

SERVICES CONTRACT

ITEM: 1-S **Agency Contact:** Anne Timmons
410-767-4710
Atimmons@dbm.state.md.us

DEPARTMENT/PROGRAM: Budget and Management (DBM)
Office of Personnel Services and Benefits (OPSB)
Employee Benefits Division (EBD)

CONTRACT ID: Flexible Spending Accounts For Maryland State
Employees
ADPICS No. F10B9200027

CONTRACT DESCRIPTION: Provide Third Party Administrative Services for Flexible Spending Accounts (FSA) for health care and dependent care programs for Maryland State employees, satellite agencies, COBRA participants, and contractual and part-time employees. FSA provide employees with pre-tax dollars to cover health care expenses not covered by insurance and dependent care expenses.

AWARD: ConnectYourCare, LLC
Hunt Valley, MD

TERM: 1/21/2010 - 6/30/2015

AMOUNT: \$3,091,940 (5 Years; 5 Months; 10 Days)

PROCUREMENT METHOD: Competitive Sealed Proposals

BIDS OR PROPOSALS: See Attachment

MBE PARTICIPATION: 16.3% (See Requesting Agency Remarks)

INCUMBENT: SHPS Human Resource Solutions, Inc.
Louisville, KY

REQUESTING AGENCY REMARKS: A notice of the availability of the Request for Proposals (RFP) was advertised on *eMarylandmarketplace.com*. In addition, the RFP was mailed directly to 24 prospective vendors, ten of which are Maryland firms, and included eight MBEs. A copy was also sent to the Governor's Office of Minority Affairs.

A total of eleven proposals were received in response to the RFP. Three of the proposals were determined to be not reasonably susceptible of being selected for award due to deficiencies with required MBE submissions and a fourth proposal was rescinded by its offeror in lieu of seeking to address deficiencies in its proposal noted in a "cure letter" from the procurement officer. The

seven proposals remaining after these actions were all determined to be reasonably susceptible of being selected for award.

For the first time the contract for which approval is requested on this agenda will include reimbursement of allowable FSA healthcare expenses via a debit card. The debit card reimbursement feature will permit participants in the FSA healthcare account to have certain allowable expenses automatically debited at the point of sale from their account via a debit card.

In addition, also for the first time, this contract includes a provision for a non-discrimination test to be performed on the full menu of health and insurance benefits offered to State employees to assure compliance with federal tax exemption requirements that such benefits not be skewed toward highly compensated employees.

ConnectYourCare, LLC is recommended for contract award based upon its overall number 1 ranking. ConnectYourCare, LLC (CYC) was overall ranked #1 based upon its highest technical ranking and fourth ranked price based upon a model of projected usage in the RFP.

Technically CYC was judged to offer the most secure means of safeguarding members' identities and to have the best website interface to permit members to process reimbursement claims on-line. CYC also: evidenced the excellent communication capabilities that will be needed to smoothly inaugurate the debit card feature; had excellent references; was the highest ranked FSA provider in a May 2009 evaluation by an independent rating organization; and had the highest level of economic benefit to Maryland.

Although CYC had the fourth lowest price, it was determined that the technical superiority of CYC over each of the three lower priced financial offerors was greater than the differences in price.

ConnectYourCare, LLC exceeded the MBE participation goal of 15% with a 16.3% commitment.

APPROP. CODE:	Various
FUND SOURCE:	100% Reimbursable
RESIDENT BUSINESS:	Yes
MD TAX CLEARANCE:	09-3139-1111

Board of Public Works Action - The above referenced Item was:

APPROVED	DISAPPROVED	DEFERRED	WITHDRAWN
WITH DISCUSSION		WITHOUT DISCUSSION	