

ADDENDUM NO. 1

**Kansas City Area Transportation Authority
1350 E. 17th Street
Kansas City, Missouri 64108**

Employee Benefit Broker Request for Proposals #17-8006-38

Issue Date: March 10, 2017

This Addendum is hereby made a part of the Request for Proposals and Project Documents to the same extent as if it was originally included therein and is intended to modify and/or interpret the RFP documents by additions, deletions, clarifications or corrections. The Contractor shall acknowledge in the proposal the receipt of this Addendum.

GENERAL INFORMATION:

Proposal Closing and Submission:

The closing date has been extended. Proposals must be received no later than **10:00 a.m. March 17, 2017** at the following address

Kansas City Area Transportation Authority
Shipping and Receiving Department
Attn: Tamika McDonald, Procurement
1350 East 17th Street
Kansas City, MO 64108

BIDDER'S QUESTIONS, COMMENTS AND REQUEST FOR CLARIFICATIONS:

SCOPE OF SERVICES:

Q. What is the status of the union contract? When will it be up for negotiations and how long are these contracts?

A. The contract ends 12/31/17.

Q. Please define the anticipated role of the broker/consultant in KCATA's open enrollment meetings and prep. (Article 2.4.G.1 and 2)

- A. KCATA anticipates the broker will assist Benefits Personnel in preparation of open enrollment, materials and guides provided by carriers; scheduling and attending open enrollment meetings.**
- Q. KCATA currently uses EMB software for its open enrollment activities. Is it KCATA's preference to retain the use of the EMB software? Will the current broker allow this if not retained? (Article 2.4.G.3) How long has KCATA utilized this enrollment system? What is the annual cost of the system?
- A. The current broker contracts directly with EMB to provide the software to KCATA at the expense of the broker from commissions collected. The same arrangement is desired with the awarded vendor. KCATA has utilized EMB since 2015. Cost of the EMB system and services is \$2.00/ee/month. Additional fees associated with Open Enrollment Set Up. The current broker reports an annual cost of \$40,000.**
- Q. Has KCATA or any of its employees encountered any issues with the EMB system such as interfacing with the KCATA Lawson system, maintenance of data, production of statistical reports or the ease of use? If so, what are the issues? What does the KCATA use it for besides open enrollment? Are eligibility files sent to the carriers, etc?
- A. KCATA's use of the EMB system has not been without issue but the current system provides us with a reliable platform for New Hire elections, QE events and accurate conveyance of our weekly electronic data feeds to each current benefit carrier. The EMB system is fed electronically from Lawson on a weekly basis and EMB provides electronic carrier files to our medical, dental, vision, life/std/ltd, flex and COBRA vendors.**
- Q. Article 2.4L. indicates the broker/consultant will "provide COBRA administration services". As this is not a service that we provide, would KCATA be open to a third-party COBRA administrator? Who is the current administrator? Does the KCATA expect the costs of COBRA administration services to be borne by the consulting firm?
- A. COBRA services are currently provided by Flex Made Easy and the current broker pays for this service. As the KCATA became a client of Flex Made Easy on January 1, 2017 it is our intent to retain their services through at least December 31, 2017. The current broker is responsible for the cost of KCATA COBRA services with annual costs estimated at \$4,300 in 2017.**
- Q. What is the frequency of KCATA's RFPs for its benefit plans? (e.g., every three years?) When will the next RFP be scheduled for each coverage?
- A. RFP schedule is determined on ability to receive favorable rates for multiple years.**
- Q. What Lawson platform is currently utilized by KCATA? When was this system last upgraded?

- A. **KCATA is currently using Lawson platform 9.1.2. We will begin upgrading the Lawson/INFOR system to Version 11 later this spring.**
- Q. Does KCATA currently have in place a system that identifies any part-time employee that reaches 350 hours and is eligible for benefits?
- A. **KCATA does currently have a process in place that identifies part-time employees that reach 350 hours and are then eligible for benefits however it is the desire of the KCATA to automate this process in the future.**
- Q. How many in-house full-time employees in the Human Resources Department have responsibilities for benefit administration?
- A. **There are currently two positions. One is vacant at this time.**
- Q. Section 2.4 Item H – Are there any wellness initiatives outside of BCBSKC which are provided or funded by the incumbent broker? If so, in what amount and what is expected?
- A. **No. KCATA’s Wellness Fund is provided by Blue KC. All Wellness initiatives are paid for through that Wellness Fund, including our Humana Go365 Program.**
- Q. Under Section 2.6.A.4 Broker Qualifications the RFP states: Experienced with transit authorities or other public entities with annual benefit premiums in excess of \$8,000,000. If a vendor can meet the premium requirement of \$8,000,000 but does not have transit or public entity experience will this disqualify them?
- A. **No, vendors will not be disqualified.**

PRICING/COMPENSATION:

- Q. Article 2.3.C. details the umbrella contract including fixed fees and IDIQ. Under article 2.3.C.2, the RFP says “the umbrella contract with the broker will include an amount not to exceed for the total of such IDIQ services...” How can the broker/consultant agree to a not-to-exceed fee without knowing the expected IDIQ services which have yet to be identified?
- A. **Fixed fee cost proposals shall detail all services provided under that proposal. KCATA may identify additional services on an as-needed basis. The fee for those services will be negotiated and a task/work order issued. Proposers shall also provide a list of employees with a description of their job duties/functions that includes hourly rates and profit/overhead rates to be used for future IDIQ work.**
- Q. Under Section 2.3C. Scope of Services., page 9 of 63 of RFP #17-8006-38, it states the KCATA will enter into an umbrella contract that will include a Fixed Fee contract, with no commissions paid to the broker from the insurance carrier. On page 12 of 63 under Section 2.7 Broker Compensation A. it states the required broker and consulting services will be paid on either a commission basis, an annual fixed fee basis or a combination of both. Would you

be able to clarify if commissions can or cannot be paid by the insurance carrier to the broker as part of the broker compensation? Is it permissible to submit a proposal based on commissions and contingent commissions, so long as all compensation is fully disclosed and advantageous to the KCATA over a Fixed Fee Arrangement?

- A. KCATA’s current arrangement is commission based. KCATA would like to review both commission based and fixed fee arrangements. If a fixed fee is proposed please include a detailed Scope of Services provided in that fee arrangement.**
- Q. Page 57, Attachment H, Pricing Table 1: Required Pricing, Part B – Commission percentages can differ with each line of coverage. (Ex. Medical – 3%, Dental – 10%, Short-Term Disability – 15%). When completing Part B, how would you like us to go about stating the % commission without “written comments, modifications, or interlineations to the Proposal Cost Response Form” assuming the % commission differs for each line of coverage?
- A. Proposers should provide an average commission rate for all lines of coverage. A detailed breakout of commission rates may be explained in Section 4 of Proposer Questionnaire.**
- Q. Page 63, 4. Compensation, Letter “D.” – “What would have been the expected compensation for any alternative quotes presented to you?” Could you please tell us what you’re looking for here or rephrase the question? I am having a difficult time understanding what it is you’re looking for here and want to answer the question as accurately as possible.
- A. If proposing a fee/commission structure that is outside the standard fee-based or commission based structures Proposer should identify this compensation platform and provide details.**
- Q. Section 2.5 Item H – Please explain more about the IDIQ Work Order Contracts and what is expected and if these projects should be incorporated into the fee or are these projects to be paid by the KCATA on a fee project basis. (Section 2.7 Item 2 describes optional)
- A. KCATA will evaluate both structures to determine the best value for the agency.**
- Q. What was the total compensation paid to the incumbent broker? (Commissions, bonus, overrides, fees for enrollment systems or other services performed).
- A. Current broker compensation in 2017 is estimated at \$275,000 (gross) with approximately \$55,000 in expenses (EMB System, Printing of OE Guides, COBRA services). Current broker compensation includes contingent commission from Blue KC and DDMO.**

Q. Section 2.4 Item F5 – Are consultants allowed to accept commissions and bonuses, providing full disclosure?

A. Yes.

Q. Section 2.5 Item H – Please explain more about the IDIQ Work Order Contracts and what is expected and if these projects should be incorporated into the fee or are these projects to be paid by the KCATA on a fee project basis. (Section 2.7 Item 2 describes optional)

A. If KCATA identifies additional services needed beyond the scope of services provided by the Contractor, a task/work order may be initiated to cover those services. The services will be negotiated at that time based on the hourly rates (including profit and overhead) provided in the Cost Proposal.

PROPOSAL SUBMITTAL:

Q. Section 4, article 6 outlines the evaluation criteria for the RFP. It includes five categories and a total of 100 points. Has KCATA determined the number of points per category?

A. KCATA has not yet determined the number of points per category, however they are listed in the order of importance in the RFP.

Q. Section 3 Item 10C – What are the specific DBE requirements? The RFP references Section 6 but unable to find more specifics.

A. There is no DBE goal for this contract. There is no Section 6 in this procurement.

Q. Section 5 “Terms and Conditions”, Article 24 details the indemnification rules but isn’t clear on any limits to the broker/consultant’s liability. Is KCATA agreeable to a cap on any such losses related to our services?

A. Proposers may submit a limitation within their proposal response for our consideration. This information should be provided in the Technical Proposal under Exceptions, Omissions and Form of Contract.

Q. On Page Three of the Proposer Questionnaire, #2 asks for information on Management and Staff Capabilities. If we provide additional information in an “Exhibits Section” following the Questionnaire which contains additional information regarding each of our team members who would work with the KCATA, would these additional pages count toward the 30 page maximum limit for the Technical Proposal?

A. The Proposer Questionnaire is excluded from the 30-page limit.

Q. Page 17, #1. Proposal Format – Letter “B” states, “the proposal shall consist of one (1) original and four (4) full, complete, and exact copies of the original proposal.” Are we to assume that KCATA wants a total of five (5) complete proposals along with one (1) Hard

Copy of Volume I, four (4) total hard copies of Volume II, and one (1) hard copy of Volume III totaling ten (10) separately collated proposals in 3-Ring Binders?

- A. Volume I – Cost Proposal – One unbound original**
Volume II – Technical Proposal – One unbound original and three (3) bound copies
Volume III – Contractual – One unbound original

- Q. Page 15, #9. Disclosure of Proprietary Information – Do we need to comply with (1), (2), and (3) in order to keep certain information private, or can we just select one from the list?

- A. At minimum, Proprietary Information must be labeled as such based on instructions in 9.A.1 (page 15).**

RECEIPT OF ADDENDA

ADDENDUM NO. 1

**Kansas City Area Transportation Authority
1350 E. 17th Street
Kansas City, Missouri 64108**

**Employee Benefit Broker
Request for Proposals #17-8006-38**

Proposers shall return this **RECEIPT OF ADDENDA** form when submitting their proposal. The form shall be signed and dated by an authorized representative of the firm. Failure to submit this form may deem the Bidder non-responsive.

We hereby acknowledge that the Addenda noted below have been received and all information has been incorporated into the Invitation for Bid as required.

Addendum #1 Dated 3/10/17 Date Received _____

Addendum #2 Dated _____ Date Received _____

Addendum #3 Dated _____ Date Received _____

Company Name _____ Date _____

Address/City/State/Zip _____

Authorized Signature _____ Printed Name _____

Telephone _____ Fax _____ Email _____