BENEFIT. PLAN_TYPE	249	250	2	Character
FSA_BENEFIT. ANNUAL PLEDGE	251	257	4.2	Medical Care, Dependent Care Number Format mask 9999.99
PAY_DEDUCTION. DED_CUR	258	264	4.2(CSR-1263: increase to 4.2)	Medical Care, Dependent Care Number Format mask 999.99/chg to 9999.99 for CSR-1263
EMPLOYMENT. TERMINATION_DT	2 65	272	8	MMDDCCYY

# hr\_rpl.dat

## General Information – DHR944

- ❖ Acronym – Eligibility file for **Pre Tax Transportation Vendor** – Outbound file with an asofdate
- ❖ Use(s) – Vendor will use this full file of eligible State employees on a schedule basis
- ❖ File type – Carot delimited (^) .txt file
- ❖ File Media – Data File on Delaware SFTP Server
- ❖ File Availability – File will be available to the vendor on Wednesday nights after the bi-weekly Pay Confirm process through the PDHRPCON schedule.

## File Layout

Detail Record:		
Description	Length/Type (Char or Num)	Comments
EMPLID + last 4 digits of SSN	Char 10	EMPLID + last 4 digits of SSN combine to a length of 10
Last Name	Char 30	Initcap
First Name	Char 30	Initcap
Middle Initial	Char 1	Uppercase
Address Line 1	Char 55	
Address Line 2	Char 55	
Address Line 3	Char 55	
City	Char 30	
State	Char 2	Uppercase
Zip Code	Char 9	All numbers, No dashes
Birth Date	Char 10	This field will be written to the flat file in mm/dd/yyyy format
Gender	Char 1	Uppercase, M, F, or U= Unknown
Location	Char 10	
Empl_Class	Char 1	
Empl Record	Numeric 2	
Department ID	Numeric 9	
Del_Num Pays	Numeric 2	Value = 22 or 26
Del_Empl_Mos	Numeric 2	Value = 10,11 or 12
Std_Hours	Numeric 4.2	Example : 18.75
Multiple Job Indicator	Char 1	M will be annotated only if the employee has multiple job rows. For single job employee, there will be no M.
Original Hire Date	Char 10	This field will be written to the flat file in mm/dd/yyyy format
	Total Spaces 329.2	

## DBN110 – FSA Benefit Card

### Summary:

This program is a clone of DBN098 and selects employees who are enrolled in Plan Type 60. For these employees, all detail for plan types like '1%', 21, 31, 60 & 61 are reported.

### Flat File:

Delimited flat file format

Flat File Output		
Output Description and Other Information		
DBN110 – FSA Benefit Card		
File Name	Delimiter	Retention (Number of Runs to keep)
<b>dbn110.csv</b>	,	<b>0</b>
File Disposition		
Output will be picked up by the vendor from the FTP server. File will be extracted from Process Monitor by the user  Other – State specifics		
Header Record		
Field Name	Comments	
Emplid		
Deptid		
Dept Name		
First Name		
Middle Initial/Name		
Last Name		
Address 1		
Address 2		
City		
State		
Zip		
Plan Type 10		
Covrg_cd	Descr is based on the covrg_cd in benefits_data record.	
Plan Type 11		
Covrg_cd	Descr is based on the covrg_cd in benefits_data record.	
Plan Type 12		
Covrg_cd	Descr is based on the covrg_cd in benefits_data record.	
Plan Type 13		
Covrg_cd	Descr is based on the covrg_cd in benefits_data record.	
Plan Type 14		
Covrg_cd	Descr is based on the covrg_cd in benefits_data record.	
Plan Type 1Y		
Covrg_cd	Descr is based on the covrg_cd in benefits_data record.	
Plan Type 1Z		
Covrg_cd	Descr is based on the covrg_cd in benefits_data record.	

Plan Type 21	
Plan Type 31	
Plan Type 60	
Annual Pledge	Annual pledge is based on the plan type in benefits data record.
Plan Type 61	
Annual Pledge	Annual pledge is based on the plan type in benefits data record.
<b>Detail Record:</b>	
<b>Field Name</b>	<b>Comments</b>
PERSONAL_DATA.EMPLID	
JOB.DEPTID	
DEPT_TBL.DESCR	
NAMES.FIRST_NAME	
NAMES.MIDDLE_NAME	
NAMES.LAST_NAME	
ADDRESSES.ADDRESS1	
ADDRESSES.ADDRESS2	
ADDRESSES.CITY	
ADDRESSES.STATE	
ADDRESSES.POSTAL	
BENEFITS_DATA.BEF_PLAN_DE SCR	
COVRG_CD_TBL.DESCR	
BENEFITS_DATA.BEF_PLAN_DE SCR	
BENEFITS_DATA.BEF_PLAN_DE SCR	
BENEFITS_DATA.BEF_PLAN_DE SCR	
BENEFITS_DATA.BEF_PLAN_DE SCR	
BENEFITS_DATA.ANNUAL_PLED GE	
BENEFITS_DATA.BEF_PLAN_DE SCR	
BENEFITS_DATA.ANNUAL_PLED GE	

<b>Trailer Record: N/A</b>	

## DBN109 – FSA Non-Discrimination Test

### Summary:

This program selects all FSA-eligible employees based on Plan Year (PY), Mid Year (MY) or Calendar Year (CY) and reports emplid, empl type, total compensation, birth date, hire date, pre-tax deductions, and annual pledge amounts for plan types 60 (FSA Health Care) and 61 (FSA Dependent Care). This report is sent to the vendor to see if we are unknowingly limiting participation.

This file is run three times per year (December=CY, December=PY (with different date parameters) and July=MY)

### Flat File:

Delimited flat file format

Flat File Output		
Output Description and Other Information		
DBN109 FSA Non-Discrimination Test		
File Name	Delimiter	Retention (Number of Runs to keep)
<b>dbn109.csv</b>	,	<b>0</b>
File Disposition		
Output will be picked up by the vendor from the SFTP server. File will be extracted from Process Monitor by the user		
Header Record		
Field Name	Comments	
EEID	Emplid	
MYRC	Total compensation for current plan year, decimal format	
PMRYC	Total compensation for previous plan year, decimal format	
PCTOWN	% company owned by employee	
OFFICER	As defined – a person who has policy-making decisions	
SPOUSEID	Unique identifier of the employee’s spouse who works for the same employer (We will send BLANK)	
PARENTID	Unique identifier of the employee’s parent who works for the same employer (We will send BLANK)	
DOB	MM/DD/YYYY	
DOH	MM/DD/YYYY	
ELIG	Y or N	
PREM	Annual amount of pre-tax contributions for insurance premiums, decimal format	
HCFSA	Annual Health Care FSA contribution election, decimal format	
DCFSA	Annual Dependent Care FSA contribution election, decimal format	
Detail Record:		
Field Name	Comments	
JOB.EMPLID		

MYRC	<p><b>PY</b> file = max row JOB.DEL_ANNUAL_RT</p> <p><b>FY</b> file = EARNINGS_BAL.GRS_YTD X 2 for all earnings codes not like 'O%' and 'D%'</p> <p><b>CY</b> file = EARNINGS_BAL.GRS_YTD for all earnings codes not like 'O%' and 'D%'</p>
PMRYC	<b>PY, FY, CY</b> = Year – 1 entered on run control, EARNINGS_BAL.GRS_YTD for all earnings codes not like 'O%' and 'D%'
PCTOWN	BLANK
OFFICER	Y = any emplids listed on run control BLANK = all others
SPOUSEID	BLANK
PARENTID	BLANK
PERSON.BIRTHDATE	MM/DD/YYYY
JOB.LAST_HIRE_DT	Or PER_ORG_INST.ORIG_HIRE_DT if no last_hire_dt on Job, MM/DD/YYYY
ELIG	N=For the following: JOB.STD_HRS < 30 Else Y
PREM	<p><b>PY</b> file = Year – 1 entered on run control DEDUCTION_BAL.DED_MTD for balance period 12 X 12 for all DED_CLASS = B, where Plan_Type not like '4%'</p> <p><b>FY</b> file = DEDUCTION_BAL.DED_YTD X 2 for all DED_CLASS = B, where Plan_Type not like '4%'</p> <p><b>CY</b> file = DEDUCTION_BAL.DED_YTD for all DED_CLASS = B, where Plan_Type not like '4%'</p>
BENEFITS_DATA.ANNUAL_PLED GE	For Year on Run Control, for Plan_Type = 60
BENEFITS_DATA.ANNUAL_PLED GE	For Year on Run Control, for Plan_Type = 61
<b>Trailer Record: N/A</b>	
<b>Field Name</b>	<b>Comments</b>

## APPENDIX L

<b>OFFICER CERTIFICATION FORM</b>
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Please have an officer of your company review and sign this worksheet to confirm the information is valid. Please include completed form with proposal.

Officer's Statement	
Company's Legal Name	
Company's Marketing Name (if different)	
Street Address	
City	
State	
Zip	
Phone Number	
Fax Number	
Email Address	
Name of Officer Completing Statement	
Title of Officer Completing Statement	
Phone Number of Officer Completing Statement	
Email Address of Officer Completing Statement	

I certify that our response to the State of Delaware's Request for Proposal for the Flexible Spending Account and Pre-Tax Commuter Administrative Services is complete and accurate to the best of my knowledge and contains no material omissions or misstatements. I acknowledge that the State of Delaware will rely upon the information included in our response to make decisions concerning the administration of these benefits that are offered to their employees.

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Officer's Signature

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Date Signed



**APPENDIX N**

**STANDARD REPORT LISTING**

All reports are to be transmitted to the State's secure site (SFTP server).

<b>FSA or Pre Tax Commuter</b>	<b>File Description</b>	<b>Frequency</b>	<b>Target Date</b>
FSA	<b>Year-to-Date Status Report</b> (Summarizes by member all year-to-date participant activity for Healthcare and Dependent Care FSA. Separate reports are provided for 22 and 26 pay period people).	Monthly	2 business days following end of prior month
FSA and Pre-Tax Commuter	<b>Discrepancy Report</b> (Comparison between actual employee contribution data for FSA and Pre Tax Commuter programs with the expected deductions.)	Monthly	2 business days following end of pay period
FSA	<b>Weekly Listing of Payments</b> (Summarizes claims payment activity.) Separate reports for 22 and 26 pay period members for FSA.	Weekly	2 business days following payroll issue date
Pre Tax Commuter	<b>Weekly Listing of Payments</b> (Summarizes claims payment activity.)	Weekly	2 business days following end of prior week
FSA (Debit Card holders)	<b>Unsubstantiated Report</b> (Provides details on active unsubstantiated claims.) This report generates an SBO letter to members with unsubstantiated claims in the months of January, February and March to meet the April 15 <sup>th</sup> deadline.	Monthly	2 business days following end of prior month
FSA (Debit Card holders)	<b>Annual Unsubstantiated Report</b> (Provides final details on active unsubstantiated claims.)	Yearly	On May 1 following the 4/15 deadline
FSA (Debit Card holders)	<b>Card Totals Report</b> (List of people whose Debit Card has been suspended).	Monthly	2 business days following end of prior month
Pre Tax Commuter	<b>Pre Tax Commuter File</b> (Created to tell the State's PeopleSoft based payroll system, "PHRST", what deductions to take.)	Biweekly	Thursday the week prior to pay check issue date

Pre Tax Commuter	<b>No Activity Report</b> (List of terminated or current employees with accounts with no activity for nine months. Sent to SBO for possible termination from the plan.)	Monthly	2 business days following end of prior month
Pre Tax Commuter	<b>Forfeiture Report</b> (List of participants who have had no activity for twelve months and the amount that may be forfeited back to the plan.)	Monthly	2 business days following end of prior month

## APPENDIX O

<b>SUBCONTRACTOR INFORMATION FORM</b>
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<b>PART I – STATEMENT BY PROPOSING VENDOR</b>		
1. CONTRACT NO. <b>OMB14001-FSA&amp;Commutr</b>	2. Proposing Vendor Name:	3. Mailing Address
4. SUBCONTRACTOR		
a. NAME	4c. Company OSD Classification:  Certification Number: _____	
b. Mailing Address:	4d. Women Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4e. Minority Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4f. Disadvantaged Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4g. Veteran Owned Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4h. Service Disabled Veteran Owned Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No	
5. DESCRIPTION OF WORK BY SUBCONTRACTOR		
6a. NAME OF PERSON SIGNING	7. BY ( <i>Signature</i> )	8. DATE SIGNED
6b. TITLE OF PERSON SIGNING		
<b>PART II – ACKNOWLEDGEMENT BY SUBCONTRACTOR</b>		
9a. NAME OF PERSON SIGNING	10. BY ( <i>Signature</i> )	11. DATE SIGNED
9b. TITLE OF PERSON SIGNING		