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Secretary

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Deputy Secretary

**Amendment #2 to  
Request for Proposals (RFP)  
Third Party Administrative (TPA) Services for Flexible Spending Accounts (FSAs)-  
Healthcare and Dependent Care  
Project No. F10B9200027  
July 28, 2009**

Ladies and Gentlemen:

This Amendment is being issued to amend and clarify certain information contained in the above named RFP. All information contained herein is binding on all Offerors who respond to this RFP. Specific parts of the RFP have been amended. The following revisions /deletions / additions are listed below; new language has been double underlined and marked in bold (ex. **new language**) and language deleted has been marked with a strikethrough (ex. ~~language deleted~~).

1. Remove in its entirety, RFP Section 2- Offeror minimum qualifications:

~~**SECTION 2- OFFEROR MINIMUM QUALIFICATIONS**~~

~~Offerors must provide proof that they satisfy the minimum qualification below. If the offeror is unable to comply with this requirement, its offer will be found not susceptible of receiving an award and will be rejected, with the financial proposal returned unopened.~~

- ~~• The Offeror must show proof that they provide FSA services to accounts whose participation includes at a minimum 5,000 participants for both DCFSA and HCFSA services for at least five (5) years **three (3) years.** Accounts with at least 5,000 participants shall have both DCFSA and HCFSA services, in any combination.~~

Replace with:

**SECTION 2- RESERVED**

2. Revise, Table of Contents Attachments as follows:

Attachment F1- ~~F18~~ **F4** FSA Financial Response form

~Effective Resource Management~

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3. Revise RFP Section 1.24 as follows:

A minimum overall MBE subcontractor participation goal of fifteen (15%) ~~of the administrative fee (s) paid to the Contractor~~ has been established for the services resulting from this contract. **The MBE goal applies to all compensation paid by the State to the Contractor: (1) the non-discrimination testing fee for the cafeteria plan and non-FSA plans is included in the MBE goal subcontractable value and (2) the FSA administrative fee (s) paid to the Contractor.**

4. Revise RFP Section 4.2 Proposals as follows:

An electronic version of both the Volume I-Technical Proposal in MS Word and or MS Excel format and the Volume II-Financial Proposal in MS Word and MS Excel format shall also be submitted with the unbound originals technical or financial volumes, as appropriate.

5. Revise RFP Section 4.4.2, Additional Required Technical Submissions by deleting the requirement to submit information relating to a minimum qualification, as follows:

~~D) Documentation to support Minimum Qualifications (Section 2):~~

- ~~1. Name of account/client;~~
- ~~2. Number of Participants, broken out by HCFSA and DCFSA;~~
- ~~3. Number of years providing service to that client/account; and~~
- ~~4. Name, address and telephone number of a contact person for the account/client to verify the information.~~

6. Revise RFP Section 4.4.4, Title and Table of Contents as follows:

A table of contents shall follow the title page **additional required submissions** for the technical Proposal.

7. Revise Financial Proposal, F-4 per the attached copies of Attachment F as Amended. These changes are:

A. Amend Attachment F-1 to describe the various monthly administrative fees that must be quoted and will apply for FSA services. The fee tiers are: a fee per HCFSA participant, a fee per DCFSA participant, and a fee charged for those participants who are enrolled in both an HCFSA and DCFSA. There is no overlap among these groups or fees. For each participant, the fee associated with the participant's coverage (i.e. HCFSA, DCFSA or both) will be paid.

B. Amend Attachment F-4 to change the evaluation model and the chart for the proposal of fees.

**NOTE:** Attachments F-2 and F-3 are not being amended. Courtesy copies of Attachments F-2 and F-3 are included in the attached amended version of Attachment F for your convenience. **Please read the amended versions of Attachments F-1 and F-4 carefully.**

8. Amend RFP §3.2.9.C, as follows:

C. Debit Cards

(1) The FSA plans shall offer the use of debit cards, as authorized under applicable law, for the processing of reimbursement requests for eligible expenses through the HCFSA ~~and DCFS~~. This is a new benefit and has not been offered to Participants in the State HCFSA ~~and DCFS~~ in the past. **A debit card is not required to be offered in connection with the DCFS; should an Offeror wish to propose a debit card in connection with the DCFS, it is not prohibited. Any proposal should be clear whether the debit card is offered in connection with the DCFS. Please note that all FSA administrative fees must be fully-loaded.**

(2) Use of debit cards in connection with the FSA plans must comply with all applicable IRS regulations, rules, and guidance, including Proposed Treasury Regulation § 125-6 (72 FR 42938 et seq. (August 6, 2007), IRS Notice 2007-2 and IRS Notice 2006-69. As additional requirements, regulations, rules and guidance is issued by the IRS and/or Treasury Department, the Contractor shall comply with these guidelines and regulations.

(3) Use of debit cards in connection with the FSA plans must also comply with Regulation E of the Federal Reserve System, as amended, including but not limited to the preparation and issuance of initial disclosure notices, notices regarding procedure for error resolution, notices on provisions for authorizing one-time transfers, and periodic account statements.

Remember proposals are due on Tuesday August 18, 2009 no later than 2:00 p.m. Should you require clarification of the information provided in this addendum, please contact me at (410) 260-7570 as soon as possible.

Date issued: July 28, 2009

By

Joy Epstein  
Procurement Officer

Enclosure: Attachment #1, F1-F4 Financial Proposal