

# CITY OF NEWTON, MASSACHUSETTS

## PURCHASING DEPARTMENT

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Fax (617) 796-1227

October 6, 2016

## ADDENDUM #2

### REQUEST FOR PROPOSAL #17-17

### FLEXIBLE SPENDING ACCOUNT PLAN ADMINISTRATION

THIS ADDENDUM IS TO: **Answer the following Questions:**

Q1. Would emailed employee statements be acceptable or does the City want these communications to always be mailed?

**A1. Emailed would be OK.**

Q2. Does the City offer other pre-tax benefits such as HSAs, limited FSAs, or HRAs?

**A2. No.**

Q3. Are there any pain points with your current administration process?

**A3. Customer service communications have been tough.**

Q4. Is the City willing to adjust their indemnity wording to allow for negligence?

**A4. No.**

Q5. Does the City outsource COBRA administration for your FSA benefits? If so, please identify the vendor you are utilizing

**A5. No.**

Q6. Who will be responsible for the prior plan year run-out administration? The current TPA or the new TPA?

**A6. Current TPA will take care of 2016 year run-out.**

Q7. Do the participants currently have access to debit cards?

a. If Yes:

- i. Please provide debit card auto-adjudication rates for the prior plan year
- ii. Please indicate if copays are available in your insurance plan design(s).

**A7. Yes – unsure of rates. Co-pays are included in our plan design.**

Q8. Can the City clarify the intent of the “negative balance” funding mentioned on page 17? Currently, we draft funds on our client’s behalf based on claim activity. So if \$1500 was paid out in claims, we would draft \$1500 from the City’s preferred funding account. Although some TPAs do, we do not draft based on EE payroll deductions

**A8. Currently, and historically, we pay weekly based on payroll deductions. The City will not provide a fund in advance of money collected to fund the FSA account.**

Q9. Please confirm this bid would not require bid surety?

**A9. No**

Q10. Does the City want a completed W-9 submitted with this RFP submission?

**A10. Yes**

All other terms and conditions of this bid remain unchanged.

**PLEASE ENSURE THAT YOU ACKNOWLEDGE ALL ADDENDA ON YOUR  
BID FORM. FAILURE TO ACKNOWLEDGE ALL ADDENDA COULD  
RESULT IN REJECTION OF YOUR BID AS NONRESPONSIVE.**

Thank you.

A handwritten signature in black ink that reads "Nicholas Read". The signature is written in a cursive, slightly slanted style.

Nicholas Read

*Chief Procurement Officer*