State of Wisconsin

DOA-3261 (R08/2003)

s. 16.75, Wis. Statutes

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **PROPOSALS MUST BE SEALED AND ADDRESSED TO:**  Department of Employee Trust Funds  P.O. Box 7931  Madison, WI 53707-7913 | | | Proposal envelope must be sealed and plainly marked in lower left corner with due date and **Request for Proposal ETE0002 and/or ETE0003**. Late proposals shall be rejected. The soliciting purchasing office on or before the date and time that the proposal is due MUST date and time stamp proposals. Proposals dated and time stamped in another office shall be rejected. Receipt of a proposal by the mail system does not constitute receipt of a proposal by the purchasing office. Any proposal that is inadvertently opened as a result of not being properly and clearly marked is subject to rejection. Proposals must be submitted separately, i.e., not included with sample packages or other proposals. Proposal openings are public unless otherwise specified. Records will be available for public inspection after issuance of the notice of intent to award or the award of the contract. Vendor should contact person named below for an appointment to view the proposal record. Proposals shall be firm for acceptance for 180 days from date of proposal opening, unless otherwise noted. The attached terms and conditions apply to any subsequent award. | | | | | |
| REQUESTS FOR PROPOSAL  **ETE0002 – Third Party Administration for Employee Reimbursement Accounts (ERA) and Commuter Benefits**  **ETE0003 – Third Party Administration for Health Savings Accounts (HSA) and Limited Flexible Spending Accounts (LFSA)** | | |
| THIS IS NOT AN ORDER | | | Proposals MUST be in this office no later than  May 1, 2:00 PM, CST | | | | | Public Opening |
| VENDOR (Name and Address) | | | No Public Opening |
| Name (Contact for further information)  Michael McNally | | | | | |
| Phone (608) 261-9032 | | | | Date April 3, 2014 | |
| Quote Price and Delivery FOB Madison, WI | | | | | |
| Description: Request for Proposals (RFP) for services to be provided as the administrative services to the State of Wisconsin Employee Trust Funds Board for the Employee Reimbursement Accounts and Commuter Benefits (ETE0002) and/or Health Savings Accounts and Limited Flexible Savings Accounts (ETE0003) offered by the State of Wisconsin Employee Trust Funds Board and the State of Wisconsin Group Insurance Board.  RFP ETE0002 and ETE0003 amendments, questions and answers will be posted on the ETF website <http://etfextranet.it.state.wi.us/> and will not be mailed. | | | | | | | | |
| Payment Terms: | | | Delivery Time: | | | | | | |
| We claim minority proposer preference [Wis. Stats. s. 16.75(3m)]. Under Wisconsin Statutes, a 5% preference may be granted to CERTIFIED Minority Business Enterprises. Proposer must be certified. If you have questions concerning the certification process, contact the Minority Business Certification Program, 101 E Wilson St, 6th Floor, Madison, WI 53707; Tel: (608) 267-9550; Fax: (608) 267-0600; [**DOABDMBD@Wisconsin.gov**](mailto:DOABDMBD@Wisconsin.gov). **Does Not Apply to Printing Bids**.  We are a work center certified under Wis. Stats. s. 16.752 employing persons with severe disabilities. Questions concerning the certification process should be addressed to the Work Center Program, State Bureau of Procurement, 6th Floor, 101 E. Wilson St., Madison, Wisconsin 53702, (608) 266-2605.    Wis. Stats. s. 16.754 directs the state to purchase materials which are manufactured to the greatest extent in the United States when all other factors are substantially equal. Materials covered in our proposal were manufactured in whole or in substantial part within the United States, or the majority of the component parts thereof were manufactured in whole or in substantial part in the United States.  Yes No Unknown  In signing this proposal, we also certify that we have not, either directly or indirectly, entered into any agreement or participated in any collusion or otherwise taken any action in restraint of free competition; that no attempt has been made to induce any other person or firm to submit or not to submit a proposal; that this proposal has been independently arrived at without collusion with any other vendor, competitor or potential competitor; that this proposal has not been knowingly disclosed prior to the opening of proposals to any other vendor or competitor; that the above statement is accurate under penalty of perjury. We will comply with all terms, conditions and specifications required by the State in this Request for Proposal and all terms of our proposal. | | | | | | | | |
| Name of Authorized Firm Representative (Type or Print) | Title | | | | Phone (       ) | | | |
| Fax (       ) | | | |
| Signature of Above | | Date | | Federal Employer Identification No. | | Social Security No. if Sole Proprietor (Voluntary) | | |
|  | |  | |  | | |

Requests for Proposals

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For Third Party Administrative Services for the

State of Wisconsin

**ETE0002 – Third Party Administration for Employee Reimbursement Accounts (ERA) and Commuter Benefits**

And

**ETE0003 – Third Party Administration for Health Savings Accounts (HSA) and Limited Flexible Spending Accounts (LFSA)**

Issued by the State of Wisconsin Department of Employee Trust Funds

On behalf of the Employee Trust Funds Board

Release Date: April 3, 2014

Table of Contents

[1 Proposal Procedures and Requirements 1](#_Toc384299724)

[2 Mandatory Proposer Qualifications and Terms 12](#_Toc384299725)

[3 Third Party Administrative Services Required 15](#_Toc384299726)

[4 program background information 31](#_Toc384299727)

[5 Special terms and conditions ETE0002 and ETE0003 44](#_Toc384299728)

[Appendices: 48](#_Toc384299729)

[Appendix A Proposer’s Checklist 49](#_Toc384299730)

[Appendix B Mandatory Requirements 51](#_Toc384299731)

[Appendix C Designation of Confidential and Proprietary Information 52](#_Toc384299732)

[Appendix D Standard Terms and Conditions 54](#_Toc384299733)

[Appendix E Vendor Information and References 62](#_Toc384299734)

[Appendix F Cost Proposal 65](#_Toc384299735)

[APPENDIX G Business Associate Agreement 69](#_Toc384299736)

Tables

[Table 1 Format for Submission of Clarification Questions 3](#_Toc377369122)

[Table 2 Calendar of Events 4](#_Toc377369123)

[Table 3 Reference Materials 31](#_Toc377369124)

[Table 4 ERA Previous Years’ Experience 32](#_Toc377369125)

[Table 5 Commuter Benefits Previous Years’ Experience 38](#_Toc377369126)

# Proposal Procedures and Requirements

## RFP Introduction

The purpose of this document is to provide interested and qualified vendors with information to enable them to prepare and submit competitive proposals for third party administrative program services. The State of Wisconsin as represented by the Department of Employee Trust Funds (ETF) intends to use the results of this process to award one or more contracts for the State-sponsored employee benefit programs as described below.

1. **ETE0002 – Third Party Administration for Employee Reimbursement Accounts (ERA) and Commuter Benefits**
2. **ETE0003 – Third Party Administration for Health Savings Accounts (HSA) and Limited Flexible Spending Accounts (LFSA)**

The vendor may respond to **ETE0002**, or **ETE0003**, or both. **If responding to ETE0002 and ETE0003, the response must be submitted in one comprehensive proposal.** It is the vendor’s responsibility to ensure that the responses clearly provide the relevant information for each program.

## RFP Information

ETF is a Wisconsin State agency that administers retirement, health, life, income continuation, long-term disability, and long‑term care insurance programs for 570,000 state and local government employees and annuitants.

This section of the Request for Proposal (RFP) details the procedure the proposer must follow to submit a proposal for the administrative services for the State of Wisconsin Employee Reimbursement Accounts, Commuter Benefits, Health Savings Accounts and Limited Flexible Spending Accounts Programs offered by the State of Wisconsin Employee Trust Funds Board and the State of Wisconsin Group Insurance Board, and the minimum requirements that the proposer must meet to be eligible for consideration.

The purpose of this document is to provide interested and qualified parties with information to enable them to prepare and submit competitive proposals to administer: the Employee Reimbursement Accounts (ERA) program, a flexible spending account (FSA) plan authorized by Internal Revenue Code Section 125; the Commuter Benefits program, a qualified transportation fringe benefits (QTB) plan authorized by Internal Revenue Code Section 132; and/or an HSA plan authorized by Internal Revenue Code Section 223.

There is a possibility that a Limited Health Care Flexible Spending Account (LFSA), recognized in Internal Revenue Service (IRS) Notices 2004-8 & 2008-59, would be established and offered to those participating in the HSA. At this point, the LFSA would most likely cover dental and vision only, although ETF realizes that there are other options available with an LFSA. For the purposes of this proposal, respond in terms of a dental and vision only LFSA if your firm is proposing to provide services for this Program.

ETF intends to use the results of this process to award one or multiple contracts.

This procurement is authorized under Chapter 40 of the Wisconsin State statutes. All decisions and actions under this request for proposal are solely under the authority of the State of Wisconsin Group Insurance Board and State of Wisconsin Employee Trust Funds Board. Procurement statutes and rules that govern other State agencies may not be applicable.

For more information on this program, please refer to Section 4: Program Background Information.

### Procuring and Contracting Agency

These RFPs are issued for the State of Wisconsin Employee Trust Funds Board by ETF. ETF is the sole point of contact for the State in the selection process.

Prospective proposers are prohibited from contacting any person other than the individual listed here regarding these RFPs. Violation of this requirement may result in the proposer being disqualified from further consideration.

|  |  |
| --- | --- |
| Express delivery:  Michael McNally  Dept. of Employee Trust Funds  801 West Badger Road  Madison, WI 53713-2526 | Mail delivery:  Michael McNally  Dept. of Employee Trust Funds  P.O. Box 7931  Madison, WI 53707-7931 |
| Telephone: (608) 261-9032  E-mail: [ETFProcurement@etf.wi.gov](mailto:ETFProcurement@etf.wi.gov) | |

### Definitions

The following definitions are used throughout the RFP:

Proposer/firm/vendor means a firm submitting a proposal in response to this RFP.

Board means the State of Wisconsin Employee Trust Funds Board.

Commuter Benefits/QTB means the qualified transportation benefit program.

Contract Administrator means the bidder who is awarded the contract.

ERA means the State of Wisconsin Employee Reimbursement Accounts (medical and dependent care).

ETF means the State of Wisconsin Department of Employee Trust Funds.

FSA means the medical and/or dependent care flexible spending accounts.

GIB means the State of Wisconsin Group Insurance Board.

HSA means health savings accounts.

LFSA means the limited medical flexible spending accounts – for vision and dental only.

RFP means Request for Proposal.

State means State of Wisconsin.

UW means the University of Wisconsin with 13 four year campuses and 13 two year campuses with locations throughout the State.

WRS means the Wisconsin Retirement System.

24/7 means 24 hours a day, seven days a week.

Please see the glossary on the ETF home page at: <http://etf.wi.gov/glossary.htm> for additional definitions.

### Clarification of the Specifications and Requirements

Any questions concerning these RFPs must be submitted via e-mail to [ETFProcurement@etf.wi.gov](mailto:ETFProcurement@etf.wi.gov) on or before the date identified in Section 1.2.6, to the individual identified in Section 1.2.1. Proposers are expected to raise any questions they have concerning the RFP (**ETE0002** or **ETE0003**) at this point in the process. Questions are to be submitted as an MS Word document using the format specified below:

Table 1 Format for Submission of Clarification Questions

|  |  |  |  |
| --- | --- | --- | --- |
| No. | RFP Section | RFP Page | Question |
| Q1 |  |  |  |
| A1 |  |  |  |
| Q2 |  |  |  |
| A2 |  |  |  |

All questions must include the name of the firm and the person submitting the question(s). The RFP number and title must be referenced in your e-mail. A compilation of all questions and answers, along with any RFP updates, will be posted to the ETF Extranet (see below) no later than the date indicated in Section 1.2.6.

If a proposer discovers any significant ambiguity, error, conflict, discrepancy, omission, or other deficiency in this RFP, the proposer should immediately notify the individual identified in Section 1.2.1 of such error and request modification or clarification of this RFP document.

In the event that it becomes necessary to update any part of these RFPs, updates will be published on ETF’s Extranet at <http://etfextranet.it.state.wi.us/>, which is part of ETF’s website, and will not be mailed. Electronic versions of the RFPs and all appendices and exhibits are available on ETF’s Extranet.

### Vendor Conference

A vendor conference may be held. The conference is an opportunity to ask questions. All proposers who intend to respond to these RFPs are encouraged to attend the vendor conference either in person or via a telephone conference call, should one occur. Representatives will be limited to two per vendor. If ETF decides to hold the vendor conference, a notice will be posted on <http://etfextranet.it.state.wi.us/>. NOTE: Unless this notice is posted, no conference will be held.

Written or e-mailed questions submitted by the question deadline may be addressed at the vendor conference, should one occur. Only written responses will bind ETF. Responses to all questions submitted by the question deadline will be posted to <http://etfextranet.it.state.wi.us/>.

### Reasonable Accommodations

ETF will provide reasonable accommodations, including the provision of informational material in an alternative format, for qualified individuals with disabilities upon request. If you will need accommodations at the vendor conference, contact the individual identified in 1.2.1*.*

### Calendar of Events

Listed below are the important dates by which actions related to these RFPs must be completed. In the event that the Board or ETF finds it necessary to change any of the specific dates and times in the calendar of events listed below, it will do so by issuing a supplement to these RFPs via the ETF Extranet listed in Section 1.2.3. No other formal notification will be issued.

Table 2 Calendar of Events

|  |  |
| --- | --- |
| Date | Event |
| April 3, 2014 | ETF Issues RFP |
| April 14, 2014 | Vendor Questions and Letter of Intent Due |
| April 21, 2014 | ETF Posts Answers to Questions on ETF Extranet |
| **\*May 1, 2014 2:00 P.M. CST** | **Proposals Due** |
| June 26, 2014 | Presentations by finalists |
| June 26 2014 | ETF Notifies Vendors of Intent to Award Contract |
| June 30, 2014 | Begin contract negotiations |
| July 14, 2014 | Contract start date |
| \*All dates are estimated except the RFP proposal due date and time. | |

### Letter of Intent

A letter of intent indicating that a proposer intends to submit a response to either or both of these RFPs should be submitted to ETF by the date indicated in Section 1.2.6. In the letter, identify which programs (referencing **ETE0002** and/or **ETE0003**) the proposer intends to submit a proposal for as well as the proposer’s organization and give the name, location, telephone number, fax number and e-mail address of one or more persons authorized to act on the proposer's behalf. Proposers should submit the letter of intent via e-mail to the address in Section 1.2.1. The RFP number and title must be referenced in your e-mail. The letter of intent does not obligate the proposer to submit a proposal.

### Contract Term

**ETE0002 – Third Party Administration for Employee Reimbursement Accounts (ERA) and Commuter Benefits**

The contract may begin in August 2014 to allow the new vendor to manage the 2015 open enrollment period. If the new vendor does not manage the 2015 open enrollment period, the contract may begin January 1, 2015. The initial contract period will be for two plan years, through December 31, 2016. Cost increases will be provided annually by meeting the performance measures found in Section 3.9 of this RFP and are capped at 3%. First increase to be effective January 2016.

By mutual agreement of ETF and vendor the contract may be extended by three (3) 1-year extensions.

**ETE0003 – Third Party Administration for Health Savings Accounts and Limited Flexible Spending Accounts**

The contract is proposed to be effective on July 14, 2014, and for two plan years, through December 31, 2016. Cost increases will be provided annually by meeting the performance measures found in Section 3.9 of this RFP and are capped at 3%. First increase to be effective January 2016.

By mutual agreement of ETF and vendor the contract may be extended by three (3) 1-year extensions.

### Due Diligence and Errors/Omissions Coverage

The selected vendor shall exercise due diligence in providing services under any contract awarded (ETE0002 and/or ETE0003). In order to protect ETF’s governing boards and any ETF employee against liability, cost, or expenses (including reasonable attorney fees) which may be insured or sustained as a result of vendor errors or other failure to comply with the terms of the awarded contract, the selected vendor shall maintain errors and omissions insurance in an amount acceptable to ETF in force during the contract period and shall furnish ETF with a certificate of insurance for such amount. Further, this certificate shall designate the State of Wisconsin Employee Trust Funds Board and its affiliated boards as additional insured parties.

**Any exceptions to this requirement must be stated in writing and included in the proposal submitted.**

### Criminal Background Verification

ETF follows the provisions in the Wisconsin Human Resources Handbook Chapter 246, Securing Applicant Background Checks (see <http://oser.state.wi.us/docview.asp?docid=6658>). The vendor is expected to perform background checks that, at a minimum, adhere to those standards. This includes the criminal history record from the Wisconsin Department of Justice (DOJ), Wisconsin Circuit Court Automation Programs (CCAP), and other state justice departments for persons who have lived in a state(s) other than Wisconsin. More stringent background checks are permitted. Details regarding the vendor's background check procedures should be provided to ETF regarding the measures used by the vendor to protect the security and privacy of program data and participant information. A copy of the result of the criminal background check the vendor conducted must be made available to ETF upon request. ETF reserves the right to conduct its own criminal background checks on any or all employees or contractors of and referred by the vendor for the delivery or provision of services.

### VendorNet Registration

The State of Wisconsin’s purchasing information and vendor notification service is available to all businesses and organizations that want to sell to the State. Anyone may access VendorNet on the Internet at http://vendornet.state.wi.us to get information on State purchasing practices and policies, goods and services that the State buys, and tips on selling to the State. Vendors may use the same Web site address for inclusion on the proposers list for goods and services that the organization wants to sell to the State. A subscription with notification guarantees the organization will receive an e-mail message each time a State agency, including any campus of the University of Wisconsin System, posts a request for proposal in the vendor’s designated commodity/service area(s) with an estimated value over $50,000. Increasingly, State agencies also are using VendorNet to post simplified bids valued at $50,000 or less. Vendors also may receive e-mail notices of these simplified bid opportunities.

### Business Associate Agreement

A Business Associate Agreement (Appendix G) must be entered into with the vendor and ETF at the time a contract is issued. It is the intention of the agreement to comply with the federal regulations implementing the Health Insurance Portability and Accountability Act of 1996 (HIPAA) concerning the privacy, security, and transaction standards on the confidentiality of personal information.

## Preparing and Submitting a Proposal

### General Instructions

The evaluation and selection of a vendor will be based on the information submitted in the vendor’s proposal, references, oral presentations (if requested), and the vendors’ responses to requests for additional information or clarification.

**Failure to respond to each of the requirements in Sections 2 & 3 may be the basis for rejecting a proposal. Sections 2 Mandatory Proposer Qualifications applies to both RFP ETF0002 and RFP ETF0003. Section 3 Third Party Administrative Services Required applies to both RFP ETF0002 and RFP0003 unless otherwise specified in each subsection.** Each response must include the RFP section number or appendix letter when providing narratives required by the RFP.

**If a specific response(s) in Sections 2 & 3 is not provided because your firm is not proposing to provide services for that RFP (see Section 1.1, RFP Introduction, for details on program proposing options for ETE0002 and/or ETE0003), you shall still provide a response including the information regarding which programs are included and not included in your proposal.**

Elaborate proposals (e.g., expensive artwork), unreasonably long, or verbose proposals beyond that sufficient to present a complete and effective proposal, are neither necessary nor desired.

### Incurring Costs

The State of Wisconsin, the ETF, the Board, and the GIB are not liable for any costs incurred by vendors in replying to these RFPs or making requested oral presentations.

### Submitting the Proposal

**Vendors must submit one (1) original (marked “Original”) and ten (10) complete paper copies of the proposal to the address listed in 1.2.1 by the deadline listed in 1.2.6.**

**Two (2) complete un-locked and non-password protected electronic copies (i.e., MS Word) of the proposal must also be provided on two (2) flash drives. The flash drives must be labeled on the outside with the vendor’s name.**

**In addition, two electronic copies with all confidential material redacted must be provided on a two (2) flash drives and marked as “Redacted for Confidentiality” per Appendix C. The flash drives must be labeled on the outside with the vendor’s name.**

Each paper copy of the vendor’s proposal must follow the format indicated in Appendix A.

The electronic copies of the proposal must be in MS-Word format and must be one single document (except for the cost proposal, as identified in Appendix F).

Proposals submitted via fax or e-mail will not be accepted.

Receipt of a proposal by the State mail system does not constitute receipt of a proposal for purposes of this RFP.

All paper copies of a vendor’s proposal must be packaged, sealed and show the following information on the outside of the package:

* “[Proposer's Name and Address].”
* Title: “[RFP #] – [RFP Title]"
* Proposal Due Date: May 1, 2014, 2:00 P.M. CST.

**An original plus two (2) copies of the cost proposal must be sealed and submitted as a separate part of the proposal.** The cost proposal must be packaged, sealed and show the following information on the outside of the package:

* “[Proposer's Name and Address].”
* Title: “[RFP #] – [RFP Title]"
* Proposal Due Date: May 1, 2014 2:00 P.M. CST.
* Proposal Organization and Format.

Proposals must be typed and submitted on 8.5 by 11-inch paper and bound securely.

Only provide promotional materials if they are relevant to a specific requirement of this request. If provided, all materials must be included with the response to the relevant requirement and clearly identified as “promotional materials.” Electronic access to such materials is preferred.

Proposers responding to this RFP must comply with the following format requirements.

PROPOSER CHECKLIST: Complete the proposer checklist provided as Appendix A to this RFP and include it with your proposal.

SIGNED COVER SHEET (DOA 3261): Complete DOA 3261, the first page in this proposal document, and include it with your proposal.

Tab 1 - TRANSMITTAL LETTER: A signed transmittal letter must accompany the proposal. The transmittal letter must be written on the vendor’s official business stationery and signed by an official that is authorized to legally bind the vendor. Include in the letter:

* 1. Name, signature and title of proposer’s authorized representative.
  2. Name and address of firm.
  3. Telephone number, fax number, and e-mail address of representative.
  4. Title and RFP number: “[RFP #] – [RFP Title]"
  5. Executive Summary.
  6. A statement that the proposal is a firm and irrevocable offer for six (6) months after the proposal due date.

Tab 2 – REQUIRED FORMS: The vendor must complete and/or include the following required State of Wisconsin forms:

* 1. Mandatory Requirements – Appendix B.
  2. Designation of Confidential and Proprietary Information – Appendix C.
  3. Standard Terms and Conditions (DOA-3054) and Supplemental Standard Terms and Conditions (DOA-3681) – Appendix D.
  4. Vendor Information (DOA-3477) and Reference Sheets (DOA-3478) – Appendix E. The vendor must provide three (3) references. The Board will determine which, if any, references to contact to assess the quality of work performed and personnel assigned to the project. The results of any references will be used in scoring proposals. Although these clients shall serve as the primary references for purposes of this RFP, the Board specifically reserves the right to contact **any** clients or past clients for information about the firm's performance under past and present contracts.

Tab 3 - RESPONSE TO SECTIONS 2 & 3: Provide a point-by-point response to each and every statement in Sections 2 & 3. The response must exactly follow the same numbering system, use the same headings, and address each point or sub-point in Sections 2 & 3. Proposers should display each requirement immediately preceding the response to that requirement. Provide a succinct explanation of how each requirement is addressed. Merely indicating that you will complete a task without demonstrating how you will do so may result in your proposal being rejected. Use tab separations. The RFP sections that require a response are:

* Section 2 MANDATORY PROPOSER QUALIFICATIONS & TERMS.
* Section 3 THIRD PARTY ADMINISTRATIVE SERVICES REQUIRED

Tab 4 – ASSUMPTIONS AND EXCEPTIONS: All assumptions and exceptions must be included in this tab. Provide a succinct explanation for each item as well as a reference to the section of the proposal it relates to. **Any assumption or exception made but not included in Tab 4 will be invalid.** Exceptions to ETF’s contract terms and conditions may be considered during contract negotiations if it is beneficial to ETF. **If exceptions to the standard terms are not presented in this section, they may not be discussed or considered during contract negotiations.** When documenting assumptions and exceptions, clearly label each exception with one of the following labels specific to RFP ETE0002 and/or RFP ETE0003:

* RFP Assumption(s).
* RFP Exception(s).
* Standard Term Exception(s).

**Tab 5 – COST PROPOSAL: Cost Proposal located in Appendix F. Failure to provide a cost using the exact form provided in Appendix F will result in your proposal being disqualified and rejected**. **No mention of the cost proposal may be made in any other part of the response to this RFP.** Increases in future annual charges during the contract term will be determined as described in Section 1.2.8. **Any exception to this requirement must be stated on the cost proposal.** Under no circumstances will proposals be considered if any increase exceeds the appropriate performance incentive. If the vendor proposes additional services beyond those described in this RFP, such services should be outlined and separately priced in the sealed cost proposal.

### Multiple Proposals

Multiple proposals for the same RFP from a vendor are not permissible.

### Contacting Vendor References and Conducting Site Visits

By submitting a proposal in response to these RFPs, the vendor grants rights to ETF to contact or arrange a visit with any or all of the vendor’s clients and/or references.

## Proposal Review and Award Process

### Preliminary Evaluation

Proposals will initially be reviewed to determine if mandatory requirements are met. Failure to meet mandatory requirements as stated in Appendix B, or failure to follow the required instructions for completing the proposal as specifically outlined in this document may result in rejection of the proposal.

### Proposal Scoring

Proposals that pass the preliminary evaluation will be reviewed by an evaluation committee and scored against stated criteria. The committee will review written proposals, references, additional clarifications, oral presentations if required, potentially site visits and other information to score proposals.

ETF may request reports on a vendor's financial stability, and if financial stability is not substantiated, may reject a vendor's proposal.

ETF may request demonstrations of the vendor's proposed products(s) and/or service(s), and review results of past awards to the vendor by the State of Wisconsin.

The evaluation committee's scoring will be tabulated and proposals will be ranked based on the numerical scores received.

Based on the results of the evaluation and taking into account all of the evaluation factors, the proposal determined to be most advantageous to the Board may be selected by the Board for further action.

### Evaluation Criteria

Proposals will be evaluated based upon the proven ability of the proposer to satisfy the requirements in an efficient, cost-effective manner, taking into account quality of service with minimal tolerance for error. Proposals will be scored using the following criteria:

20% on cost and 80% on the merits of the proposal and qualifications of the vendor.

### Oral Presentations

The proposer may be required to provide a personal interview with the Board or Department staff. Failure of a proposer to make a presentation to the Board or Department on the date scheduled or to respond to requests for additional written information may result in rejection of the submitted proposal.

Selected finalist(s) may be required to make an oral presentation to the Employee Trust Funds Board and/or its designated representatives. These presentations must be performed by the lead account manager that will be providing services under this contract. Other key staff that will be assigned to this contract must also be available at these presentations. It is possible that at least one such presentation will be held on the date listed in Section 1.2.6. Additional presentations may also be required.

### Right to Reject Proposals and Negotiate Contract Terms

These RFPs do not commit the Board to awarding one or multiple contracts, or pay any cost incurred in the preparation of a proposal in response to these RFPs. The Board retains the right to accept or reject any or all proposals, or accept or reject any part of a proposal deemed to be in the best interest of the Board. The Board shall be the sole judge as to compliance with the instructions contained in these RFPs.

The project has been divided into two RFPs:

1. **ETE0002 - Third Party Administration for Employee Reimbursement Accounts (ERA) and Commuter Benefits**
2. **ETE0003 - Third Party Administration for Health Savings Accounts (HSA) and Limited Flexible Spending Accounts (LFSA)**

Vendors may respond to and bid on either of the two RFPs identified in this section, or on both of the RFPs. The Board may choose to authorize no RFPs or one RFP, any combination, or both of the RFPs.  The Board will make a decision as to what will be authorized at the time of contract negotiations.

The Board may negotiate the terms of the contract, including the award amount and the contract length, with the selected vendor prior to entering into a contract. The Board reserves the right to add contract terms and conditions to the contract during contract negotiations.

### Contract Award

The contract(s) may be awarded to the vendor whose proposal receives the highest score and is determined to be the best value as determined by the Board.  The Board reserves the right not to award a contract as a result of these RFPs.  If contract negotiations cannot be concluded successfully with the awarded proposer(s), the Board may negotiate a contract with the next highest scoring proposer(s).

### Notice of Intent to Award

All vendors who respond to these RFPs will be notified of Board’s intent to award the contract as a result of these RFPs. All decisions and actions under these RFPs are solely under the authority of the Board. Procurement statutes and rules that govern other State agencies may not be applicable.

### Appeals Process

Notices of intent to protest and protests must be made in writing. Protestors should make their protests as specific as possible, including which to which RFP there protest relates, and must identify statutes and Wisconsin Administrative Code provisions that are alleged to have been violated.

The written notice of intent to protest the intent to award a contract must be filed with:

Employee Trust Funds Board

c/o Robert J. Conlin, Secretary

Department of Employee Trust Funds

P.O. Box 7931

Madison, WI 53703-7931

This notice must be received in that office no later than five (5) working days after the notice of award is issued. Fax documents will not be accepted. The written protest must be received within ten (10) working days after the notice of award is issued. The decision of the Board is final.

# Mandatory Proposer Qualifications and Terms

All proposers must respond to the following by restating each question or statement and providing a detailed written response. Instructions for formatting the written response to this section are found in Section 1.3. **Sections 2 Mandatory Proposer Qualifications applies to both RFP ETF0002 and RFP ETF0003.**

The proposer’s services must be able to be performed according to the requirements contained in these RFPs. All resources necessary are to be provided by the proposer and included on the Cost Proposal (Appendix F).

The proposer must provide sufficient detail for the Board and ETF to understand how the vendor will comply with each requirement.

## Experience and References

The Vendor's proposal package, at minimum, must include the following items, organized as indicated below identifying each program RFP (i.e. ETE0002 and/or ETE0003):

1. The firm's name, home office, address of the office providing services under the contract and the telephone number and appropriate FAX number.
2. A general description of the proposer, including size, number of employees, number of offices and locations, primary business (e.g. consulting, pension planning, insurance, etc.), other business or services, type of organization (franchise, corporation, partnership, etc.), and other descriptive material. Describe what you believe are your firm’s strengths regarding client service; what distinguishes your firm from your competitors? Highlight any acquisitions, and/or mergers or other material developments (changes in ownership, personnel, business, etc.) pending now or that occurred in the past five years at your firm. Disclose any potential mergers or acquisitions that have been recently discussed by senior officials, and could potentially take place within the next three years after the contract start date.
3. Identification of the lead account manager available for these programs. Identification of a second account manager who is available for working with the lead account manager on this engagement. Each person must meet or exceed the "Standards for Lead Account Manager" as provided in Section 2.2 of these specifications.
4. Information regarding the professional and experience qualifications of all account managers and professional staff who will perform work under the specific contract. This must include a detailed description of their experience with administering the programs your firm is bidding on as a part of this proposal, including size and other characteristics of the plan, responsibilities in the engagement and duration of their involvement. Include details regarding experience transitioning third party administration accounts from one vendor to another for an organization. Also include any experience in establishing new third party administrative program(s) for an organization.
5. A description of how any turnover on key personnel assigned to this account would be handled. It is the expectation that there would be a Lead Account Manager in charge of all programs assigned at all times, in addition to other key personnel who would be involved with our programs. ETF reserves the right of substitution of personnel listed in this proposal.
6. A description of the vendor's business recovery plan as it relates to the equipment, software, and data files and personnel which would be used in providing the services described in these RFPs. Describe your disaster recovery and alternate work site plans and relationships with key business partners. Describe the results of any disaster recovery testing, including the amount of time needed to transfer operations to an alternate site, if any. To the extent any operations are provided through outside vendors, please describe how you intend to assure quality delivery of these services in the event of a failure. Detail how your backup communications system operates in the event electronic communications become inoperable.
7. A statement of the availability and location of staff and other required resources for performing all services and providing deliverables within indicated time frames. Also include a statement as to whether or not the services outlined in these specifications can be performed using only present staff and computer equipment/software/ technology.
8. A list of the public sector and private sector programs included in each RFP for which the firm currently provides administrative services, including employer name, the programs for which services are provided, approximate number of participants for each program and number of years the firm has been retained.
9. Provide details of any pertinent judgment, criminal conviction, investigation or litigation pending against the firm. During the past five years, has the firm been subject to any litigation alleging breach of contract, fraud, breach of fiduciary duty or other willful or negligent misconduct? ETF reserves the right to reject a response based on this information. Provide certification that the firm has not been in bankruptcy and/or receivership within the last five calendar years.
10. The address, telephone number, name and title of person(s) responsible for the administration of the employee programs for at least three major public employee third party administrative benefit programs for which the proposing firm has consulted within the last three years. Include in the response the number of participants at each public employer. Although these firms shall serve as the primary references for purposes of this RFP, the Board specifically reserves the right to contact any of the listed systems for information about the firm's performance under past and present contracts.

## Standards for Lead Account Manager

1. Minimum of five (5) years of experience managing third party administrative employee benefit programs. Include the number of participants managed during this experience. Include details, by program area, of this experience including length of time in this role with your firm.
2. Excellent customer service and client relationship management skills. Include at least two specific examples that demonstrate these skills.
3. Ability to solve problems, understand and effectively resolve any financial matters. Include at least two specific examples that demonstrate these skills.
4. Attention to detail and follow up on any unresolved issues.
5. Comprehensive understanding of data and funding flows and related information systems used.
6. Meets deadlines.

## Security and Privacy

Describe the ability of your organization to perform quality checks on any work performed by sub-contractors on returned data. Also describe how your organization will protect respondent confidentiality and comply with HIPAA data security and privacy requirements. Note that the Board and ETF take the security and privacy of member data very seriously. Should a vendor fail to properly protect private information, any cost ETF pays to mitigate the data breach will be subtracted from the total contract price. The vendor is responsible for taking timely action and must absorb the cost of mitigating the damages to affected members. The selected vendor must have a secure electronic method for exchanging files with ETF or agree to use ETF’s secured file transfer protocol (FTP) site. The selected vendor will be required to sign ETF’s Business Associate Agreement (Appendix G).

## Quality Control

Describe your organization’s quality control procedures for keeping complete and accurate records, documenting business processes, checking for errors, and reviewing processes for effectiveness and opportunities to improve. Describe how your quality control processes would be applied to each stage of this project. Describe in detail how quality and data integrity would be maintained during a transition from another vendor or when transitioning to another vendor.

# Third Party Administrative Services Required

Provide a written response that reflects your understanding of the program requirements, the processes and procedures that will be used to ensure the requirements will be met, and your firm’s experience in providing the required services. Your proposal must, at a minimum, maintain the current level of service to participants and to the State. **Section 3 Third Party Administrative Services Required applies to both ETE0002 and ETE0003 unless otherwise specified in each subsection. Respond accordingly for the RFPs that your firm is proposing to provide services for as outlined in each RFP.** For program history and an outline of the functions and services that the Contract Administrator of the State of Wisconsin Employee Reimbursement Accounts program and Commuter Benefits program currently provides, as well as the needs for the new Health Savings Accounts Program, refer to Section 4.

Scoring will be based on the quality of the approach and the ability of the respondent to meet the needs of each of the programs.

## Data System Capabilities

### Information Technology (IT) Infrastructure

Provide detailed information about the hardware and software that will be used to administer all programs. Include information about the record-keeping control policies and procedures that are in place to properly receive, disburse, audit, and reconcile both participant and plan accounts in the following areas:

1. Enrollment processing.
2. Payroll (contribution) processing.
3. Reimbursement/claims administration.
4. Bank account reconciliation.
5. Administrative Fee billing

### Account Management and Tools

1. Describe how participants are ensured 24/7 online access to account information and educational material.
2. Describe any additional account management services available (include any associated fees in Appendix F – Cost Proposal)
3. Describe abilities employers have to perform the following:
4. Update employee addresses and other personal information
5. View consolidated accounts
6. View and track individual participant contribution obligations and fulfillment of those obligations
7. Generate reports, include details about the ability to run aggregated data such as:
8. How many current participants participating in each program, current and in the past
9. Total contributions, current and in the past
10. Detail other information available on employer generated reports
11. Find answers to common participant questions
12. Describe abilities participants have to perform the following:
13. Check balance and personal information
14. Submit medical and dependent care claims and receipts online
15. Review lists of eligible expenses
16. Use tools and calculators
17. Get answers to common questions
18. Order additional debit cards
19. View online tax documents and monthly statements
20. Make/change contribution elections online
21. Report a qualifying event online
22. **ETE0003 only:** Describe abilities employers have to perform aggregate HSA balances (detail ability to retrieve data on new versus rollover balances), current and in the past
23. **ETE0002 only:** Describe abilities participants have to perform the following:
24. Make a one-time or recurring contribution, current or prior year, to their HSA
25. Select automatic transfers to investments

### Record-keeping and Accounting Services Experience

1. Provide information about your firm’s previous experience in providing record-keeping and accounting services for similar plans with multiple payroll reporting agencies and multiple payroll cycles using a variety of data formats, including electronic transfer via FTP, virtual private network, encrypted e-mail, and/or paper. Include the name, area of responsibility, qualifications and experience of key staff responsible for the information technology systems functions.

ETF is starting a project to upgrade its IT systems for public employee benefits information and processing. This system will be the system of record for participant demographic and benefit information. The vendor will be required to interface to and from employer Human Resources systems used at the different reporting agencies within the State of Wisconsin (PeopleSoft, etc.) through standardized methods and schedules. Provide a detailed explanation of how you have managed the transfer of enrollment and claims data between your own system and those of your clients. Please include method of transfer and security protocols followed.

The State of Wisconsin’s Department of Administration Central Payroll recently launched a multi-year project to upgrade its current payroll system. Other payroll reporting agencies have upgraded their systems in the past few years. The vendor will be required to participate in the preparation and testing of files as part of the project to implement a new payroll system. Provide a detailed explanation of how you have managed payroll information with multiple clients while they went through an enterprise resource planning (ERP/payroll system conversion.

Each State agency is considered a separate employer and it is commonplace for employees to transfer employment between agencies. Currently, flexible spending elections and commuter benefits orders are expected to transfer seamlessly when an employee transfers. HSA deductions will also be expected to transfer seamlessly. Provide a detailed description of how similar transfer situations have been handled with current or former clients.

**ETE0002 only:** Discrepancy Reports must be provided to the various payroll processing centers timely to notify them of any accounts that are not on track to meet the individual’s annual elections amounts. Please describe in detail how contribution discrepancies will be monitored, resolved with the payroll processing centers, and the status reported to the ETF program manager.

**ETE0003 only:** Describe your practice for issuing tax-reporting forms to HSA account holders (if there is an associated cost, include in Appendix F).

**ETE0003 only:** Describe and provide examples of documents employers will need to sign to participate in the HSA for purposes of pre-tax contributions.

**ETE0003 only:** Describe your services available for testing comparable contributions for comparable participating employees under IRC Section 4980G and applicable regulations.

### Additional IT infrastructure

Identify and explain if it will be necessary for your firm to purchase additional computer/data processing resources in order to fulfill the terms of your proposal.

### Data Security

Describe in detail the measures you use to protect the security and privacy of program data, records, forms, participant information, and data processing operations. Include information about the physical security measures used to control access to your firm’s systems and internal controls that are in place to reduce loss that may occur through fraud, negligence, incompetence, or system errors.

### System Back-up Procedures

Provide a description of your system back-up procedures including the frequency of updates, retention schedule and schedule for business recovery testing.

### Business Recovery Plan

Provide a description of your business recovery plan as it relates to the equipment, software and data tapes and personnel which would be used in providing the services described in these RFPs. Include contingency plans for continuation of critical business functions during an emergency. Also include whether simulation testing is performed and how often, including the results of the last simulation if applicable.

### Sub-contracted Data Processing

If any proposed or current data processing system or any of its parts used for the administration of either RFP is not owned and/or developed by your firm, please explain what contractual arrangements are planned to be or have been made and with whom.

### User IDs and Passwords

Explain how you will manage participant user identifications (IDs) and passwords. Are user IDs/passwords assigned or will an ETF assigned number be able to be used as a user ID? Who will be responsible for resolving Internet/ Telephone Interactive Voice Response (IVR) access problems (password and authorization problems, slow response time, system down-time, etc.)?

## Claims Processing, Banking Services and Reimbursement

### Incomplete/Missing Information

Describe how you handle the following and provide samples of participant communication for each as applicable:

1. Incomplete claims (i.e. claims which are not or cannot be processed due to missing information or documentation).
2. Dependent care claims that exceed available funds.
3. Lost checks.
4. Contributions received in error.
5. Reimbursement claims paid in error.
6. Outstanding checks.

### Online Claims Submission

Provide details of how your firm accommodates online submission of claims (e.g. online submission of reimbursement requests through a secure Web application). Include details of mobile Smartphone application submission, if applicable.

### Claims Processing Services [ETE0002 only]

Describe your experience in providing claims processing services for Section 125, Section 223 and Section 132 programs. Indicate the number of claims currently processed and paid each month for medical and dependent care accounts, as well as QTB accounts.

### Claims authorization/rejection criteria [ETE0002 only]

Provide detail of the procedure and the criteria used to authorize or reject claims to assure that all claims paid are in compliance with applicable IRS Code and Regulations. Include the quality control procedures and system edits used for controlling and tracking reimbursement requests.

### Explanation of Reimbursement [ETE0002 only]

Provide an example of an explanation of reimbursement that would be sent to a participant. Include examples of explanations sent to participants whose claim was partially or wholly rejected.

### Claims Processing Turnaround Time [ETE0002 only]

Describe the average turnaround time and the guaranteed maximum turnaround time for claims processing currently provided for your clients. (Claims processing turnaround time is from the date of receipt of a valid claim by the Contract Administrator to the date a check is mailed or electronically transferred to the participant. The turnaround time for dependent care and QTB claims may be counted from the time money is available in the participant's account to the date an authorized claim is paid.)

### Banking Services [ETE0003 only]

1. Describe your HSA banking services or those of the custodian(s) you use. Name the custodian(s) and provide information about your partnership(s) with them. Describe any choices that HSA participants have in choosing a custodian.
2. Detail how the HSA fund balance can be accessed by the member and what administrative fees are associated with methods of access.
3. Detail whether or not the HSA accepts rollovers from other HSAs and Medical Spending Accounts. Describe the transfer process if applicable, including delays before funds are available.

### Financial Arrangement [ETE0003 only]

1. Describe means used to support receipt and allocation of pre-tax contributions for all programs included in this RFP (funds transfer with detail through FTP files or internet; Automatic Clearing House (ACH); other).
2. Describe how you would coordinate with at least eight (8) separate payroll systems. Please detail your experience in coordinating with multiple payroll centers, including the number of employers and payroll systems at one time with current or prior clients.
3. Describe how post-tax HSA contributions are handled. Describe how pre-tax HSA contributions are handled.

### Debit Card Technology

1. Provide the following information for debit card technology:
2. The type(s) of claims that may be paid using a debit card.
3. The auto-adjudication options available.
4. The processes/systems that are used for adjudicating claims (provide a systems diagram and data flowchart for the interaction that occurs with the debit/credit card vendor).
5. The processes or systems that are subcontracted to a third-party vendor.
6. The controls employed to avoid overpayments and/or payment of ineligible claims.
7. The process for recovering overpayments or ineligible claims, including when, how and the nature of communications that are sent to participants on this matter.
8. The debit card suspension/reinstatement process, including when, how and the nature of communications that are sent to participants on this matter.
9. Communications that are provided to eligible employees, employers and potential merchants informing them of the card. (Provide a copy of the Terms and Conditions, if applicable, that will be issued with the debit card to a participant.)
10. Any fees that may be charged directly to the participant and the employer.
11. Any current process improvement or future enhancement being developed for the debit/credit card.
12. Describe how your firm provides for direct deposit of participant reimbursements.

### Financial Investments [ETE0003 only]

1. Detail the current investment options available to HSA participants and the associated rate of returns for the past five years.
2. Indicate if additional investment options are currently being planned and the associated implementation timeline.
3. What is the threshold balance in the account before a participant can invest funds?

## Enrollment

### Policies and Procedures

Provide a detailed written narrative describing the approach that will be used to provide accurate and comprehensive information about each program's policies and procedures to eligible employees throughout the State.

### Timeline for Setting up Open Enrollment

Furnish a detailed timeline of the steps that will be taken to ensure that all eligible employees are given the opportunity to enroll and that all necessary tasks have been completed to effect participant payroll deductions by the first pay period of 2015. (The first paycheck for employees who are paid monthly is January 30, 2015. The cut-off date for check processing is mid-January, 2015. The first paycheck for employees who are paid bi-weekly is January 22, 2015. The cut-off date for check processing is mid-January, 2015.) Indicate what will be done, when, and who will be responsible for each step.

### Enrollment Processes

Describe in detail the process used to accurately enroll eligible employees in each program using Telephone IVR, Internet, and/or paper. Include information relating to employee accessibility, employee user ID’s and personal identification numbers, process for handling inaccurate or incomplete submissions, data transfer to employers, enrollment data backup and security, etc.

Provide a sample of an open enrollment campaign plan including communications, timeline, and confirmation notice enrolled employees receive. Please include details on the method(s) of delivery available for each type of communication.

### Enrollment Experiences

Describe your firm’s experience in conducting enrollments via the Internet and IVR, in addition to paper forms. List clients for whom this type of enrollment has been offered, the number of eligible employees, and the number of employees who enrolled. Does your firm routinely seek customer feedback following open enrollment?

**ETE0002 only:** Describe your firm’s experience in participants enrolling in the Dependent Care FSA when they meant to enroll in the Medical FSA, or vice versa. Explain what steps have been taken to remedy any erroneous account type enrollments.

### Enrollment Security

Describe, in detail, the security measures employed to assure the privacy and security of confidential information on the Internet and IVR enrollment systems.

### Enrollment Site Demonstrations

Provide access to IVR and Internet enrollment demonstration sites, if available.

### Enrollment Verification

Provide an example of an enrollment verification statement and any program information that may be sent to participants upon enrollment in each program.

### Enrollment Representatives Staffing Level

Indicate the proposed number of enrollment representatives that will be utilized to conduct informational sessions throughout Wisconsin during the annual open enrollment period, and as requested by ETF. Include information about the qualifications of the enrollment representatives. Describe the program policies and the procedure that will be followed by the Contract Administrator to monitor the training and performance of the enrollment representatives. Include an outline of the topics that will be covered during the employee open enrollment/information sessions.

### Enrollment Representatives’ Qualifications

Identify the person(s) whose primary responsibility will be to coordinate enrollment activities, including supervision and training of enrollment representatives, if applicable. Include their position, qualifications, experience, and location (local or home office). Describe how enrollment responsibilities will be coordinated between the home and local office staff, if applicable.

### Mid-year Enrollments

Describe the procedure used for processing mid-year enrollments for newly hired or newly eligible employees.

### Change In Status Event [ETE0002 only]

Provide detail of the procedure that will be followed when participants who experience a Change in Status (CIS) event wish to change their ERA election. Include information about:

1. The staff who are responsible for processing the CIS requests.
2. The criteria used to approve or reject a participant's change request.
3. The process used to properly reinstate an employee after a lapse in coverage, following United States Department of Treasury Regulation rules.
4. The method for calculation of the annual amount for mid-year contribution amount changes or enrollment.
5. Include a sample form that is provided to participants who file a request to change their election amount due to a CIS and any material that will be provided to participants to communicate the requirements of CIS requests.

## Customer Service

### Customer Service Philosophy

Describe your firm’s philosophy and approach to enabling customer service representatives to respond to questions or problems relating to these RFPs. Include a description of the initial and ongoing training, supervision, systems support, quality assurance, performance standards, and performance improvement measures offered to customer service staff. Provide sample materials, if possible.

### Customer Service Procedures

Describe your firm's procedures for responding to inquiries, from receipt of a question by telephone, e-mail, FAX, or letter to complete resolution. What is the normal turn-around time for reply to inquiries? How are participant inquiries and response times tracked and reported? Please provide a sample.

Describe how customer service representatives and others working on our account will be trained on the details of our plan documents. Specifically provide details related to how customer service staff are trained on the programs of a new client, including the plan documents and policies. How are updates communicated? What corrective training is provided if needed? Provide detailed answers to these questions.

### Customer Service Experience

For the past year, provide the following:

1. The total number of inquiries handled by the Customer Service department.
2. The average hold time.
3. The abandoned call rate.
4. Percent of telephone inquiries resolved during the initial call.
5. Percent of telephone inquiries resolved within 24 hours of initial call.
6. Total number of e-mail inquiries.
7. Average time that e-mail inquiries were answered.

### Customer Service Tracking System

If applicable, provide information about any specialized telephone/computer system used by your Customer Service area to track customer service inquiries. Please provide a list of reporting capabilities from this system(s).

Are calls to customer service recorded? Can the recording be easily pulled when/if there is a customer service concern?

### Customer Service Documentation and Review

Describe how you routinely document and review customer service inquiries. What percentage of customer service inquiries are reviewed for quality and customer service performance standards?

### Customer Service Staffing Level

Identify the current staffing levels in the customer service area. Include information regarding the number of staff and telephone lines that will be assigned and/or dedicated to the Wisconsin programs. Describe whether the same customer service staff answer questions across all program areas. A representative must be geographically located for in-person visits and training for employers and employees in Wisconsin.

Typical trainings could be for new staff at payroll processing centers, new ETF staff, ongoing employer training, employer or employee training on specific hot topics, etc. Identify if you will need to hire additional customer service staff to accommodate the needs of the State program, including count and budget (budget details shall be represented as part of the cost proposal in Appendix F).

### Formal Complaint Procedures

Participants who feel that their questions or issues have not been properly addressed by customer service staff may file a formal complaint or appeal. Provide a written summary of the procedures that will be followed to adequately and appropriately review, evaluate, and resolve complaints and/or appeals in a timely manner. Include information about the staff involved in the complaint resolution process, the documentation that is used to make a determination, and the average number of appeals or complaints filed annually, tracking mechanisms used, speed of resolution, and the number/percent appealed beyond first level resolution for your current business. Describe the manner in which you intend to report complaint and grievance procedure results to ETF. Include an example of a determination letter that will be provided to a participant explaining the approval or denial of an appeal.

### Customer Satisfaction Survey

The Contract Administrator will be required to conduct an annual customer satisfaction survey (random sample) of program participants. Provide details of your experience in providing this type of service. Provide a sample of a survey that has been conducted for a client and the results of that survey.

## Program Information and Communication

The Contract Administrator may be asked to develop informational bulletins, brochures, or newsletters directed to employers and/or employees. ETF retains approval rights of all material prior to distribution to employers or employees.

### Plan Information Materials

1. Describe the informational materials that may be used to ensure all eligible employees are aware of and offered enrollment in each program. Provide examples of materials such as brochures, forms, video presentations, posters, Internet sites, e-mail messages, etc., that may be used to communicate program information to ensure that all eligible employees are aware of and understand the programs. In lieu of paper copies, you may provide links to online electronic copies of informational materials.
2. Describe your ability to customize communications to the State program. Provide examples beyond just name customization if possible.
3. Describe your experience in creating and delivering a communication and education plan with a large employer, including the outcomes. Provide an example.
4. **ETE0002 only:** ETF is considering changing from a grace period to the $500 carry forward provision for the ERAs/FSAs for the 2015 plan year. Describe your experience in communicating this rule change with another client’s participants and provide a sample piece of written communication.
5. **ETE0003 only:** The 2015 plan year is the first opportunity that State employees will have to participate in an employer sponsored HSA along with a high-deductible health plan (HDHP). ETF will require a robust communication and education plan and will look to the Contract Administrator to work closely with ETF to develop and deliver a comprehensive plan to educate prospective and current participants. This communication and education plan, highlighting the benefits of the HSA must be very robust in 2014, ramping up to the start of this new program January 1, 2015. Ongoing communication and education must be provided to participants and potential participants throughout the year for each year of the contract. Describe how you will specifically educate members on the incompatibility of an HSA with a traditional FSA. Describe how you will educate prospective participants on the benefits of an LFSA (vision and dental only).
6. **ETE0003 only:** Describe the steps you would take in creating and implementing a communication and education plan specific for State employees; be sure to include a timeline. Please include introducing the availability of the HSA and the decision-making tools available to employees.
7. **ETE0003 only:** Provide an example of HSA roll-out communications you have provided in the past to other clients, along with sample materials if applicable.

### Plan Information on Internet Site

1. Describe the information that will be available to employees, employers, and ETF on your Internet site. Identify if a site will be developed specifically for the State of Wisconsin plan. Explain how participants' personal account information will be available to program participants through the site. Provide the evaluation committee with access to a demonstration site that illustrates the capabilities of your Internet site.
2. Describe how those without Internet access or are not Internet-capable will be able to access the same level of information and services available to those who are able to easily access the Internet.
3. Have you added, improved or changed any of your web tools in the last 12 months? If yes, please describe.
4. Do you have any plans to migrate your online system to a new one in the next five (5) years?
5. **ETE0003 only:** Do you have an available demo for members considering an HSA prior to the open enrollment period? If so, describe its capabilities to compare out-of-pocket costs (custom to the State HDHP offering) with other available plans, including contributions, co-pays, deductibles, etc.

### Plan Information on IVR

Describe the information that will be available to employees through your IVR system. Identify if a call tree will be developed specifically for the State. Explain how participants can access their personal account information. Provide the evaluation committee with access to a demonstration site that illustrates the capabilities of your IVR system, if available.

### E-mail Communication

Identify the types of communication that you will send to participants via e-mail. Provide your process for handling e-mail bounce backs.

Describe any challenges you have had previously in e-mailing participants whose work e-mail address is protected by a firewall. How have you addressed these challenges?

### Privacy Policy

Describe your privacy policy regarding participant e-mail addresses, including whether or not you sell them to third-party vendors for solicitation. Do you share e-mail addresses with any outside organization? If so, describe the purposes in detail and the ability of participants to opt-out.

## Services Provided to ETF and Employers

ETF works directly with the Contract Administrator on all administrative matters. The Contract Administrator must provide technical and legal expertise to advise ETF on issues relating to the programs. ETF must have real-time access to the Contract Administrator’s record-keeping system via the Internet. Access includes the ability to view participant and total plan data and to generate standard reports. The reports detailed in Section 3.1.2 must also be available for ETF. Reports must be provided to ETF to ensure effective monitoring of all aspects of the programs. The Contract Administrator is responsible for promptly addressing enrollment and payroll issues raised by the payroll processing centers and agency payroll staff.

### Additional Administrative Responsibilities

List any administrative responsibilities that are not included in your cost proposal.

### State or Federal Regulations

Describe how you will monitor the development of and provide notification, information and advice to ETF concerning State or federal regulations or legislation that may affect the programs.

### Legal (including compliance) and Technical Staff

Provide information about the legal and technical staff that will be available to ETF for advice and consultation as needed for program administration.

### Participation Reporting

Provide detail of your ability to provide ETF with access to participants’ records and regular reports via the Internet. List the information or data that is available. Provide a demonstration site, if available.

### Performance Standards Reporting

Detail your capabilities in producing the reports listed in the Performance Standards and Guarantees. (See administrative services contract in Reference Materials.) Provide samples of any similar reports that you currently provide for clients.

Provide a description and example of reports other than those specified above that you recommend be made available to ETF.

### Communication with Employers/Payroll Processing Centers

How will issues raised by payroll processing centers and/or agency payroll staff be addressed? Will there be a central point of contact for employer issues (i.e. questions about enrollments, deductions, etc.)? Include an example of the written procedures that may be provided to employers to aid in program administration. If available, describe your capabilities for video conferencing or online interactive training options. What kind of training and administrative documentation is available to employer human resources and benefits departments?

## Performance Standards and Penalties

ETF requires that the vendor meet certain performance measures in order to continue as the contract administrator for the services listed in these RFPs. Cost increases will be determined by meeting or exceeding certain benchmarks.

### Tracking and Reporting Capacity

Provide details regarding your firm’s ability to track and report on the following performance measures monthly and quarterly. Provide examples of reports containing actual results in 2013 for these or very similar measures prepared for other clients of a comparable size to the State of Wisconsin.

1. Customer Service Call Center Statistics:
   1. Call volume
   2. Average speed of answer
   3. Abandon rate
   4. Call drivers by type (i.e. Medical FSA, Debit Card, HSA, etc.)
   5. Number of complaints
   6. Average time to handle complaints
2. Health Care Usage by Service:
   1. Breakdown for Medical FSA or LFSA by type of service (i.e. Dental, Pharmacy, Vision, etc.). Provide information related to the programs offered by your firm.
3. Website availability:
   1. Total amount of time the website was not available in 2013 for full participant access
4. **ETE0002 only:** Claims Statistics:
   1. Total claims processed by program type (i.e. Medical FSA, Dependent Care FSA, Debit Card verification, etc.)
   2. Number of claims processed by program type within 1-2 business days
   3. Number of claims processed by program type within 3-5 business days
   4. Number of claims processed by program type within 6-10 business days
   5. Number of claims processed by program type within 10+ business days
   6. Average number of business days to process each type of claim
5. Debit Card Statistics:
6. Total number of cards issued
7. Total number of card transactions by program type
8. **ETE0002 only:** Number of transactions that were auto-adjudicated
9. **ETE0002 only:** Percentage of transactions that were auto-adjudicated
10. **ETE0002 only:** Reimbursement Rejections:
11. Total number of rejections by type (i.e. service not during period of coverage, missing bill or statement for expense, account balance exhausted, etc.)
12. **ETE0003 only:** HSA's:
    1. How many HSAs are open, current and in the past
    2. Total HSA contributions, current and in the past
    3. Aggregate HSA balances (detail ability to retrieve data on new versus rollover balances), current and in the past
    4. Detail other HSA information available on employer/ETF generated reports

### Performance Standards and Guarantees

Specific Performance Standards and Guarantees (PS&G) will be negotiated during contract negotiations and will become part of the contract. Penalties will also be negotiated and established. Penalties may be assessed for any PS&G not met.

PS&Gs will be related to, but not limited to, the following categories:

* Standards & practices
* client services
* customer service & inquiry (client specific)
* claim processing & reimbursement and card fulfillment
* deduction management
* technology
* legal/compliance
* enrollment planning & processing
* accounting
* disaster recoverY

### Performance Standards

Describe the procedure that will be followed to ensure performance standards as described in Sections 3.7.1 and 3.7.2 are properly measured and reported. Include a sample report that will be provided to ETF to demonstrate how the performance standards will be monitored.

### Other Performance Guarantee Agreements

Do you have any contracts with other clients who incorporate a penalty for not meeting performance standards? If yes, indicate the types of performance guarantee agreements you have entered into previously and your ability to provide these arrangements to ETF.

### Performance Measurements [ETE0002 only]

List any performance measurements your organization currently uses to evaluate claims processing volume, accuracy, turnaround time, etc. Specify how these measurements are derived.

## Transition, Implementation, and Turnover

### Transition Plan

* 1. **ETE0002 only:** Provide a detailed plan to effectively and efficiently assume administration of the ERA and Commuter Benefits programs by January 1, 2015. This plan must outline the major activities and considerations necessary for an orderly and controlled transition if assuming administration of the program from a predecessor administrator beginning January 1, 2015, including transitioning current accounts through the grace period and run-out through April15, 2015. This plan shall also include performing open enrollment and communication in the fall of 2014.
  2. **ETE0003 only:** Provide a detailed plan to effectively and efficiently initiate administration of the HSA and LFSA programs on January 1, 2015. This plan must outline the major activities and considerations necessary for initial implementation including administering and managing open enrollment and communication in the fall of 2014.

### Data and Other Information Needs

**1. ETE0002 only:** Provide a list and description of the data and other information that will be needed to complete the implementation. Include data and information that you expect to be provided by the predecessor administrator and ETF. Include any assumptions or constraints regarding ETF resources. No ETF positions are dedicated solely to this implementation.

**2. ETE0003 only:** Provide a list and description of the data and other information that will be needed to complete the implementation. Include any assumptions or constraints regarding ETF resources. No ETF positions are dedicated solely to this implementation.

### Transition Staff

Identify the staff members, as well as the number of full-time equivalent positions, by area of expertise who will be assigned to the implementation team.

### Comprehensive Turnover Plan

Provide a comprehensive turnover plan that provides a timeline of major tasks, activities, and information that will be provided to the succeeding vendor when relinquishing responsibilities at termination of contract. In the event that the contractor terminates the contract, an updated turnover plan must accompany the notice of termination. In the event the Board terminates the Contract, the contractor must send an updated turnover plan to ETF within thirty (30) days of the written notice of termination to the contractor.

# program background information

Program background information is provided to assist the proposer in completing the RFP response document. **This section is for informational purposes; no response is required from the proposer.** For additional information on the programs, please review these related Web sites:

Table 3 Reference Materials

|  |  |
| --- | --- |
| **Document** | **Web Address** |
| Employee Trust Funds Internet Site | <http://etf.wi.gov> |
| WI State Statutes Ch. 40 | <http://www.legis.state.wi.us/statutes/Stat0040.pdf> |
| ERA Forms and Brochures | <http://etf.wi.gov/publications/era.htm> |
| ERA Program Fact Sheet | <http://etf.wi.gov/publications/et8900.pdf> |
| ERA and Commuter Benefits Webcasts | <http://etf.wi.gov/webcasts.htm> |
| Commuter Benefits Forms and Brochures | <http://etf.wi.gov/members/benefits_commuter.htm> |
| ERA/Commuter Benefits Admin. Services Contract | <http://web.etfnet.wi/etf/internet/RFP/ERA2009/2006ERAContract.doc> |

## Employee Reimbursement Accounts Program Information [ETE0002 only]

### Program Administration

The State of Wisconsin Employee Reimbursement Account (ERA) program consists of a flexible spending account plan authorized under Section 125 of the Internal Revenue Code and established by 1987 Wisconsin Act 399. The ERA program consists of a dependent day care FSA and a health care FSA. There is a possibility that a limited health care flexible spending account (LFSA) (dental and vision only) would be established and offered to those participating in the HSA (ETE0003). This LFSA shall be included in program specific responses throughout the submitted proposal if your company is proposing on the HSA portion of this RFP. There is also an automatic premium conversion component that is self-administered through the State’s payroll processing centers.

The oversight authority for the ERA program rests with the Board. The Program is administered for the Board by ETF. A third-party Contract Administrator was secured through the competitive bid process in 1989, 1994, 2000, 2005, and 2009. The Contract Administrator is responsible for complete enrollment services, including development, production, and distribution of all enrollment materials; enrollment processing; program communication to employees and employers; claims processing and reimbursement services in compliance with applicable Internal Revenue Code.

### Employee Eligibility and Participation

The ERA program is available to all full-time and part-time, classified and unclassified State and UW employees. Employees who are classified as fellows, scholars, limited term employees (LTEs), and student hourlies may not participate.

Approximately 65,000 eligible employees located in about 41 State agencies, Legislature, UW Hospital and Clinics, UW and several small independent agencies (See Wis. Stat. 40.02 (54) at locations throughout the State are currently eligible to enroll in the ERA program.

The table below shows the ERA program participation, contributions, reimbursements, and forfeiture amounts since plan year 2009. Participants may contribute up to $2,500 in the medical expense reimbursement account plan and up to the federally mandated maximums in a dependent day care reimbursement account. Employees are automatically enrolled in the premium conversion program unless they file a waiver form with their payroll office.

Table 4 ERA Previous Years’ Experience

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2009** | **2010** | **2011** | **2012** | **2013** |
| Dependent Care Accounts | 2,364 | 2,326 | 2,267 | 2,346 | 2,559 |
| Dependent Care Contributions | $8,941,510 | $8,726,234 | $8,472,654 | $8,910,107 | $9,957,000\* |
| Dependent Care Reimbursements | $8,859,640 | 8,659,320 | 8,411,205 | $8,939,643 | N/a |
| Dependent Care Forfeitures | $79,404 | $64,216 | $57,012 | $75,709\* | N/a |
|  |  |  |  |  |  |
| Medical Expense Accounts | 11,387 | 11,894 | 11,102 | 12,643 | 13,178 |
| Medical Expense Contrib. | $14,459,424 | $14,682,762 | $13,520,317 | $15,923,123 | $15,439,450\* |
| Medical Expense Reimb. | $14,242,465 | $14,525,409 | $13,406,065 | $15,692,069 | N/a |
| Medical Expense Forfeitures | $211,682 | $151,008 | $77,884 | $263,415\* | N/a |

*\* Estimated*

### Administrative Expenses

Employees do not pay a fee to participate in the Program. Administrative expenses charged to the Program for ETF's costs and the Contract Administrator's fees are funded from three sources: interest income on the withheld contributions, forfeitures from dependent care and medical expense accounts that are not fully depleted during the plan year, and a direct monthly charge to State agencies. The amount charged to agencies is based on the number of employee health contracts held by each agency. For plan year 2014, the fee per health contract for each State agency is $0.80/contract/month.

### Communication and Enrollment

The ERA program plan year is from January 1 through December 31. State employees may enroll in the program during an annual enrollment period held in the fall prior to each plan year. The successful vendor may be expected to conduct an enrollment in the fall of 2014 for the 2015 plan year. Tentative open enrollment dates are October 6 – November 7, 2014 (these dates are finalized at the May Group Insurance Board meeting).

ETF is considering changing from a grace period to the $500 carry forward provision for the ERAs/FSAs for the 2015 plan year.

The State’s payroll processing centers supply the Contract Administrator with an eligibility file, in an agreed-upon format (tape, electronic, or paper), after each payroll. The file lists all employees who are eligible to enroll in the program.

The Contract Administrator is responsible for processing enrollments during open enrollment and for new hire enrollments throughout the plan year. A combination of paper forms, Internet and IVR enrollment technologies are used for annual enrollment. Paper forms only are used for new hire enrollments during the year. Employees receive confirmation notices confirming the amount of their contribution election(s), expressed in both the annual election amount and the per paycheck amount.

The Contract Administrator is also responsible for approving and processing all requests to change benefit elections due to Change In Status events in accordance with IRS regulations.

The Contract Administrator is responsible for producing all enrollment and other informational materials in numbers sufficient to distribute to all eligible employees during open enrollment, as well as for distribution to all newly hired employees during the plan year. Enrollment materials are customized for the State plan. The Contract Administrator will work with ETF to develop, produce, and distribute all program materials and forms. ETF must approve all materials prior to distribution to State employees, including generic material that is prepared by the Contract Administrator for use by the State and other Section 125 clients.

Approximately 5,000 ERA Enrollment Summary Guides, summarizing the program and benefits, are printed each fall. The 2014 Guide contained 24 pages. They are distributed to all eligible employees prior to open enrollment and to newly hired employees throughout the year. An ERA Benefit booklet with complete program details is also produced and made available to participants on request. Both the Summary Guide and the full ERA Benefits Booklet are available on the ETF Internet site during the open enrollment period and throughout the plan year.

The Contract Administrator is responsible for distributing the materials to the employers in locations throughout the State. Most State agencies then distribute enrollment materials to their employees via their own inter-departmental distribution channels. For the past several years, the UW has used electronic means to notify employees of the open enrollment period and to distribute information during the open enrollment period.

During the annual enrollment period, the Contract Administrator will schedule and conduct group meetings for eligible employees, and make individual counseling sessions available upon request. The Contract Administrator provides trained enrollment counselors to conduct informational sessions at State agencies and UW campuses throughout the State. Some agencies may require presentations to be scheduled for employees who work evening and night shifts. Approximately 29 enrollment presentations were held during open enrollment in the fall of 2013.

Following the annual enrollment period, the Contract Administrator produces an enrollment deduction data file of salary reductions elected by employees, in the format required by each State payroll system, to be entered into the payroll systems.

### Claims Processing and Reimbursement

The Contract Administrator is solely responsible for receiving, properly authorizing, and processing reimbursement claims, ensuring that all claims authorized for reimbursement are in compliance with all applicable IRS Codes and Regulations. Reimbursement claims are processed on a daily basis. The Contract Administrator currently processes an average of 7,941 medical expense claims and 1,333 dependent care expense claims per month for the State plan. The Contract Administrator issued approximately 16,000 reimbursements for dependent care and 95,370 for medical expenses to State plan participants in the 2013 plan year.

Reimbursement requests can currently be submitted using a paper form using mail, FAX, e-mail, through the Contract Administrator’s Web site via scanned documents, or using a smart phone application. The Contract Administrator processes all claims and issues a reimbursement check or electronic fund transfer to program participants within five (5) business days of receipt of a valid and complete reimbursement claim. Reimbursement checks are accompanied by a claim remittance advice containing a clear "Explanation of Reimbursement" statement showing the amount of the claim paid, and the reasons for a claim rejection, if applicable, or for any differences between the amount of the claims submitted and the amount authorized for payment. A similar remittance advice is mailed to those participants who have their reimbursement electronically deposited. Participants whose claims are rejected are sent a detailed explanation of the reason for the claim rejection. The Contract Administrator is responsible for resolving all service issues related to reimbursement accounts including check issuance, direct deposit, stop payments, etc.

The ERA Program currently offers employees the use of a debit card. Employees may be required to submit documentation of the claims after payment is made using the debit card. The current Contract Administrator notifies employees via mail or electronically.

The Contract Administrator prepares a monthly reimbursement disposition report which shows the number of claims received and processed or partially processed, claims pending, claims rejected and reason and number of claims paid from date of receipt. This report provides data for monitoring compliance with performance standards.

The Contract Administrator prints and distributes claim forms customized for the State plan. The Contract Administrator also provides participants with a quarterly transactional summary of each Employee Reimbursement Account, showing deposits and claims paid and detail of account balances.

### Services Provided to Employers

The Contract Administrator assumes primary responsibility for researching and resolving problems with employee enrollment, contribution, or other participant account issues. The Contract Administrator will provide a contact who will be available to agency payroll staff and/or payroll processing centers to resolve such issues.

The Contract Administrator must provide continuing program support services to all participating employers. Employer payroll personnel may require periodic assistance and training for deduction management, enrollments, facilitating the filing of Change In Status forms, etc.

### Customer Service

The Contract Administrator will provide a toll-free customer service line. The customer service department responds to participant's inquiries regarding account balances, enrollment, and program information, forms completion, and complaints. The volume of calls from State participants to the customer service department currently averages 1,414 calls per month. Approximately 16,973 calls were answered in 2013. (This number includes calls for both the ERA and the Commuter Benefits programs.) The Contract Administrator documents the number and types of inquiries received by the customer service department. Call activity is reported to ETF on a quarterly basis.

The current customer service telephone line is available 7 a.m. to 9 p.m. CT each business day. The Contract Administrator will also provide a customer service e-mail address that participants can use to ask questions and resolve problems. If customer service is available via live online chat, please also include that information.

Participants have access to their personal account information 24-hours-a-day, 7 days a week, via the Internet as well as an IVR telephone system.

The Contract Administrator will maintain an office in Wisconsin to serve as an information and troubleshooting resource for ETF, State agencies, and participants.

The Contract Administrator must have a complaint/grievance procedure in place, subject to Department approval, to address participant problems or complaints regarding claims, eligibility, change in status, or coverage issues. The vendor must be able to receive the grievance via telephone, e-mail, or mail. The Contract Administrator is responsible for researching the issue and providing the participant with clear information that supports their decision or resolves the issue. If the participant does not agree with the Contract Administrator’s decision, he or she may ask for a determination from ETF. The Contract Administrator is then responsible for forwarding adequate information and documentation upon which ETF can issue a determination. The Contract Administrator will submit a quarterly report to ETF that shows the number of grievances filed, the type of grievance, and the time frame for resolution of the grievance.

The Contract Administrator is required to conduct an annual customer satisfaction survey of Program participants.

### Services Provided to ETF

The Contract Administrator provides technical and legal expertise to ETF to assure compliance with applicable IRS codes and regulations and alerts ETF when potential non-compliance is noted. The Contract Administrator maintains and revises the plan document as required to comply with any changes in federal or State law or regulations and incorporates program changes.

The Contract Administrator will provide any necessary technical information and/or assistance in the collection, preparation, and filing of any statistical or other program data that may be required by the IRS or other regulatory agency.

The Contract Administrator provides ETF with online access to the Contract Administrator’s participant files.

Performance standards/penalties for selected business activities will be required and may include, but not be limited to, those stated in the current contract. Final standards and penalties are subject to negotiation. A quarterly report is provided to ETF, detailing State Program statistics to document that the performance standards are met.

### Record-keeping, Accounting and Reports

The Contract Administrator works with multiple payroll processing centers to accurately withhold and report participant contributions.

The State's major payroll processing centers are:

* The Department of Administration Central Payroll Office which processes the payroll for approximately 41 State agencies (approximately 34,000 eligible employees).
* The University of Wisconsin Processing Center that processes the payroll for the entire UW System (approximately 32,000 eligible employees).
* The University of Wisconsin Hospital and Clinics (approximately 3,000 eligible employees).

These three payroll processing centers currently report payroll deductions to the Contract Administrator via electronic transmission. There are also several smaller agencies employing about 1,000 employees who have separate payroll systems that provide records via spreadsheet.

Participant contributions are deducted from participants’ paychecks each pay period. Contributions are sent to ETF and the participant contribution information is sent to the Contract Administrator at the time of each payroll. Central payroll processes payroll bi-weekly (26 pay periods), the UW Processing Center processes payrolls bi-weekly (26 pay periods) and monthly (12 pay periods). The University also has a number of faculty and staff who are paid 9 or 10 times in a plan year with a break occurring during the summer months. University Hospital and Clinics processes payroll bi-weekly. The Legislature processes payroll monthly and the Wisconsin Housing and Economic Development Authority (WHEDA) pays on a semi-monthly (24 pay periods) schedule. The Contract Administrator must post participant contributions to a participant's account within three days of receipt.

All participant contributions are received by ETF and are held until paid out by the Contract Administrator. The current Contract Administrator maintains a local bank account on ETF’s behalf from which claims are paid. After each claims payment processing cycle, the Contract Administrator transmits an invoice for claims paid to ETF, providing the total amount that was disbursed for each account. ETF then electronically transfers funds to the Contract Administrator's local bank account in the amount of the invoice. All interest earned from participant contributions, including interest earned on the Contract Administrator's local bank account, is credited to the ERA program.

The Contract Administrator performs all administrative and record-keeping functions necessary to ensure accurate disbursement of the participants' contributions and accurate accounting of the participants' reimbursement accounts. The Contract Administrator maintains accounting records on both the plan level, recording all fund transactions between ETF and the Contract Administrator, and the employee level, recording transactions for each participant. The Contract Administrator conducts and sends to ETF a quarterly reconciliation of accounts.

The Contract Administrator conducts internal audits within the individual departments to validate controls, processes, system, and accuracy. The Contract Administrator also provides monthly bank account reconciliation.

The Contract Administrator is required to submit reports to ETF to allow adequate program monitoring. Reports may include, but not be limited to, those reports that are stated in the current administrative services contract.

## Commuter Benefits Program Information [ETE0002 only]

### Program Administration

The Commuter Benefits program is a qualified transportation benefit plan authorized under Section 132 of the Internal Revenue Code. It was implemented for State of Wisconsin employees in 2002. The Commuter Benefits program offers State employees pre-tax deduction for qualified parking expenses or mass transit expenses. The program currently offers direct-pay to parking facilities, purchase and distribution of bus passes, and reimbursement of qualified transportation expenses.

The oversight authority for the Commuter Benefits program rests with the Board. The Program is administered for the Board by ETF. The Contract Administrator is responsible for complete enrollment services, including development, production, and distributions of all enrollment materials, online and paper enrollment processing, program communication to employees and employers, and claims processing and reimbursement services.

The Board requires the Plan Administrator to prepare and submit a Section 132 plan document even though a plan document is not required by the IRS. The Section 132 plan document will be approved by ETF before it is finalized.

### Employee Eligibility and Participation

The Commuter Benefits program is available to all full-time and part-time, classified and unclassified State and UW employees.

Approximately 65,000 eligible employees located in about 41 State agencies and the UW System at locations throughout the State are currently eligible to enroll in the Commuter Benefits program. Some agencies do not have employees who use the benefit because they are located in small metropolitan or rural areas where there is no mass transit and parking is free or is available in a State-owned facility and already deducted on a pre-tax basis. As of March 2014, there are 1,522 participants.

Table 5 Commuter Benefits Previous Years’ Experience

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2010 | 2011 | 2012 | 2013 |
| Commuter Benefits Participation\* | 1,330 | 1,282 | 1,199 | 1,104 |

*\*Monthly average*

### Administrative Expenses

Employees do not pay a fee to participate in the Program. Administrative expenses charged to the Program for ETF's costs and the Contract Administrator's fees are funded from two sources: interest income on the withheld contributions, and an annual charge to State agencies. The amount charged to each State agency is based on the number of their employees who actually participate in the program.

### Communication and Enrollment

Enrollment in the Commuter Benefits program is continuous. Enrollment is primarily via the Internet, although paper forms may also be used. The Contract Administrator is responsible for receiving and processing all enrollments. Currently employees must enroll online or submit a paper form by the 10th of the month for participation in the subsequent month. Enrollment may be for one month only or continuing indefinitely. Deductions are taken from the participants’ paychecks once a month. Following the monthly enrollment deadline, the Contract Administrator produces an enrollment deduction data file of salary reductions elected by employees, in the format required by each State payroll system to be entered into the payroll systems.

The State’s payroll processing centers provide the Contract Administrator with an eligibility file, in an agreed upon format (tape, electronic, or paper), on a regular basis. The file lists all employees who are eligible to enroll in the program.

The Contract Administrator is responsible for producing all enrollment and other program materials and forms. ETF must approve all materials prior to distribution to State employees, including generic material that is prepared by the Contract Administrator for use by State and other Section 132 clients. The Contract Administrator is responsible for distributing the materials to the employers. Employers then distribute materials to their employees via their own inter-departmental distribution channels.

### Claims Processing and Reimbursement

As of February 2014, the Contract Administrator pays approximately 158 parking vendors directly, purchases and distributes approximately 304 bus passes and issues reimbursements to approximately 145 State plan participants each month.

The Contract Administrator is responsible for receiving, properly authorizing, and processing reimbursement claims for valid reimbursement expenses, ensuring that all claims authorized for reimbursement are in compliance with IRC Section 132 regulations.

Reimbursement requests can be submitted using a paper form, or may be submitted online. The Contract Administrator will process all claims and issue a reimbursement check or electronic fund transfer to program participants within five (5) business days of receipt of a valid and complete reimbursement claim if participant funds are available. The Contract Administrator is responsible for resolving all service issues related to reimbursement accounts including check issuance, direct deposit, stop payments, etc.

The Contract Administrator will provide participants with a quarterly transactional summary of deposits and claims paid and detail of account balances.

### Services Provided to Employers

The Contract Administrator must provide continuing program support services to all participating employers. Employer payroll personnel may require periodic assistance and training for deduction management, enrollment processing, terminations, etc.

### Customer Service

(Same as ERA Program. See Section 4.1.7. Response provided for this section should be specific to the Commuter Benefits Program.)

### Services Provided to ETF

(Same as ERA Program. See Section 4.1.8. Response provided for this section should be specific to the Commuter Benefits Program.)

### Record-keeping, Accounting and Reports

The Contract Administrator works with multiple payroll processing centers to accurately withhold and report participant contributions.

The State's major payroll processing centers are:

* The Department of Administration Central Payroll Office, which processes the payroll for approximately 41 State agencies (approximately 34,000 eligible employees).
* The University of Wisconsin Processing Center, which processes the payroll for the entire UW System (approximately 32,000 eligible employees).
* The University of Wisconsin Hospital and Clinics (approximately 3,000 eligible employees).

The Contract Administrator currently reports the monthly election amounts to each payroll processing center via electronic transmission. The election files are loaded on the payroll processing systems and amounts are deducted from payroll. Participant contributions that are deducted from payroll are sent to ETF and the participant deduction information is sent back to the Contract Administrator for verification.

All participant contributions are received by ETF and are held until paid out by the Contract Administrator. The current Contract Administrator maintains a bank account on ETF’s behalf from which claims are paid for the Commuter Benefits program. As the Contract Administrator completes each claims payment processing cycle, the Contract Administrator electronically provides an invoice for claims paid to ETF, providing the total amount that was disbursed for each account. ETF then electronically transfers funds to the Contract Administrator's bank account in the amount of the invoice. All interest earned from participant contributions, including interest earned on the Contract Administrator's local bank account, is credited to the Commuter Benefits program.

The Contract Administrator performs all administrative and record-keeping functions necessary to ensure accurate disbursement of the participants' contributions and accurate accounting of the participants' accounts. The Contract Administrator maintains accounting records on both the plan level, recording all fund transactions between ETF and the Contract Administrator, and the employee level, recording transactions for each participant. The Contract Administrator will conduct and send to ETF a quarterly reconciliation of accounts. An annual independent audit of the Commuter Benefit plan will be provided to ETF.

The Contract Administrator will conduct internal audits within the individual departments to validate controls, processes, system, and accuracy. The Contract Administrator will also provide monthly bank account reconciliation.

The Contract Administrator will be required to submit reports to ETF to allow adequate program monitoring.

## Health Savings Accounts and Limited Flexible Spending Accounts Program Information [ETE0003 only]

### Program Administration

The State of Wisconsin Health Savings Accounts (HSA) program is authorized under Section 223 of the Internal Revenue Code and established by 2013 Wisconsin Act 32. The HSA program will be implemented January 1, 2015, and is the first of its kind for State employees. The Contract Administrator is responsible for complete enrollment services, including development, production, and distribution of all enrollment materials; enrollment processing; program communication and education to employees and employers; claims processing and reimbursement services in compliance with applicable Internal Revenue Code.

### Employee Eligibility and Participation

Determination of who will be eligible to participate in the State sponsored HSA will be made this spring.

Employer contributions, if any, are decided annually by the State of Wisconsin Office of Employment Relations.

### Administrative Expenses

Administrative expenses charged to the Program for ETF's costs and the Contract Administrator's fees are funded from direct monthly charge to State agencies. The amount charged to agencies is based on the number of employee health contracts held by each agency. Participants may or may not pay the set up and maintenance fees associated with their HSAs. This will be decided by the GIB. All fees shall be detailed in Appendix F, Cost Proposal.

All applicable tax-reporting forms must be provided timely.

### Communication and Enrollment

The HSA program plan year is from January 1 through December 31. State employees who are enrolled in a qualified HDHP and are otherwise eligible as of the first of the month may enroll in the program at any month throughout the program year; although they must enroll in a qualifying HDHP during an annual enrollment period held in the fall prior to each plan year. Tentative open enrollment dates are October 6 – November 7, 2014 (these dates are finalized at the May Group Insurance Board meeting).

The Contract Administrator is responsible for processing enrollments year-round. Online enrollment will be encouraged, but a paper enrollment option must be made available. Employees must receive enrollment confirmation notices as well as access to statements showing contributions, withdrawals, investments and balances on demand.

The Contract Administrator is responsible for producing all enrollment and other informational materials in numbers sufficient to distribute to all eligible employees during open enrollment, as well as during the plan year. Enrollment materials are customized for the State plan. The Contract Administrator will work with ETF to develop, produce, and distribute all program materials and forms. ETF must approve all materials prior to distribution to State employees, including generic material that is prepared by the Contract Administrator for use by State and other Section 125 clients.

Approximately 80,000 HSA Program Reference Guides, summarizing the program and benefits, would need to be printed each fall. They will be distributed to all eligible employees prior to open enrollment and to newly hired employees, or those interested in the HSA program, throughout the year. An HSA booklet with complete program details will also need to be produced and made available to participants upon request. Both the Program Reference Guide and the full HSA Booklet will be available on the ETF Internet site throughout the plan year.

The Contract Administrator is responsible for distributing the materials to the employers in locations throughout the State. Most State agencies then distribute enrollment materials to their employees via their own inter-departmental distribution channels.

During the annual enrollment period, and at other times during the year at the request of ETF, the Contract Administrator will schedule and conduct group meetings for eligible employees, and make individual counseling sessions available upon request. The Contract Administrator provides trained enrollment counselors to conduct informational sessions at State agencies and UW campuses throughout the State. Some agencies may require presentations to be scheduled for employees who work evening and night shifts. Approximately 29 enrollment presentations were held during open enrollment in the fall of 2013.

Following the annual enrollment period, the Contract Administrator produces an enrollment deduction data file of salary reductions elected by employees, in the format required by each State payroll system, to be entered into the payroll systems.

### Account Management and Transaction Processing

The Contract Administrator is solely responsible for receiving and processing financial transactions and reimbursement claims on a daily basis. Participants must have access to their funds per the agreed upon terms in the contract.

The HSA Program must offer members both checks and debit cards to access their account. Participants must have 24/7 online access to account information and educational material, including, but not limited to: check balance and personal information, pay medical expenses online, review lists of eligible medical expenses, use tools and calculators, get answers to common questions, order additional debit cards, make a one-time or recurring contribution to their HSA (current or prior year), select automatic transfers to investments, view online tax documents and monthly statements, and update addresses and other personal information.

Employers must have 24/7 online access to view consolidated accounts, generate reports and find answers to common employee questions.

### Services Provided to Employers

The Contract Administrator assumes primary responsibility for researching and resolving problems with employee enrollment, contribution, or other participant account issues. The Contract Administrator will provide a contact who will be available to agency payroll staff and/or payroll processing centers to resolve such issues.

The Contract Administrator must provide continuing program support services to participating employers. Employer payroll personnel may require periodic assistance and training for deduction management, enrollments, facilitating the filing of forms, etc.

### Customer Service

The Contract Administrator will provide a toll-free customer service line. The customer service department responds to participant's inquiries regarding account balances, enrollment, and program information, forms completion, and complaints. The volume of calls from Wisconsin participants to the customer service department currently averages 1,414 calls per month. Approximately 16,973 calls were answered in 2013. (This number includes calls for both the ERA and the Commuter Benefits programs related to ETE0002.) The Contract Administrator documents the number and types of inquiries received by the customer service department. Call activity is reported to ETF on a quarterly basis.

The current customer service telephone line is available 7 a.m. to 9 p.m. CT each business day. The Contract Administrator will also provide a customer service e-mail address that participants can use to ask questions and resolve problems. If customer service is available via live online chat, please also include that information.

Participants will need access to their personal account information 24-hours-a-day via the Internet as well as an Interactive Voice Response telephone system.

The Contract Administrator will maintain an office in the Madison area to serve as an information and troubleshooting resource for ETF, State agencies, and participants.

The Contract Administrator must have a complaint/grievance procedure in place, subject to ETF approval, to address participant problems or complaints regarding claims, eligibility, or coverage issues. The grievance must be able to be submitted via telephone, email, or mail. The Contract Administrator is responsible for researching the issue and providing the participant with clear information that supports their decision or resolves the issue. If the participant does not agree with the Contract Administrator’s decision, he or she may ask for a determination from ETF. The Contract Administrator is then responsible for forwarding adequate information and documentation upon which ETF can issue a determination. The Contract Administrator will submit a quarterly report to ETF that shows the number of grievances filed, the type of grievance, and the time frame for resolution of the grievance.

The Contract Administrator is required to conduct an annual customer satisfaction survey of Program participants.

### Services Provided To ETF

The Contract Administrator provides technical and legal expertise to ETF to assure compliance with applicable IRS codes and regulations and alerts ETF when potential non-compliance is noted. The Contract Administrator maintains and revises the plan document as required to comply with any changes in federal or State law or regulations and incorporates program changes.

The Contract Administrator will provide any necessary technical information and/or assistance in the collection, preparation, and filing of any statistical or other program data that may be required by the IRS or other regulatory agency.

The Contract Administrator provides ETF with online access to the Contract Administrator’s participant files.

Audits: At its discretion, the Board may require independent or third party audit or review of any function relating to the program and may designate a vendor which shall provide review information or services it deems appropriate.

The administrator shall maintain sufficient documentation to provide for the financial and management audits of its performance under the contract. These shall include, but are not limited to, program expenditures, claim processing efficiency, and customer service.

The frequency and extent of such audits shall be determined by the Board or ETF. Records of paid claims must be maintained in a format and on a media acceptable to ETF. If this will affect your proposal, your proposal should specify the acceptable frequency and intensity of the audits and any charges if that frequency or intensity is exceeded.

### Record-keeping, Accounting and Reports

The Contract Administrator works with multiple payroll processing centers to accurately withhold and report participant contributions.

The State's major payroll processing centers are:

* The Department of Administration Central Payroll Office which processes the payroll for approximately 41 State agencies (approximately 34,000 eligible employees).
* The University of Wisconsin Processing Center that processes the payroll for the entire UW System (approximately 32,000 eligible employees).
* The University of Wisconsin Hospital and Clinics (approximately 3,000 eligible employees).

These three payroll processing centers currently report payroll deductions to the Contract Administrator via electronic transmission. There are also several smaller agencies employing about 1,000 employees who have separate payroll systems that provide records via spreadsheet.

Participant contributions may be deducted from participants’ paychecks each pay period.

The Contract Administrator is required to submit reports to ETF to allow adequate program monitoring. Reports may include, but not be limited to, those reports that are stated in the current administrative services contract.

# Special terms and conditions ETE0002 and ETE0003

The vendor will comply with the following terms and conditions outlined in this section as well as the Standard Terms and Conditions in Appendix D.

## Legal Relations

* The vendor shall at all times comply with and observe all federal and State laws, local laws, ordinances, and regulations which are in effect during the period of this contract and which in any manner affect the work or its conduct.
* In carrying out any provisions of this RFP or in exercising any power or authority granted to the vendor thereby, there shall be no liability upon ETF, it being understood that in such matters that ETF acts as an agent of the State.
* The vendor accepts full liability and agrees to hold harmless ETF, its employees, agents and vendors for any act or omission of the vendor, or any of its employees, in connection with this contract.
* No employee of the vendor may represent himself or herself as an employee of ETF or the State.

## Termination of Contract

* ETF may terminate any contract issued as a result of this RFP at any time at its sole discretion by delivering 180 calendar days written notice to the vendor.
* Upon termination, ETF's liability shall be limited to the prorated cost of the services performed as of the date of termination plus expenses incurred with the prior written approval of ETF.
* In the event that the vendor terminates this contract, for any reason whatsoever, it shall refund all payments made hereunder by ETF to the vendor for work not completed or not accepted by ETF. Such termination shall require written notice to that effect to be delivered by the vendor to ETF not less than 180 days prior to said termination.

## Ownership of Materials

* Except for medical records as defined by Wis. Admin. Code § ETF 10.01 (3m), all information, data, reports and other materials as are existing and available from ETF and which ETF determines to be necessary to carry out the scope of services under this contract shall be furnished to the vendor and shall be returned to ETF upon completion of the contract. The vendor shall not use it for any purpose other than carrying out the work described in the contract. ETF shall not disclose medical records.
* It is agreed that ETF will be furnished without additional charge all data, models, information, reports and other materials associated with and generated under this contract by the vendor.
* ETF shall solely own all customized software, documents, and other materials developed under this contract. Use of software, documents, and materials by the vendor shall only be with the prior written approval of ETF.
* If used in conjunction with program revenue generating activities with third parties, ETF, vendor, and such third party shall negotiate fee arrangements, which shall include recovery by ETF of development costs associated with the software, documents, or other materials.
* Additional costs to modify software, documents, or other materials developed under this RFP to meet specific requirements of third parties shall be the responsibility of such third parties.

## Continuance of RFP

Continuation of this RFP beyond the limits of funds available shall be contingent upon appropriation of the necessary funds, and the termination of this RFP by lack of appropriations shall be without penalty to ETF. Termination under this clause is effective immediately, without advance notice and without further payment.

## Confidentiality of Participant Records

In addition to the requirements of this section, please refer to the Business Associate Agreement in Appendix G for additional privacy and security requirements.

* As provided by Wis. Stat. § 40.07 and Wis. Admin. Code § 10.70 (1) and by HIPAA, individual personal information in ETF's records (including but not limited to address, social security number, birth date, marital status, earnings, Wisconsin Retirement System (WRS) contributions, WRS interest crediting, beneficiary designations, WRS creditable service and medical information), is not a public record and must be kept confidential. Confidential information may be disclosed to the vendor under this contract as ETF determines is necessary for the proper administration of this contract, as provided by Wis. Stat. § 40.07 (1) (d) and (3).
* The vendor agrees to maintain the strict confidentiality of individual records supplied to the vendor or its employees under this RFP. In addition, the vendor will only share confidential information with its employees and subcontractors on a need to know basis.
* The vendor agrees not to disclose any information furnished to the vendor or its employees, by ETF including any information derived directly or indirectly from information furnished by ETF to any person or entity of any description who is not a party to this RFP without express, written approval of the Secretary of ETF in advance.
* Under no circumstances are participant names, addresses, or other data to be used or made available for any purpose other than specifically provided for in this contract.
* All media in the possession of the vendor including, but not limited to portable drives, diskettes, compact disks, files, and written documents containing confidential participant information shall be destroyed or turned over to ETF within 60 calendar days of the completion of this contract. The vendor shall furnish to ETF a written certification that all such media have been destroyed or returned to ETF, unless ETF makes any exceptions to this requirement in writing.

## Payment Terms

* Invoices must be itemized by cost proposal categories of expenses actually incurred.
* Invoices must be submitted to the following address:

Accounts Payable

Department of Employee Trust Funds

P.O. Box 7931

Madison, WI 53707-7931

or

E-mail: [ETFAccountsPayable@etf.wi.gov](mailto:ETFAccountsPayable@etf.wi.gov)

* Approved payment will be made to the vendor within 30 calendar days of receipt of a proper invoice.

Appendices:

APPENDIX A Proposer’s Checklist

APPENDIX B Mandatory Requirements

APPENDIX C Designation of Confidential and Proprietary Information (DOA-3027)

APPENDIX D Standard Terms and Conditions (DOA-3054) and Supplemental Standard Terms and Conditions (DOA-3681)

APPENDIX E Vendor Information (DOA-3477) and References (DOA-3478)

APPENDIX F Cost Proposal

APPENDIX G Business Associate Agreement

Appendix A  
Proposer’s Checklist

**RFP ETE0002 and ETE0003**

**Mandatory**

**This appendix must be completed with the proposal.**

( ) PROPOSER CHECKLIST: Complete the proposer checklist provided as Appendix A to this RFP and include it with your proposal.

( ) SIGNED COVER SHEET (DOA 3261): Complete DOA 3261, the first page in this proposal document, and include it with your proposal.

( ) Tab 1 – TRANSMITTAL LETTER: A signed transmittal letter must accompany the proposal. The transmittal letter must be written on the vendor’s official business stationery and signed by an official that is authorized to legally bind the vendor. Include in the letter:

1. Name, signature and title of proposer’s authorized representative.
2. Name and address of firm.
3. Telephone number, fax number, and e-mail address of representative.
4. Title(s) and RFP number(s) Executive Summary.
5. A statement that the proposal is a firm and irrevocable offer for six (6) months after the proposal due date.

( ) Tab 2 – REQUIRED FORMS: The vendor must complete and/or include the following required State of Wisconsin forms:

1. Mandatory Requirements – Appendix B
2. Designation of Confidential and Proprietary Information – Appendix C
3. Standard Terms and Conditions (DOA-3054) and Supplemental Standard Terms and Conditions (DOA-3681) – Appendix D
4. Vendor Information (DOA-3477) and Reference Sheets (DOA-3478) – Appendix E. The vendor must provide three (3) references. The Board will determine which, if any, references to contact to assess the quality of work performed and personnel assigned to the project. The results of any references will be used in scoring proposals. Although these clients shall serve as the primary references for purposes of this RFP, the Board specifically reserves the right to contact **any** clients or past clients for information about the firm's performance under past and present contracts.

( ) Tab 3 - RESPONSE TO SECTIONS 2 & 3: Provide a point-by-point response to each and every statement in Sections 2 & 3. The response must exactly follow the same numbering system, use the same headings, and address each point or sub-point in Sections 2 & 3. Proposers should display each requirement immediately preceding the response to that requirement. Provide a succinct explanation of how each requirement is addressed. Merely indicating that you will complete a task without demonstrating how you will do so may result in your proposal being rejected. Use tab separations. The RFP sections that require a response are:

* Section 2 MANDATORY PROPOSER QUALIFICATIONS & TERMS.
* Section 3 RFP specific (ETE0002 and/or ETE0003) THIRD PARTY ADMINISTRATIVE SERVICES REQUIRED.

**If a specific response(s) in Sections 2 & 3 is not provided because your firm is not proposing to provide services for that program (see Section 1.1, RFP Introduction, for details on program proposing options), you shall still provide a response including the information regarding which programs are included and not included in your proposal.**

( ) Tab 4 – ASSUMPTIONS AND EXCEPTIONS: All assumptions and exceptions must be included in this tab. Provide a succinct explanation for each item as well as a reference to the section of the proposal it relates to. **Any assumption or exception made but not included in this Tab 4 will be invalid.** Exceptions to ETF’s contract terms and conditions may be considered during contract negotiations if it is beneficial to ETF. **If exceptions to the standard terms are not presented in this section, they may not be discussed or considered during contract negotiations.** When documenting assumptions and exceptions, clearly label each exception with one of the following labels:

* RFP Assumption(s).
* RFP Exception(s).
* Standard Term Exception(s).

( ) **Tab 5 – COST PROPOSAL: Cost Proposal located in Appendix F. Failure to provide a cost using the exact form provided in Appendix F will result in your proposal being disqualified and rejected**. **No mention of the cost proposal may be made in any other part of the response to these RFPs.**  Increases in future annual charges during the contract term will be determined as described in Section 1.2.8. **Any exception to this requirement must be stated on the cost proposal.** Under no circumstances will proposals be considered if any increase exceeds the appropriate inflationary indices. If the vendor proposes additional services beyond those described in these RFPs, such services should be outlined and separately priced in the sealed cost proposal.

PROPOSING VENDOR NAME: DATE:

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

AUTHORIZED REPRESENTATIVE:

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

Appendix B  
Mandatory Requirements

**RFP ETE0002 and ETE0003**

**This appendix must be completed with the proposal.**

|  |  |  |
| --- | --- | --- |
| **MANDATORY REQUIREMENTS** | **Check One** | |
| *The following requirements are mandatory and must be met by any vendor who submits a proposal. Failure to comply with one or more of the mandatory requirements may disqualify the proposal. A response to each item in Appendix B is a mandatory requirement. If you cannot agree to each item listed, you must so specify along with the reason in Proposal Tab 4 – Assumptions and Exceptions – of your proposal response.* | **Agree** | **Disagree** |
| The firm has no conflict of interest with regard to any other work performed by the firm for the State of Wisconsin. |  |  |
| The firm adhered to the instructions in this RFP on preparing and submitting the proposal. |  |  |
| The firm has not been suspended or debarred from performing government work. |  |  |
| The firm agrees to meet all contractual requirements as stated in Sections 1, 2, 3, 4, 5 and Appendix D. The Proposer agrees to adhere to all ETF Department standards, terms, policies and procedures. Any exceptions to this statement must be cleared, in writing, by ETF. |  |  |
| The firm has not been the subject of any disciplinary action or inquiry during the past five years. |  |  |
| During the past five years, the firm has not been involved with any litigation alleging breach of contract, fraud, breach of fiduciary duty or other willful or negligent misconduct. |  |  |
| The firm's level of expertise and experience will be evaluated and scored based on the responses submitted to Sections 2 and 3. Using the Reference Sheet in Appendix E, provide at least three references. Each reference must identify the state or plan for which you have provided similar services. |  |  |
| The Proposer agrees to the terms in ETF’s Business Associate Agreement in Appendix G. |  |  |

Appendix C  
Designation of Confidential and Proprietary Information

**RFP ETE0002 and ETE0003**

**Mandatory**

**This appendix must be completed with the proposal.**

**The proposer must supply 2 electronic copies with all confidential material redacted on two flash drives and marked as “Redacted for Confidentiality.” The flash drives must be labeled on the outside with the vendor’s name.**

**STATE OF WISCONSIN**

DOA-3027 N(R01/98)

**DESIGNATION OF CONFIDENTIAL AND PROPRIETARY INFORMATION**

The attached material submitted in response to Bid/Proposal # includes proprietary and confidential information which qualifies as a trade secret, as provided in s. 19.36(5), Wis. Stats., or is otherwise material that can be kept confidential under the Wisconsin Open Records Law. As such, we ask that certain pages, as indicated below, of this bid/proposal response be treated as confidential material and not be released without our written approval.

**Prices always become public information when bids/proposals are opened, and therefore cannot be kept confidential.**

Other information cannot be kept confidential unless it is a trade secret. Trade secret is defined in s. 134.90(1)(c), Wis. Stats. as follows: "Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique or process to which all of the following apply:

1. The information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

2. The information is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

We request that the following pages not be released:

Section Page # Topic

IN THE EVENT THE DESIGNATION OF CONFIDENTIALITY OF THIS INFORMATION IS CHALLENGED, THE UNDERSIGNED HEREBY AGREES TO PROVIDE LEGAL COUNSEL OR OTHER NECESSARY ASSISTANCE TO DEFEND THE DESIGNATION OF CONFIDENTIALITY AND AGREES TO HOLD THE STATE HARMLESS FOR ANY COSTS OR DAMAGES ARISING OUT OF THE STATE'S AGREEING TO WITHHOLD THE MATERIALS.

Failure to include this form in the bid/proposal response may mean that all information provided as part of the bid/proposal response will be open to examination and copying. The State considers other markings of confidential in the bid/proposal document to be insufficient. The undersigned agrees to hold the State harmless for any damages arising out of the release of any materials unless they are specifically identified above.

Firm Name

Authorized Representative

Signature

Authorized Representative

Type or Print

Date

This document can be made available in accessible formats to qualified individuals with disabilities.

Appendix D  
Standard Terms and Conditions

**RFP ETE0002 and ETE0003**

**Standard Terms and Conditions and Supplemental Standard Terms and Conditions for Procurements for Services**

**Vendor agrees to the Terms and Conditions as stated in this Appendix D.**

**Exceptions must be addressed in the Proposal   
Tab 4 - Assumptions and Exceptions**

Standard Terms and Conditions (Request for Bids / Proposals)

Wisconsin Department of Administration

Chs. 16, 19, 51

DOA-3054 (R10/2005)

**1.0 SPECIFICATIONS:** The specifications in this request are the minimum acceptable. When specific manufacturer and model numbers are used, they are to establish a design, type of construction, quality, functional capability and/or performance level desired. When alternates are bid/proposed, they must be identified by manufacturer, stock number, and such other information necessary to establish equivalency. The State of Wisconsin shall be the sole judge of equivalency. Proposers/proposers are cautioned to avoid bidding alternates to the specifications which may result in rejection of their bid/proposal.

**2.0 DEVIATIONS AND EXCEPTIONS:** Deviations and excep­tions from original text, terms, conditions, or specifications shall be described fully, on the proposer's/proposer's letter­head, signed, and attached to the request. In the absence of such statement, the bid/proposal shall be accepted as in strict compliance with all terms, conditions, and specifica­tions and the proposers/proposers shall be held liable.

**3.0 QUALITY:** Unless otherwise indicated in the request, all material shall be first quality. Items which are used, demonstrators, obsolete, seconds, or which have been discontinued are unacceptable without prior written approval by the State of Wisconsin.

**4.0 QUANTITIES:** The quantities shown on this request are based on estimated needs. The State reserves the right to increase or decrease quantities to meet actual needs.

**5.0 DELIVERY:** Deliveries shall be F.O.B. destination freight prepaid and included unless otherwise specified.

**6.0 PRICING AND DISCOUNT:** The State of Wisconsin quali­fies for governmental discounts and its educational institu­tions also qualify for educational discounts. Unit prices shall reflect these discounts.

**6.1** Unit prices shown on the bid/proposal or contract shall be the price per unit of sale (e.g., gal., cs., doz., ea.) as stated on the request or contract. For any given item, the quantity multiplied by the unit price shall establish the extended price, the unit price shall govern in the bid/proposal evaluation and contract administration.

**6.2** Prices established in continuing agreements and term contracts may be lowered due to general market conditions, but prices shall not be subject to increase for ninety (90) calendar days from the date of award. Any increase proposed shall be submitted to the contracting agency thirty (30) calendar days before the proposed effective date of the price increase, and shall be limited to fully documented cost increases to the contractor which are demonstrated to be industry wide. The conditions under which price increases may be granted shall be expressed in bid/proposal documents and contracts or agreements.

**6.3** In determination of award, discounts for early payment will only be considered when all other con­ditions are equal and when payment terms allow at least fifteen (15) days, providing the discount terms are deemed favorable. All payment terms must allow the option of net thirty (30).

**7.0 UNFAIR SALES ACT:** Prices quoted to the State of Wisconsin are not governed by the Unfair Sales Act.

**8.0 ACCEPTANCE-REJECTION:** The State of Wisconsin reserves the right to accept or reject any or all bids/proposals, to waive any technicality in any bid/proposal submitted, and to accept any part of a bid/proposal as deemed to be in the best interests of the State of Wisconsin.

Bids/proposals MUST be date and time stamped by the soliciting purchasing office on or before the date and time that the bid/proposal is due. Bids/proposals date and time stamped in another office will be rejected. Receipt of a bid/proposal by the mail system does not constitute receipt of a bid/proposal by the purchasing office.

**9.0 METHOD OF AWARD:** Award shall be made to the lowest responsible, responsive proposer unless otherwise specified.

**10.0 ORDERING:** Purchase orders or releases via purchasing cards shall be placed directly to the contractor by an authorized agency. No other purchase orders are authorized.

**11.0 PAYMENT TERMS AND INVOICING:** The State of Wisconsin normally will pay properly submitted vendor invoices within thirty (30) days of receipt providing goods and/or services have been delivered, installed (if required), and accepted as specified.

Invoices presented for payment must be submitted in accordance with instructions contained on the purchase order including reference to purchase order number and submittal to the correct address for processing.

A good faith dispute creates an exception to prompt payment.

**12.0 TAXES:** The State of Wisconsin and its agencies are exempt from payment of all federal tax and Wisconsin state and local taxes on its purchases except Wisconsin excise taxes as described below.

The State of Wisconsin, including all its agencies, is required to pay the Wisconsin excise or occupation tax on its purchase of beer, liquor, wine, cigarettes, tobacco products, motor vehicle fuel and general aviation fuel. However, it is exempt from payment of Wisconsin sales or use tax on its purchases. The State of Wisconsin may be subject to other states' taxes on its purchases in that state depending on the laws of that state. Contractors perform­ing construction activities are required to pay state use tax on the cost of materials.

**13.0 GUARANTEED DELIVERY:** Failure of the contractor to adhere to delivery schedules as specified or to promptly replace rejected materials shall render the contractor liable for all costs in excess of the contract price when alternate procurement is necessary. Excess costs shall include the administrative costs.

**14.0 ENTIRE AGREEMENT:** These Standard Terms and Conditions shall apply to any contract or order awarded as a result of this request except where special requirements are stated elsewhere in the request; in such cases, the special requirements shall apply. Further, the written contract and/or order with referenced parts and attach­ments shall constitute the entire agreement and no other terms and conditions in any document, acceptance, or acknowledgment shall be effective or binding unless expressly agreed to in writing by the contracting authority.

**15.0 APPLICABLE LAW AND COMPLIANCE:** This contract shall be governed under the laws of the State of Wisconsin. The contractor shall at all times comply with and observe all federal and State laws, local laws, ordinances, and regulations which are in effect during the period of this contract and which in any manner affect the work or its conduct. The State of Wisconsin reserves the right to cancel this contract if the contractor fails to follow the requirements of s. 77.66, Wis. Stats., and related statutes regarding certification for collection of sales and use tax. The State of Wisconsin also reserves the right to cancel this contract with any federally debarred contractor or a contractor that is presently identified on the list of parties excluded from federal procurement and non-procurement contracts.

**16.0 ANTITRUST ASSIGNMENT:** The contractor and the State of Wisconsin recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the State of Wisconsin (purchaser). Therefore, the contractor hereby assigns to the State of Wisconsin any and all claims for such overcharges as to goods, materials or services purchased in connection with this contract.

**17.0 ASSIGNMENT:** No right or duty in whole or in part of the contractor under this contract may be assigned or dele­gated without the prior written consent of the State of Wisconsin.

**18.0 WORK CENTER CRITERIA:** A work center must be certi­fied under s. 16.752, Wis. Stats., and must ensure that when engaged in the production of materials, supplies or equipment or the performance of contractual services, not less than seventy-five percent (75%) of the total hours of direct labor are performed by severely handicapped individuals.

**19.0 NONDISCRIMINATION / AFFIRMATIVE ACTION:** In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s. 51.01(5), Wis. Stats., sexual orientation as defined in s. 111.32(13m), Wis. Stats., or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including appren­ticeship. Except with respect to sexual orientation, the contractor further agrees to take affirmative action to ensure equal employment opportunities.

**19.1** Contracts estimated to be over fifty thousand dollars ($50,000) require the submission of a written affirmative action plan by the contractor. An exemp­tion occurs from this requirement if the contractor has a workforce of less than fifty (50) employees. Within fifteen (15) working days after the contract is awarded, the contractor must submit the plan to the contracting State agency for approval. Instructions on preparing the plan and technical assistance regarding this clause are available from the contracting State agency.

**19.2** The contractor agrees to post in conspicuous places, available for employees and applicants for employ­ment, a notice to be provided by the contracting State agency that sets forth the provisions of the State of Wisconsin's nondiscrimination law.

**19.3** Failure to comply with the conditions of this clause may result in the contractor's becoming declared an "ineligible" contractor, termination of the contract, or withholding of payment.

**20.0 PATENT INFRINGEMENT:** The contractor selling to the State of Wisconsin the articles described herein guarantees the articles were manufactured or produced in accordance with applicable federal labor laws. Further, that the sale or use of the articles described herein will not infringe any United States patent. The contractor covenants that it will at its own expense defend every suit which shall be brought against the State of Wisconsin (provided that such contractor is promptly notified of such suit, and all papers therein are delivered to it) for any alleged infringement of any patent by reason of the sale or use of such articles, and agrees that it will pay all costs, damages, and profits recov­erable in any such suit.

**21.0 SAFETY REQUIREMENTS:** All materials, equipment, and supplies provided to the State of Wisconsin must comply fully with all safety requirements as set forth by the Wisconsin Administrative Code and all applicable OSHA Standards.

**22.0 WARRANTY:** Unless otherwise specifically stated by the Proposer, equipment purchased as a result of this request shall be warranted against defects by the Proposer for one (1) year from date of receipt. The equipment manufacturer's standard warranty shall apply as a minimum and must be honored by the contractor.

**23.0 INSURANCE RESPONSIBILITY:** The contractor performing services for the State of Wisconsin shall:

**23.1** Maintain worker's compensation insurance as required by Wisconsin Statutes, for all employees engaged in the work.

**23.2** Maintain commercial liability, bodily injury and prop­erty damage insurance against any claim(s) which might occur in carrying out this agreement/contract. Minimum coverage shall be one million dollars ($1,000,000) liability for bodily injury and property damage including products liability and completed operations. Provide motor vehicle insurance for all owned, non-owned and hired vehicles that are used in carrying out this contract. Minimum coverage shall be one million dollars ($1,000,000) per occurrence combined single limit for automobile liability and property damage.

**23.3** The State reserves the right to require higher or lower limits where warranted.

**24.0 CANCELLATION:** The State of Wisconsin reserves the right to cancel any contract in whole or in part without penalty due to non-appropriation of funds or for failure of the contractor to comply with terms, conditions, and specifica­tions of this contract.

**25.0 VENDOR TAX DELINQUENCY:** Vendors who have a delinquent Wisconsin tax liability may have their payments offset by the State of Wisconsin.

**26.0 PUBLIC RECORDS ACCESS:** It is the intention of the State to maintain an open and public process in the solicita­tion, submission, review, and approval of procurement activities.

Bid/proposal openings are public unless otherwise speci­fied. Records may not be available for public inspection prior to issuance of the notice of intent to award or the award of the contract.

**27.0 PROPRIETARY INFORMATION:** Any restrictions on the use of data contained within a request, must be clearly stated in the bid/proposal itself. Proprietary information submitted in response to a request will be handled in accordance with applicable State of Wisconsin procurement regulations and the Wisconsin public records law. Proprie­tary restrictions normally are not accepted. However, when accepted, it is the vendor's responsibility to defend the determination in the event of an appeal or litigation.

**27.1** Data contained in a bid/proposal, all documentation provided therein, and innovations developed as a result of the contracted commodities or services cannot be copyrighted or patented. All data, docu­mentation, and innovations become the property of the State of Wisconsin.

**27.2** Any material submitted by the vendor in response to this request that the vendor considers confidential and proprietary information and which qualifies as a trade secret, as provided in s. 19.36(5), Wis. Stats., or material which can be kept confidential under the Wisconsin public records law, must be identified on a Designation of Confidential and Proprietary Informa­tion form (DOA-3027). Proposers/proposers may request the form if it is not part of the Request for Bid/Request for Proposal package. Bid/proposal prices cannot be held confidential.

**28.0 DISCLOSURE:** If a state public official (s. 19.42, Wis. Stats.), a member of a state public official's immediate family, or any organization in which a state public official or a member of the official's immediate family owns or controls a ten percent (10%) interest, is a party to this agreement, and if this agreement involves payment of more than three thousand dollars ($3,000) within a twelve (12) month period, this contract is voidable by the state unless appro­priate disclosure is made according to s. 19.45(6), Wis. Stats., before signing the contract. Disclosure must be made to the Wisconsin Government Accountability Board, P.O. Box 7984, Madison, WI 53707-7984; by fax, to 608-267-0500; or by e-mail to gab@wi.gov.

State classified and former employees and certain University of Wisconsin faculty/staff are subject to separate disclosure requirements, s. 16.417, Wis. Stats.

**29.0 RECYCLED MATERIALS:** The State of Wisconsin is required to purchase products incorporating recycled mate­rials whenever technically and economically feasible. Proposers are encouraged to bid products with recycled content which meet specifications.

**30.0 MATERIAL SAFETY DATA SHEET:** If any item(s) on an order(s) resulting from this award(s) is a hazardous chemi­cal, as defined under 29CFR 1910.1200, provide one (1) copy of a Material Safety Data Sheet for each item with the shipped container(s) and one (1) copy with the invoice(s).

**31.0 PROMOTIONAL ADVERTISING / NEWS RELEASES:** Reference to or use of the State of Wisconsin, any of its departments, agencies or other subunits, or any State offi­cial or employee for commercial promotion is prohibited. News releases pertaining to this procurement shall not be made without prior approval of the State of Wisconsin. Release of broadcast e-mails pertaining to this procurement shall not be made without prior written authorization of the contracting agency.

**32.0 HOLD HARMLESS:** The contractor will indemnify and save harmless the State of Wisconsin and all of its officers, agents and employees from all suits, actions, or claims of any character brought for or on account of any injuries or damages received by any persons or property resulting from the operations of the contractor, or of any of its contractors, in prosecuting work under this agreement.

1. **FOREIGN CORPORATION:** A foreign corporation (any corporation other than a Wisconsin corporation) which becomes a party to this Agreement is required to conform to all the requirements of Chapter 180, Wis. Stats., relating to a foreign corporation and must possess a certificate of authority from the Wisconsin Department of Financial Institutions, unless the corporation is transacting business in interstate commerce or is otherwise exempt from the requirement of obtaining a certificate of authority. Any foreign corporation which desires to apply for a certificate of authority should contact the Department of Financial Institutions, Division of Corporation, P. O. Box 7846, Madison, WI 53707-7846; telephone (608) 261-7577.
2. **WORK CENTER PROGRAM**: The successful Proposer shall agree to implement processes that allow the State agencies, including the University of Wisconsin System, to satisfy the State's obligation to purchase goods and services produced by work centers certified under the State Use Law, s.16.752, Wis. Stat. This shall result in requiring the successful Proposer to include products provided by work centers in its catalog for State agencies and campuses or to block the sale of comparable items to State agencies and campuses.

**35.0 FORCE MAJEURE**: Neither party shall be in default by reason of any failure in performance of this Agreement in accordance with reasonable control and without fault or negligence on their part. Such causes may include, but are not restricted to, acts of nature or the public enemy, acts of the government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes and unusually severe weather, but in every case the failure to perform such must be beyond the reasonable control and without the fault or negligence of the party.

State of Wisconsin Division of Agency Services

Department of Administration Bureau of Procurement

DOA-3681 (01/2001)

ss. 16, 19 and 51, Wis. Stats.

**SUPPLEMENTAL STANDARD TERMS AND CONDITIONS  
For PROCUREMENTS FOR SERVICES**

**1.0 ACCEPTANCE OF BID/PROPOSAL CONTENT:** The con­tents of the bid/proposal of the successful contractor will become contractual obligations if procurement action ensues.

**2.0 CERTIFICATION OF INDEPENDENT PRICE DETERMINATION:** By signing this bid/proposal, the Proposer certifies, and in the case of a joint bid/proposal, each party thereto certifies as to its own organi­zation, that in connection with this procurement:

**2.1** The prices in this bid/proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competi­tion, as to any matter relating to such prices with any other Proposer or with any competitor;

**2.2** Unless otherwise required by law, the prices which have been quoted in this bid/proposal have not been knowingly disclosed by the Proposer and will not knowingly be disclosed by the Proposer prior to opening in the case of an advertised procure­ment or prior to award in the case of a negotiated procurement, directly or indirectly to any other Proposer or to any competitor; and

**2.3** No attempt has been made or will be made by the Proposer to induce any other person or firm to submit or not to submit a bid/proposal for the purpose of restricting competition.

**2.4** Each person signing this bid/proposal certifies that: He/she is the person in the proposer's/proposer's organi­zation responsible within that organization for the decision as to the prices being offered herein and that he/she has not participated, and will not participate, in any action contrary to 2.1 through 2.3 above; (or)

He/she is not the person in the proposer's/proposer's organization responsible within that organization for the decision as to the prices being offered herein, but that he/she has been authorized in writing to act as agent for the persons responsible for such decisions in certifying that such persons have not participated, and will not participate in any action contrary to 2.1 through 2.3 above, and as their agent does hereby so certify; and he/she has not participated, and will not partici­pate, in any action contrary to 2.1 through 2.3 above.

**3.0 DISCLOSURE OF INDEPENDENCE AND RELATIONSHIP:**

**3.1** Prior to award of any contract, a potential contractor shall certify in writing to the procuring agency that no relationship exists between the potential contractor and the procuring or contracting agency that interferes with fair competition or is a conflict of interest, and no relationship exists between the contractor and another person or organization that constitutes a conflict of interest with respect to a State contract. The Department of Administration may waive this provi­sion, in writing, if those activities of the potential con­tractor will not be adverse to the interests of the State.

**3.2** Contractors shall agree as part of the contract for services that during performance of the contract, the contractor will neither provide contractual services nor enter into any agreement to provide services to a person or organization that is regulated or funded by the contracting agency or has interests that are adverse to the contracting agency. The Department of Administration may waive this provision, in writing, if those activities of the contractor will not be adverse to the interests of the State.

**4.0 DUAL EMPLOYMENT:** Section 16.417, Wis. Stats., prohibits an individual who is a State of Wisconsin employee or who is retained as a contractor full-time by a State of Wisconsin agency from being retained as a contractor by the same or another State of Wisconsin agency where the individual receives more than $12,000 as compensation for the individual’s services during the same year. This prohibition does not apply to individuals who have full-time appointments for less than twelve (12) months during any period of time that is not included in the appointment. It does not include corporations or partnerships.

**5.0 EMPLOYMENT:** The contractor will not engage the services of any person or persons now employed by the State of Wisconsin, including any department, commission or board thereof, to provide services relating to this agreement without the written consent of the employing agency of such person or persons and of the contracting agency.

**6.0 CONFLICT OF INTEREST:** Private and non‑profit corpora­tions are bound by ss. 180.0831, 180.1911(1), and 181.0831 Wis. Stats., regarding conflicts of interests by directors in the conduct of State contracts.

**7.0 RECORDKEEPING AND RECORD RETENTION:** The contractor shall establish and maintain adequate records of all expenditures incurred under the contract. All records must be kept in accordance with generally accepted accounting procedures. All procedures must be in accordance with federal, State and local ordinances.

The contracting agency shall have the right to audit, review, examine, copy, and transcribe any pertinent records or documents relating to any contract resulting from this bid/proposal held by the contractor. The contractor will retain all documents applicable to the contract for a period of not less than three (3) years after final payment is made.

**8.0 INDEPENDENT CAPACITY OF CONTRACTOR:** The parties hereto agree that the contractor, its officers, agents, and employees, in the performance of this agreement shall act in the capacity of an independent contractor and not as an officer, employee, or agent of the State. The contractor agrees to take such steps as may be necessary to ensure that each subcontractor of the contractor will be deemed to be an independent contractor and will not be considered or permitted to be an agent, servant, joint venturer, or partner of the State.

Appendix E  
Vendor Information and References

**RFP ETE0002 and ETE0003**

**Mandatory**

**This appendix must be completed with the proposal.**

**STATE OF WISCONSIN**

**DOA-3477 (R05/98) Vendor INFORMATION**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1. | BIDDING / PROPOSING FIRM NAME | | | | | |  | | | | | | | | | | | | |
|  | FEIN | |  | | | | |  | |  | | | | | | | | | |
|  | Phone | | | ( ) | | | | Toll Free Phone | | | | | | | | ( ) | | | |
|  | FAX | | | ( ) | | | | E-mail Address | | | | | | |  | | | | |
|  | Address | | | |  | | | | | | | | | | | | | | |
|  | City | |  | | | | | State | | |  | | | Zip + 4 | | | | |  |
|  |  | | | | | | | | | | | | | | | | | | |
| 2. | Name the person to contact for questions concerning this bid / proposal. | | | | | | | | | | | | | | | | | | |
|  | Name | | |  | | | | | Title | | |  | | | | | | | |
|  | Phone | | | ( ) | | | | | Toll Free Phone | | | | | | | | | ( ) | |
|  | FAX | | | ( ) | | | | | E-mail Address | | | | | | | | |  | |
|  | Address | | | |  | | | | | | | | | | | | | | |
|  | City |  | | | | | | State | | |  | | | Zip + 4 | | | | |  |
|  |  | | | | | | | | | | | | | | | | | | |
| 3. | Any vendor awarded over $50,000 on this contract must submit affirmative action information to the department. Please name the Personnel / Human Resource and Development or other person responsible for affirmative action in the firm to contact about this plan. | | | | | | | | | | | | | | | | | | |
|  | Name | | |  | | | | | Title | | | |  | | | | | | |
|  | Phone | | | ( ) | | | | | Toll Free Phone | | | | | | | | ( ) | | |
|  | FAX | | | ( ) | | | | | E-mail Address | | | | | | |  | | | |
|  | Address | | | | |  | | | | | | | | | | | | | |
|  | City | |  | | | | | State | | | | |  | Zip + 4 | | | | |  |
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| 4. | Mailing address to which state purchase orders are mailed and person the department may contact concerning orders and billings. | | | | | | | | | | | |
|  | Name | |  | | | Title | |  | | | | |
|  | Phone | | ( ) | | | Toll Free Phone | | | | | ( ) | |
|  | FAX | | ( ) | | | E-mail Address | | | |  | | |
|  | Address | |  | | | | | | | | | |
|  | City |  | | | State | |  | | Zip + 4 | | |  |
|  |  | | | | | | | | | | | |
| 5. | CEO / President Name | | |  | | | | | | | | |

*This document can be made available in accessible formats to qualified individuals with disabilities.*

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| State of Wisconsin  DOA-3478 (R12/96) | | | | **vendor Reference** | | | | |  | |
| FOR VENDOR: | |  | | | | | | | | |
|  | | | | | | | | | | |
|  | | | | | | | | | | |
| Firm Name | |  | | | | | | | | |
|  | | | | | | | | | | |
| Address (include Zip + 4) | | |  | | | | | | | |
|  | | | | | | | | | | |
| Contact Person | |  | | | | | Phone No. | |  | |
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| Product(s) and/or Service(s) Used | | | | |  | | | | | |
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| Firm Name | |  | | | | | | | | |
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| Address (include Zip + 4) | | |  | | | | | | | |
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| Contact Person | |  | | | | | Phone No. | |  | |
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| Product(s) and/or Service(s) Used | | | | |  | | | | | |
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| Firm Name | |  | | | |  | |  | | |
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| Address (include Zip + 4) | | |  | | | | | | | |
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| Contact Person | |  | | | | | Phone No | |  | |
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| Product(s) and/or Service(s) Used | | | | |  | | | | | |
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| Address (include Zip + 4) | | |  | | | | | | | |
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| Contact Person | |  | | | | | Phone No. | | |  |
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| Product(s) and/or Service(s) Used | | | | |  | | | | | |
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*This document can be made available in accessible formats to qualified individuals with disabilities.*

Appendix F  
Cost Proposal

**ETE0002 and ETE0003**

**This appendix must be completed with the proposal.**

**State of Wisconsin**

**Department of Employee Trust Funds**

**Firm Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_**

**Authorized Person \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Phone: \_\_\_\_\_\_\_\_\_\_\_\_\_**

(Print or type)

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

(Signature of authorized person)

The vendor's response must detail all proposed costs to administer the programs as described in the RFP, as well as any additional services the vendor may elect to offer. Details regarding the program proposal options are outlined in Section 1.1, RFP Introduction. If assumptions are necessary, please fully explain the assumptions used. **Cost Proposal RFP ETE0002** or **Cost Proposal RFP ETE0003** must be completed to reflect total vendor's costs for a five-year contract term based on which RFP is submitted. Microsoft Excel file **Cost Proposal (Appendix F).xlsx** is located on the ETF Extranet web page. This file is divided into 3 separate tabs. TAB 1 is the Appendix F (Instructions), TAB 2 is **Cost Proposal RFP ETE0002** and TAB 3 is **Cost Proposal RFP ETE0003**. Each cost proposal within this file correlates with each RFP. The tables are able to be completed and printed for each proposal submitted. If responding to both proposals, complete both tabs 1 and 2.

All fees or potential fees for extra or elective services must be disclosed in the vendor’s response to the RFP.

**ETE0002 - Third Party Administration for Employee Reimbursement Accounts (ERA) and Commuter Benefits**

**Part 1.0 Employee Reimbursement Accounts Program**

1.1 The administrative fee proposal must include all costs for the annual administration of the ERA program at the current level of services, including all costs associated with the annual enrollment. The vendor may be responsible for conducting the annual enrollment for the ERA program in the fall of 2014 for Plan Year 2015 and for every year thereafter. Enter the projected annual administrative costs in *TAB2 Cost Proposal RFP ETE0002*. Include a detailed breakdown of all costs associated with providing all services to administer the ERA Program as outlined in this RFP. Also include detail of any additional fees associated with offering debit card technology to participants, if applicable. Indicate whether the administrative costs will be charged on a flat-fee basis or will be based on participation levels. Include detail of the proposed fee schedule if the administrative costs will be based on participation levels.

1.2 If all start-up and transition costs are not included in the “start-up” cost section for each program, the vendor shall describe clearly how the vendor intends to recover the costs, i.e. will costs be added to the total administrative costs proposed for the first year spread out over the contract period.

1.3 Provide costs of any proposed additional elective services other than those described in the RFP. Clearly mark each elective service and indicate the cost for each on a separate line on *TAB2 Cost Proposal RFP ETE0002*. A detailed description of each elective service offered should be included in the vendor’s response outlined in “Elective Services Proposed by Vendor”.

**Part 2.0 Commuter Benefits Program (CB)**

2.1 The administrative fee proposal must include all costs for the annual administration of the Commuter Benefits program at the current level of service. Enter the proposed annual administrative costs in *TAB2 Cost Proposal RFP ETE0002*. Include a detailed breakdown of all costs associated with providing all services to administer the Commuter Benefits Program as outlined in this RFP. Indicate whether the administrative costs will be charged on a flat-fee basis or will be based on participation levels. Include detail of the proposed fee schedule if the administrative costs will be based on participation levels.

2.2 If all start-up and transition costs are not included in the “start-up” cost section for each program, the vendor shall describe clearly how the vendor intends to recover the costs, i.e. will costs be added to the total administrative costs proposed for the first year spread out over the contract period.

2.3 Provide costs of any proposed additional elective services other than those described in the RFP. Clearly mark each elective service and indicate the cost for each on a separate line on *TAB2 Cost Proposal RFP ETE0002*. A detailed description of each elective service offered should be included in the vendor’s response to outlined in “Elective Services Proposed by Vendor”.

**ETE0003 - Third Party Administration for Health Savings Accounts (HSA) and Limited Flexible Spending Accounts (LFSA)**

**Part 3.0 Health Savings Account Program (HSA)**

3.1 The administrative fee proposal must include all costs for the annual administration of the HSA program at the projected levels listed in the cost proposal table, including all costs associated with the annual and ongoing enrollment. The vendor may be responsible for conducting the annual enrollment for the HSA program primarily in the fall of 2014 for Plan Year 2015 which is the initial year, and then throughout the year and for every year thereafter. Enter the projected annual administrative costs in *TAB3 Cost Proposal RFP ETE0003*. Include a detailed breakdown of all costs associated with providing all services to administer the HSA Program as outlined in this RFP. Also include detail of any additional fees associated with offering debit card technology and checks to participants, if applicable. Indicate whether the administrative costs will be charged on a flat-fee basis or will be based on participation levels. Include detail of the proposed fee schedule if the administrative costs will be based on participation levels.

3.2 If all start-up and transition costs are not included in the “start-up” cost section for each program, the vendor shall describe clearly how the vendor intends to recover the costs, i.e. will costs be added to the total administrative costs proposed for the first year spread out over the contract period.

3.3 Provide detail of the costs associated with creating and executing a robust communication and education plan for the new HSA program. Describe how the vendor intends to recover these costs, i.e. will costs be added to the total administrative costs proposed for the first year or spread out over the contract period.

3.4 Provide the costs related to the set up and maintenance of an HSA. Also include investment fees related to the options provided by the custodian(s) associated with your HSA.

3.5 Provide costs of any proposed additional elective services other than those described in the RFP. Clearly mark each elective service and indicate the cost for each on a separate line on *TAB3 Cost Proposal RFP ETE0003.* A detailed description of each elective service offered should be included in the vendor’s response to outlined in “Elective Services Proposed by Vendor”.

**Part 4.0 Limited Flexible Spending Account (LFSA)**

*A final decision has not yet been made regarding the offering of a limited health flexible spending account (LFSA) for those who use the HDHP with HSA. If your firm chooses to propose on the HSA program, it is mandatory to include the costs of offering these accounts (vision and dental only), which would be a new offering for State of Wisconsin Employees. ETF reserves the right to not offer a LFSA as part of this contract.*

4.1 The administrative fee proposal must include all costs for the annual administration of the LFSA program at the projected level of services including all costs associated with the annual enrollment. The vendor will be responsible for conducting the annual enrollment for the LFSA program in the fall of 2014 for Plan Year 2015, which may be the initial year, and for every year thereafter. Enter the projected annual administrative costs in *TAB3 Cost Proposal RFP ETE0003.* Include a detailed breakdown of all costs associated with providing all services to administer the LFSA Program as outlined in this RFP. Also include detail of any additional fees associated with offering debit card technology to participants, if applicable. Indicate whether the administrative costs will be charged on a flat-fee basis or will be based on participation levels. Include detail of the proposed fee schedule if the administrative costs will be based on participation levels.

4.2 If all start-up and transition costs are not included in the “start-up” cost section for each program, the vendor shall describe clearly how the vendor intends to recover the costs, i.e. will costs be added to the total administrative costs proposed for the first year spread out over the contract period.

4.3 Provide detail of the costs associated with creating and executing a robust communication and education plan for the new LFSA to compliment the HSA program. This will be a part of the overall communication and education plan related to the HSA. Describe how the vendor intends to recover these costs, i.e. will costs be added to the total administrative costs proposed for the first year or spread out over the contract period.

4.4 Provide costs of any proposed additional elective services other than those described in the RFP. Clearly mark each elective service and indicate the cost for each on a separate line on *TAB3 Cost Proposal RFP ETE0003.* A detailed description of each elective service offered should be included in the vendor’s response to outlined in “Elective Services Proposed by Vendor”.

APPENDIX G  
Business Associate Agreement

**ETE0002 and ETE0003**

**This appendix must be completed with the proposal.**

**State of Wisconsin**

**Department of Employee Trust Funds**

This Business Associate Agreement (“Agreement”) is by and between Business Associate, Inc. (“BUSINESS ASSOCIATE”) and the Wisconsin Department of Employee Trust Funds (“ETF”), and acting on behalf of the State of Wisconsin.

**RECITALS:**

**WHEREAS**, ETF and BUSINESS ASSOCIATE have executed a contract, pursuant to which BUSINESS ASSOCIATE provides services related to administrative services for Employee Reimbursement Accounts, Commuter Benefits and Health Savings Accounts offered by the State of Wisconsin Group Insurance Board and the Wisconsin Retirement Board, (“Underlying Contract”), and in connection with those services ETF discloses or allows the disclosure to BUSINESS ASSOCIATE of certain information that is subject to protection by the Health Insurance Portability and Accountability Act of 1996, (“HIPAA”) and the Health Information Technology for Economic and Clinical Health Act of 2009 as passed as part of ARRA (“HITECH”) and their implementing regulations, Title 45, Parts 160 through 164 of the Code of Federal Regulations;

**WHEREAS**, with respect to BUSINESS ASSOCIATE’s activities pursuant to the Underlying Contract, BUSINESS ASSOCIATE is ETF’s Business Associate as that term is defined by HIPAA;

**WHEREAS**, it is the intent of this Agreement to comply with the federal regulations implementing HIPAA and HITECH concerning the privacy, security and transaction standards in 45 C.F.R. Parts 160 to 164, inclusive; and

**WHEREAS**, ETF and BUSINESS ASSOCIATE agree to incorporate the terms of this Agreement into the Underlying Contract and agree to incorporate this Agreement into any associated addenda and contract extensions, in order to comply with HIPAA and HITECH.

**NOW, THEREFORE**, in consideration of these premises and the mutual promises and agreements hereinafter set forth, ETF and BUSINESS ASSOCIATE hereby agree as follows:

**DEFINITIONS:**

It is the intent of this Agreement to comply with the federal regulations implementing HIPAA and HITECH concerning the privacy, security and transaction standards, including the definitions in 45 C.F.R. Parts 160 to 164, inclusive, as applicable. In particular, the following words and phrases in this Agreement have the meanings set forth below, unless the context clearly requires otherwise:

“ARRA” means the American Recovery and Reinvestment Act of 2009.

“Protected Health Information” or “PHI” has the meaning set forth in 45 C.F.R. §160.103.

“Third Party” means a party other than a subcontractor or agent that ETF has approved.

1. PART I – OBLIGATIONS OF BUSINESS ASSOCIATE
2. Uses and Disclosures.

BUSINESS ASSOCIATE may use or disclose PHI it creates for or receives from ETF or any other Business Associate of ETF for only the following, limited purposes

1. Permitted Uses and Disclosures of PHI. BUSINESS ASSOCIATE is permitted to use and disclose PHI:
2. To conduct activities regarding the administration of the Employee Reimbursement Accounts, Commuter Benefits and Health Savings Accounts in accordance with the Underlying Contract.
3. Subject to the limitations on Uses and Disclosures outlined in this Business Associate Agreement, BUSINESS ASSOCIATE is authorized to use and disclose PHI as necessary for BUSINESS ASSOCIATE’s proper management and administration, to carry out BUSINESS ASSOCIATE’s legal responsibilities, and as otherwise required by law.
4. Prohibition on Unauthorized Use or Disclosure. BUSINESS ASSOCIATE will not use or disclose PHI it creates for or receives from ETF or from another Business Associate of ETF, except as authorized or required by this Agreement or as required by law or as otherwise authorized in writing by ETF, including, without limitation, marketing and solicitation of business outside the Underlying Contract and disclosure of such information to a Third Party.
5. Compliance with Regulations and Laws. BUSINESS ASSOCIATE will comply with:
6. 45 C.F.R. Parts 160 to 164, inclusive, as applicable to a “Business Associate” of a “Covered Entity” and any other regulations adopted pursuant to HIPAA and HITECH; and
7. Applicable Wisconsin Law not preempted by 45 C.F.R §§ 160.201 to 160.203, inclusive, or any other federal law.
8. Information Safeguards. BUSINESS ASSOCIATE will develop, implement, maintain and use reasonable and appropriate administrative, technical and physical safeguards to preserve the integrity and confidentiality of PHI under the control of BUSINESS ASSOCIATE, and to prevent intentional or unintentional non-permitted or violating use or disclosure of PHI. BUSINESS ASSOCIATE will document and keep these safeguards current and furnish documentation of the safeguards to ETF upon request. These safeguards will comply with HIPAA, HITECH and their implementing regulations.

C. Compliance with Standard Transactions

1. Standard Transactions Conducted By BUSINESS ASSOCIATE. If BUSINESS ASSOCIATE conducts, in whole or in part, transactions, for or on behalf of ETF that are covered by 45 C.F.R Part 162, BUSINESS ASSOCIATE will comply with the applicable HIPAA transactions standards, and will require any subcontractor or agent involved with the conduct of such transactions to provide reasonable assurances, evidenced by written contract, that it will comply with each applicable requirement of 45 CFR Part 162. Further, BUSINESS ASSOCIATE will require that each of its subcontractors or agents provide assurances, by written contract, that it will not enter into a Trading Partner Agreement, in connection with its conduct of Standard Transactions for and on behalf of ETF that:
2. Changes the definition, data condition, or use of a data element or segment in a Standard Transaction;
3. Adds any data element or segment to the maximum data set;
4. Uses any code or data element that either is not in the Standard Transaction’s implementation specification or is marked “not used” by the Standard Transaction’s implementation specifications;
5. Changes the meaning or intent of the Standard Transaction’s implementation specifications; or
6. Otherwise violates 45 CFR §162.915.
7. Communications Between the Parties. Communications between ETF and BUSINESS ASSOCIATE that are required to meet HIPAA transactions standards will meet the standards set by 45 CFR Part 162. For all other communications, the forms, tape formats or electronic formats used shall be those mutually agreed upon by ETF and BUSINESS ASSOCIATE

D. Reporting of Breach, Improper Use or Disclosure .

BUSINESS ASSOCIATE will report to ETF the discovery of any breach, use or disclosure of PHI, not allowed by this Agreement or in violation of 45 C.F.R. Part 164 or HITECH. An occurrence of a breach, improper use or disclosure is considered to be discovered as of the first day on which such occurrence is known to BUSINESS ASSOCIATE, or, by exercising reasonable diligence, would have been known to BUSINESS ASSOCIATE.

* 1. BUSINESS ASSOCIATE shall provide notice to ETF of the occurrence. The notice shall include the identification of each individual whose unsecured PHI has been, or is reasonably believed by BUSINESS ASSOCIATE to have been accessed, acquired, or disclosed during such occurrence.

1. Within one business day of the discovery, BUSINESS ASSOCIATE shall notify ETF’s Privacy Officer. BUSINESS ASSOCIATE shall immediately conduct an investigation and report in writing within four business days the following information:
   * 1. The name and contact information of each individual whose PHI has been or is reasonably believed to have been accessed, acquired or disclosed during the occurrence.
     2. A brief description of what happened, including the date of the occurrence and the date of the discovery of the occurrence, if known.
     3. A description of the types of PHI that were involved in the occurrence (e.g., full name, date of birth, Social Security number, account number).
     4. A brief description of what BUSINESS ASSOCIATE is doing to investigate the occurrence, to mitigate losses and to protect against further occurrences.
     5. The actions BUSINESS ASSOCIATE has undertaken or will undertake to mitigate any harmful effect of the occurrence.
     6. A corrective action plan that includes the steps BUSINESS ASSOCIATE has taken or will take to prevent similar occurrences.
2. At ETF’s option, BUSINESS ASSOCIATE will be responsible for notifying individuals of the occurrence when ETF requires notification and to pay any cost of such notifications, as well as any costs associated with the occurrence, including, without limitation, credit monitoring services. BUSINESS ASSOCIATE must obtain ETF’s approval of the time, manner and content of any such notifications, provide ETF with copies of the notifications, and provide the notifications within sixty (60) days after discovery of the breach, improper use or disclosure. BUSINESS ASSOCIATE shall have the burden of demonstrating to ETF that all notifications were made as required, including any evidence demonstrating the necessity of any delay beyond the 60 day calendar notification to affected individuals after the discovery of the breach by ETF or BUSINESS ASSOCIATE.
3. Duty to Mitigate Harmful Effects of Unauthorized Acquisition:

BUSINESS ASSOCIATE will mitigate, as required by HIPAA, HITECH, state law and this Agreement, to the extent practicable, any harmful effect that is known to BUSINESS ASSOCIATE of a breach, improper use or unauthorized disclosure reported pursuant to subsection D.

1. Minimum Necessary.

BUSINESS ASSOCIATE will make reasonable efforts to use, disclose, or request only the minimum amount of PHI necessary to accomplish the intended purpose and shall comply with regulations issued pursuant to HIPAA and HITECH. Internal disclosure of PHI to employees of BUSINESS ASSOCIATE shall be limited only to those employees who need the information and only to the extent necessary to perform their responsibilities according to the Underlying Contract and this Agreement.

1. Disclosure to BUSINESS ASSOCIATE’s Subcontractors and Agents.

BUSINESS ASSOCIATE shall require any of its agents or subcontractors to provide reasonable assurance, evidenced by written contract, that the agent or subcontractor will comply with the same privacy and security obligations as BUSINESS ASSOCIATE with respect to such PHI. Before entering into such a contract with an agent or subcontractor, BUSINESS ASSOCIATE shall obtain from ETF approval of the contract.

1. Access, Amendment and Disclosure Accounting.
   1. Access. At the direction of ETF, BUSINESS ASSOCIATE agrees to provide access to any PHI held by BUSINESS ASSOCIATE which ETF has determined to be part of ETF’s Designated Record Set, in the time and manner designated by ETF, so that ETF may meet its access obligations under HIPAA and HITECH. All fees related to this access, as determined by BUSINESS ASSOCIATE, are the responsibility of the individual requesting the access.

2. Amendment. At the direction of ETF, BUSINESS ASSOCIATE agrees to amend or correct PHI held by BUSINESS ASSOCIATE and which ETF has determined to be part of ETF’s Designated Record Set, in the time and manner designated by ETF, so that ETF may meet its amendment obligations pursuant to HIPAA and HITECH. All fees related to this amendment, as determined by BUSINESS ASSOCIATE, are the responsibility of the individual requesting the access.

3. Documentation of Disclosures. BUSINESS ASSOCIATE agrees to document such disclosures of PHI and information related to such disclosures so that ETF may meet its obligations under HIPAA and HITECH.

1. Accounting of Disclosures.
2. BUSINESS ASSOCIATE shall maintain a process to provide ETF an accounting of disclosures of PHI for as long as BUSINESS ASSOCIATE maintains PHI received from or on behalf of ETF. BUSINESS ASSOCIATE agrees to provide to ETF or to an individual, in a time and manner designated by ETF, information collected in accordance with Subsection 3 above, to permit ETF to properly respond to a request by an individual for an accounting of disclosures pursuant to HIPAA and HITECH.
3. Each accounting will provide:
4. The date of each disclosure;
5. The name and address of the organization or person who received the PHI;
6. A brief description of the PHI disclosed; and
7. For disclosures other than those made at the request of the subject, the purpose for which the PHI was disclosed and a copy of the request or authorization for disclosure.
8. For repetitive disclosures which BUSINESS ASSOCIATE makes to the same person or entity, including ETF, for a single purpose, BUSINESS ASSOCIATE may provide:
9. The disclosure information for the first of these repetitive disclosures;
10. The frequency or number of these repetitive disclosures; and
11. The date of the last of these repetitive disclosures,

BUSINESS ASSOCIATE will make a log of this disclosure information available to ETF within five (5) business days of ETF’s request.

1. BUSINESS ASSOCIATE need not record disclosure information or otherwise account for disclosures of PHI if:
   1. The disclosures are allowed under this Agreement or are expressly authorized by ETF in another written document; and
   2. The disclosures are for one of the following purposes:
      1. Treatment, Payment or Health Care Operations that are not made through an Electronic Health Record;
      2. In response to a request from the Individual who is the subject of the disclosed PHI, or to that Individual’s Personal Representative;
      3. Made to persons involved in the health care or payment for the health care of the Individual who is the subject of the disclosed PHI;
      4. For notification for disaster relief purposes;
      5. For national security or intelligence purposes;
      6. As part of a Limited Data Set; or
      7. To law enforcement officials or correctional institutions regarding inmates.
2. Disclosure Tracking Periods. Except as otherwise provided in this paragraph, BUSINESS ASSOCIATE must have available to ETF the disclosure information required by this section, but in no case will BUSINESS ASSOCIATE be required to have available information from:
3. More than six (6) years before ETF’s request for the disclosure information; or
4. Any period during which BUSINESS ASSOCIATE did not provide services to ETF.
5. Accounting to ETF and Government Agencies.

BUSINESS ASSOCIATE will make its internal practices, books, and records relating to its use and disclosure of PHI available to ETF to provide to the U.S. Department of Health and Human Services (HHS) in a time and manner designated by HHS for the purpose of determining ETF’s compliance with HIPAA and HITECH. BUSINESS ASSOCIATE shall promptly notify ETF of any inquiries made to it by HHS concerning ETF’s compliance with HIPAA.

1. PART II –ETF OBLIGATIONS

**A. Changes in Permissions to Use and Disclose Protected Health Information.** ETF shall promptly notify BUSINESS ASSOCIATE of any change in, or revocation of, permission by an individual to use or disclose PHI, to the extent that such change may affect BUSINESS ASSOCIATE’s use or disclosure of such PHI.

**B. Changes in ETF’s Notice of Privacy Practices.** ETF shall provide BUSINESS ASSOCIATE with a copy of ETF’s Notice of Privacy Practices and shall notify BUSINESS ASSOCIATE of any change made to the Notice of Privacy Practices, to the extent that such change may affect BUSINESS ASSOCIATE’s efforts to comply with this Agreement.

**C. Changes in Wisconsin Law.** ETF shall notify BUSINESS ASSOCIATE of any relevant change in Wisconsin law, to the extent that such change may affect BUSINESS ASSOCIATE’s efforts to comply with this Agreement.

1. PART III - TERM, TERMINATION AND AMENDMENT

**A**. **Term.** This Agreement becomes effective on the effective date of the Underlying Contract. The Agreement is co-extensive with the term of the Underlying Contract, including any extensions made to the original Underlying Contract.

**B. Reasonable Steps to Cure Breach and Termination for Breach.** ETF may provide BUSINESS ASSOCIATE with an opportunity to cure the material breach. If these efforts to cure the material breach are unsuccessful, as determined by ETF in its sole discretion, ETF may terminate the Underlying Contract and this Agreement, as soon as administratively feasible.

1. **Effect of Termination: Return or Destruction of PHI.**

Upon termination, cancellation, expiration, or other conclusion of the Underlying Contract, BUSINESS ASSOCIATE shall:

Return to ETF or, if return is not feasible, destroy all PHI in whatever form or medium that BUSINESS ASSOCIATE received from or created on behalf of ETF. This provision shall also apply to all PHI that is in the possession of subcontractors or agents of BUSINESS ASSOCIATE. In such case, BUSINESS ASSOCIATE shall retain no copies of such information, including any compilations derived from and allowing identification of PHI. BUSINESS ASSOCIATE shall complete such return or destruction as promptly as possible, but not more than thirty (30) days after the effective date of the conclusion of this Agreement. Within such thirty (30) day period, BUSINESS ASSOCIATE shall certify on oath in writing to ETF that such return or destruction has been completed.

If BUSINESS ASSOCIATE destroys PHI, destruction shall be done with the use of technology or methodology that renders the PHI unusable, unreadable, or undecipherable to unauthorized individuals as specified by HHS in HHS guidance for the destruction of Protected Health Information. Acceptable methods for destroying PHI include: (i) paper, film, or other hard copy media shredded or destroyed in order that Personal Information cannot be read or reconstructed; and (ii) electronic media cleared, purged or destroyed consistent with the standards of the National Institute of Standards and Technology (NIST). HHS specifically excluded redaction as a method of destruction of Protected Health Information, unless the information is properly redacted so as to be fully de-identified.

If BUSINESS ASSOCIATE believes that the return or destruction of PHI is not feasible, BUSINESS ASSOCIATE shall provide written notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction is not feasible, BUSINESS ASSOCIATE shall extend the protections of this Agreement to PHI received from or created on behalf of ETF, and limit further uses and disclosures of such PHI, for so long as BUSINESS ASSOCIATE maintains the PHI.

**E. Agreement to Amend the Business Associate Agreement.** The parties to this Agreement and the Underlying Contract acknowledge that federal laws relating to transactions, security and privacy are rapidly evolving and that amendment to this Agreement may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, HITECH and their implementing regulations. Upon the request of either party, the other party agrees to promptly enter into negotiations concerning the terms of an amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA, HITECH and applicable federal regulations. If this Agreement is not amended by the effective date of any final regulation or amendment to final regulations with respect to HIPAA and HITECH, this Agreement will automatically be amended on such effective date such that the obligations they impose on BUSINESS ASSOCIATE remain in compliance with the regulations then in effect.

1. PART IV – GENERAL PROVISIONS
2. **Conflict.** The provisions of this Agreement override and control any conflicting provision of the Underlying Contract regarding the applicability and interpretation of HIPAA as it applies to Vendor as a Business Associate of ETF. All non-conflicting provisions of the Underlying Contract remain in full force and effect.
3. **No Third Party Beneficiaries**. Nothing expressed or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any entity other than ETF and BUSINESS ASSOCIATE, any rights, remedies, obligations or liabilities whatsoever.
4. **Documentation**. All documentation that is required by this Agreement or by 45 C.F.R. Part 164 will be retained by BUSINESS ASSOCIATE for six (6) years from the date of creation or when it was last in effect, whichever is longer.
5. **Survival.** The parties’ obligations and rights, with respect to BUSINESS ASSOCIATE’s engagement to provide services, will be unaffected by the termination of the Underlying Contract and this Agreement. In particular, the provisions of Part III, Sections D and E, and this section, shall survive termination of the Underlying Contract and this Agreement.

Firm Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_

Authorized Person \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Phone: \_\_\_\_\_\_\_\_\_\_\_\_\_

(Print or type)

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

(Signature of authorized person)