REQUEST FOR PROPOSALS FOR

Consultant to Evaluate, Analyze and Provide Advice Regarding Benefit Proposals, and Lead Individual Negotiations with Medical, Prescription, Dental and Vision Providers

ISSUING OFFICE

Pennsylvania Turnpike Commission

Human Resources Department

RFP NUMBER

11-10380-3341

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November 7, 2011
REQUEST FOR PROPOSALS FOR
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TABLE OF CONTENTS

Part I   -   GENERAL INFORMATION FOR PROPOSERS   page 3
Part II  -   INFORMATION REQUIRED FROM PROPOSERS   page 9
Part III -   CRITERIA FOR SELECTION   page 12
Part IV  -   WORK STATEMENT   page 13
Attachment A   -   QUESTIONNAIRE FROM BENEFITS RFP
PART I

GENERAL INFORMATION FOR PROPOSERS

I-1. **Purpose.** This request for proposals (RFP) provides interested Proposers with sufficient information to enable them to prepare and submit proposals for consideration by the Pennsylvania Turnpike Commission (Commission) to satisfy a need for a consultant to evaluate, analyze and provide advice regarding proposals received from medical, prescription, dental and vision providers, and to lead individual negotiations with vendors.

I-2. **Issuing Office.** This RFP is issued for the Commission by the Human Resources Department.

I-3. **Scope.** This RFP contains instructions governing the proposals to be submitted and the material to be included therein; a description of the service to be provided; requirements which must be met to be eligible for consideration; general evaluation criteria; and other requirements to be met by each proposal.

I-4. **Problem Statement.** The primary objective of entering into an agreement with an outside agent for these purposes is for the Commission to realize cost-effective agreements with benefit providers, while maintaining the high standard of coverage for Commission employees.

I-5. **Type of Contract.** It is proposed that if a contract is entered into as a result of this RFP, it will be a *time and materials based contract, with a not-to-exceed limit*. The Commission may in its sole discretion undertake negotiations with Proposers whose proposals as to price and other factors show them to be qualified, responsible, and capable of performing the work.

I-6. **Rejection of Proposals.** The Commission reserves the right to reject any and all proposals received as a result of this request, or to negotiate separately with competing Proposers.

I-7. **Subcontracting.** Any use of subcontractors by a Proposer must be identified in the proposal. During the contract period use of any subcontractors by the selected Proposer, which were not previously identified in the proposal, must be approved in advance in writing by the Commission.

A firm that responds to this solicitation as a prime may not be included as a designated subcontractor to another firm that responds to the same solicitation. **Multiple responses under any of the foregoing situations may cause the rejection of all responses of the firm or firms involved.** This does not preclude a firm from being set forth as a designated subcontractor to more than one prime contractor responding to the project advertisement.

I-8. **Incurring Costs.** The Commission is not liable for any costs the Proposer incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of contract.

I-9. **Questions and Answers.** Written questions may be submitted to clarify any points in the RFP which may not have been clearly understood. Written questions should be submitted by email to **RFP-Q@paturnpike.com** with RFP 11-10380-3341 in the Subject Line to be received no later than **Friday, November 18, 2011, at 2:00 pm local time**. All questions and written answers will be posted to the website as an addendum to and become part of this RFP.
I-10. Addenda to the RFP. If it becomes necessary to revise any part of this RFP before the proposal response date, addenda will be posted to the Commission’s website under the original RFP document. It is the responsibility of the Proposer to periodically check the website for any new information or addenda to the RFP.

The Commission may revise a published advertisement. If the Commission revises a published advertisement less than ten days before the RFP due date, the due date will be extended to maintain the minimum ten-day advertisement duration if the revision alters the project scope or selection criteria. Firms are responsible to monitor advertisements/addenda to ensure the submitted proposal complies with any changes in the published advertisement.

I-11. Response. To be considered, proposals must be delivered to the Pennsylvania Turnpike Commission’s Contracts Administration Department, Attention: Stephanie Newbury, on or before **Friday, December 2, 2011, at 12:00 pm local time.** The Pennsylvania Turnpike Commission is located at 700 South Eisenhower Boulevard, Middletown, PA 17057 (Street address). Our mailing Address is P. O. Box 67676, Harrisburg, PA 17106.

Please note that use of U.S. Mail, FedEx, UPS, or other delivery method, does not guarantee delivery to this address by the above-listed time for submission. Proposers mailing proposals should allow sufficient delivery time to ensure timely receipt of their proposals. If the Commission office location to which proposals are to be delivered is closed on the proposal response date, due to inclement weather, natural disaster, or any other cause, the deadline for submission shall be automatically extended until the next Commission business day on which the office is open. Unless the Proposers are otherwise notified by the Commission, the time for submission of proposals shall remain the same.

I-12. Proposals. To be considered, Proposers should submit a complete response to this RFP, using the format provided in PART II. Each proposal should be submitted in six (6) hard copies and one complete and exact copy of the technical proposal on CD-ROM in Microsoft Office or Microsoft Office-compatible format to the Contracts Administration Department. No other distribution of proposals will be made by the Proposer. Each proposal page should be numbered for ease of reference. Proposals must be signed by an official authorized to bind the Proposer to its provisions and include the Proposer’s Federal Identification Number. For this RFP, the proposal must remain valid for at least **180 days.** Moreover, the contents of the proposal of the selected Proposer will become contractual obligations if a contract is entered into.

Each and every Proposer submitting a proposal specifically waives any right to withdraw or modify it, except as hereinafter provided. Proposals may be withdrawn by written or telefax notice received at the Commission’s address for proposal delivery prior to the exact hour and date specified for proposal receipt. However, if the Proposer chooses to attempt to provide such written notice by telefax transmission, the Commission shall not be responsible or liable for errors in telefax transmission. A proposal may also be withdrawn in person by a Proposer or its authorized representative, provided its identity is made known and it signs a receipt for the proposal, but only if the withdrawal is made prior to the exact hour and date set for proposal receipt. A proposal may only be modified by the submission of a new sealed proposal or submission of a sealed modification which complies with the requirements of this RFP.
I-13. **Economy of Preparation.** Proposals should be prepared simply and economically, providing a straightforward, concise description of the Proposer’s ability to meet the requirements of the RFP.

I-14. **Discussions for Clarification.** Proposers who submit proposals may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and Proposer responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification.

I-15. **Best and Final Offers.** The Issuing Office reserves the right to conduct discussions with Proposers for the purpose of obtaining “best and final offers.” To obtain best and final offers from Proposers, the Issuing Office may do one or more of the following: a) enter into pre-selection negotiations; b) schedule oral presentations; and c) request revised proposals. The Issuing Office will limit any discussions to responsible Proposers whose proposals the Issuing Office has determined to be reasonably susceptible of being selected for award.

I-16. **Prime Proposer Responsibilities.** The selected Proposer will be required to assume responsibility for all services offered in its proposal whether or not it produces them. Further, the Commission will consider the selected Proposer to be the sole point of contact with regard to contractual matters.

I-17. **Proposal Contents.** Proposals will be held in confidence and will not be revealed or discussed with competitors, unless disclosure is required to be made (i) under the provisions of any Commonwealth or United States statute or regulation; or (ii) by rule or order of any court of competent jurisdiction. All material submitted with the proposal becomes the property of the Pennsylvania Turnpike Commission and may be returned only at the Commission’s option. Proposals submitted to the Commission may be reviewed and evaluated by any person other than competing Proposers at the discretion of the Commission. The Commission has the right to use any or all ideas presented in any proposal. Selection or rejection of the proposal does not affect this right.

In accordance with the Pennsylvania Right-to-Know Law (RTKL), 65 P.S. § 67.707 (Production of Certain Records), Proposers shall identify any and all portions of their Proposal that contains confidential proprietary information or is protected by a trade secret. Proposals shall include a written statement signed by a representative of the company/firm identifying the specific portion(s) of the Proposal that contains the trade secret or confidential proprietary information.

Proposers should note that “trade secrets” and “confidential proprietary information” are exempt from access under Section 708(b)(11) of the RTKL. Section 102 defines both “trade secrets” and “confidential proprietary information” as follows:

> **Confidential proprietary information:** Commercial or financial information received by an agency: (1) which is privileged or confidential; and (2) the disclosure of which would cause substantial harm to the competitive position of the person that submitted the information.
Trade secret: Information, including a formula, drawing, pattern, compilation, including a customer list, program, device, method, technique or process that: (1) 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; and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The term includes data processing software by an agency under a licensing agreement prohibiting disclosure.

65 P.S. §67.102 (emphasis added).

The Office of Open Records has determined that a third party must establish a trade secret based upon factors established by the appellate courts, which include the following:
the extent to which the information is known outside of his business;
the extent to which the information is known by employees and others in the business;
the extent of measures taken to guard the secrecy of the information;
the value of the information to his business and to competitors;
the amount of effort or money expended in developing the information; and
the ease of difficulty with which the information could be properly acquired or duplicated by others.


The Office of Open Records also notes that with regard to “confidential proprietary information the standard is equally high and may only be established when the party asserting protection shows that the information at issue is either ‘commercial’ or ‘financial’ and is privileged or confidential, and the disclosure would cause substantial competitive harm.” (emphasis in original).

For more information regarding the RTKL, visit the Office of Open Records’ website at www.openrecords.state.pa.us.

I-18. Debriefing Conferences. Proposers whose proposals are not selected will be notified of the name of the selected Proposer and given the opportunity to be debriefed, at the Proposer’s request. The Issuing Office will schedule the time and location of the debriefing. The Proposer will not be compared with other Proposers.

I-19. News Releases. News releases pertaining to this project will not be made without prior Commission approval, and then only in coordination with the Issuing Office.

I-20. Commission Participation. Unless specifically noted in this section, Proposers must provide all services to complete the identified work.

I-21. Cost Submittal. The cost submittal shall be placed in a separately sealed envelope within the sealed proposal and kept separate from the technical submittal. Failure to meet this requirement may result in disqualification of the proposal.
I-22. **Term of Contract.** The term of the contract will commence on the Effective Date (as defined below) and will end **one year after the Effective Date, or after implementation with benefit vendors, whichever is earlier.** The Commission shall fix the Effective Date after the contract has been fully executed by the Contractor and by the Commission and all approvals required by Commission contracting procedures have been obtained.

I-23. **Proposer’s Representations and Authorizations.** Each Proposer by submitting its proposal understands, represents, and acknowledges that:

a. All information provided by, and representations made by, the Proposer in the proposal are material and important and will be relied upon by the Issuing Office in awarding the contract(s). Any misstatement, omission or misrepresentation shall be treated as fraudulent concealment from the Issuing Office of the true facts relating to the submission of this proposal. A misrepresentation shall be punishable under 18 Pa. C.S. 4904.

b. The price(s) and amount of this proposal have been arrived at independently and without consultation, communication or agreement with any other Proposer or potential Proposer.

c. Neither the price(s) nor the amount of the proposal, and neither the approximate price(s) nor the approximate amount of this proposal, have been disclosed to any other firm or person who is a Proposer or potential Proposer, and they will not be disclosed on or before the proposal submission deadline specified in the cover letter to this RFP.

d. No attempt has been made or will be made to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.

e. The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.

f. To the best knowledge of the person signing the proposal for the Proposer, the Proposer, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as disclosed by the Proposer in its proposal.

g. To the best of the knowledge of the person signing the proposal for the Proposer and except as otherwise disclosed by the Proposer in its proposal, the Proposer has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Proposer that is owed to the Commonwealth.
h. The Proposer is not currently under suspension or debarment by the Commonwealth, or any other state, or the federal government, and if the Proposer cannot certify, then it shall submit along with the proposal a written explanation of why such certification cannot be made.

i. The Proposer has not, under separate contract with the Issuing Office, made any recommendations to the Issuing Office concerning the need for the services described in the proposal or the specifications for the services described in the proposal.

j. Each Proposer, by submitting its proposal, authorizes all Commonwealth agencies to release to the Commission information related to liabilities to the Commonwealth including, but not limited to, taxes, unemployment compensation, and workers’ compensation liabilities.
PART II

INFORMATION REQUIRED FROM PROPOSERS

Proposals must be submitted in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal. Each proposal shall consist of two (2) separately sealed submittals. The submittals are as follows: (i) Technical Submittal, in response to Part II-1 through II-7 hereof; (ii) Cost Submittal, in response to Part II-8 hereof.

The Commission reserves the right to request additional information which, in the Commission’s opinion, is necessary to assure that the Proposer’s competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Commission may make such investigations as deemed necessary to determine the ability of the Proposer to perform the work, and the Proposer shall furnish to the Issuing Office all such information and data for this purpose as requested by the Commission. The Commission reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Proposer fails to satisfy the Commission that such Proposer is properly qualified to carry out the obligations of the agreement and to complete the work specified.

II-1. Statement of the Problem. State in succinct terms your understanding of the problem presented or the service required by this RFP.

II-2. Management Summary. Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided.

II-3. Work Plan. Describe in narrative form your technical plan for accomplishing the work. Use the task descriptions in Part IV of this RFP as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained. Indicate the number of personhours allocated to each task.

II-4. Prior Experience. Include experience in the evaluation, analysis and negotiation of benefit plans and rates with benefit providers. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company. Studies or projects referred to should be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

II-5. Personnel. Include the number, and names where practicable, of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work. Show where these personnel will be physically located during the time they are engaged in the work. Include through a resume or similar document education and experience in the negotiation of benefit plans and rates with benefit providers. Indicate the responsibilities each will have in this project and how long each has been with your company. Identify subcontractors you intend to use and the services they will perform.
II-6. Training. If appropriate, indicate recommended training of Commission personnel. Include the personnel to be trained, the number to be trained, duration of the program, place of training, curricula, training materials to be used, number and frequency of sessions, and number and level of instructors.

II-7. DBE/MBE/WBE Participation. The Turnpike Commission is committed to the inclusion of disadvantaged, minority, and woman firms in contracting opportunities. Responding firms shall clearly identify DBE/MBE/WBE firms, expected to participate in this contract, in their Proposal. Proposed DBE/MBE/WBE firms must be certified by the Pennsylvania Department of General Services (www.dgs.state.pa.us) or the Pennsylvania Unified Certification Program (www.paucp.com) at the time of the submission of the proposal. While D/M/WBE participation is not a requirement for this RFP, inclusion of D/M/WBEs will be a factor in the evaluation determination. If further information is desired concerning DBE/MBE/WBE participation, direct inquiries to the Pennsylvania Turnpike Commission’s Contract Administration Department by calling (717) 939-9551 Ext. 4241.

II-8. Cost Submittal. The information requested in this section shall constitute your cost submittal. The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, separate from the technical submittal.

Proposers should direct in writing to the Issuing Office pursuant to Part I-9 of this RFP any questions about whether a cost or other component is included or applies. All Proposers will then have the benefit of the Issuing Office’s written answer so that all proposals are submitted on the same basis.

The total cost you are proposing must be broken down but not limited to the following components:

a. Direct Labor Costs. Itemize to show the following for each category of personnel with a different rate per hour:
   
   (1) Category: e.g., partner, project manager, analyst, senior auditor, research associate.
   
   (2) Estimated hours.
   
   (3) Rate per hour.
   
   (4) Total cost for each category and for all direct labor costs.

b. Labor Overhead. Specify what is included and rate used. If there is no labor overhead rate in your proposal, so state.

c. Travel and Subsistence. Itemize transportation, lodging and meals per diem costs separately. Travel and subsistence costs must not exceed current Conus rates and IRS approved mileage rates. If there are no travel and subsistence in your proposal, so state.

d. Subcontract Costs. Itemize as in (a) above. If there are no subcontract costs in your proposal, so state.

e. Cost of Supplies and Materials. Itemize. If there are no supplies and materials in your proposal, so state.
f. **Other Direct Costs.** Itemize. If there are no other direct costs in your proposal, so state.

g. **Fee or Profit.**

h. **Total Cost.**

i. **Maximum cap to total cost.**

Any costs not provided in the cost proposal will be assumed as no charge to the Commission.

The selected Proposer shall only perform work on this contract after the Effective Date is affixed and the fully-executed contract sent to the selected Proposer. The Commission shall issue a written Notice to Proceed to the selected Proposer authorizing the work to begin on a date which is on or after the Effective Date. The selected Proposer shall not start the performance of any work prior to the date set forth in the Notice of Proceed and the Commission shall not be liable to pay the selected Proposer for any service or work performed or expenses incurred before the date set forth in the Notice to Proceed. No Commission employee has the authority to verbally direct the commencement of any work under this Contract.
PART III

CRITERIA FOR SELECTION

III-1. Mandatory Responsiveness Requirements. To be eligible for selection, a proposal should be (a) timely received from a Proposer; (b) properly signed by the Proposer; and (c) formatted such that all cost data is kept separate from and not included in the Technical Submittal.

III-2. Proposal Evaluation. Proposals will be reviewed, evaluated, and rated by a Technical Evaluation Team of qualified personnel. The Technical Evaluation Team will present the evaluations to the Professional Services Procurement Committee (PSPC). The PSPC will recommend for selection those firms that most closely meet the requirements of the RFP and satisfy Commission needs. Award will only be made to a Proposer determined to be responsive and responsible in accordance with Commonwealth Management Directive 215.9, Contractor Responsibility Program.

III-3. Evaluation Criteria. The following criteria will be used, in order of relative importance from the highest to the lowest, in evaluating each proposal:

a. Understanding the Problem. This refers to the Proposer’s understanding of the Commission needs that generated the RFP, of the Commission’s objectives in asking for the services or undertaking the study, and of the nature and scope of the work involved.

b. Proposer Qualifications. This refers to the ability of the Proposer to meet the terms of the RFP, especially the time constraint and the quality, relevancy, and recency of studies and projects completed by the Proposer. This also includes the Proposer’s financial ability to undertake a project of this size.

c. Soundness of Approach. Emphasis here is on the techniques for collecting and analyzing data, sequence and relationships of major steps, and methods for managing the service/project. Of equal importance is whether the technical approach is completely responsive to all written specifications and requirements contained in the RFP and if it appears to meet Commission objectives.

d. Personnel Qualifications. This refers to the competence of professional personnel who would be assigned to the job by the Proposer. Qualifications of professional personnel will be measured by experience and education, with particular reference to experience on studies/services similar to that described in the RFP.

e. Cost. While this area may be weighted heavily, it will not normally be the deciding factor in the selection process. The Commission reserves the right to select a proposal based upon all the factors listed above, and will not necessarily choose the firm offering the best price. The Commission will select the firm with the proposal that best meets its needs, at the sole discretion of the Commission.

f. DBE/MBE/WBE Participation. This refers to the inclusion of D/M/WBE firms, as described in Part II-7, and the extent to which they are expected to participate in this contract. Participation will be measured in terms of total dollars committed or percentage of total contract amount to certified D/M/WBE firms.
PART IV

WORK STATEMENT

IV-1. Objectives.

a. **General.** The Commission is seeking assistance from a firm that will devote time exclusively to the evaluation and analysis of proposals received in response to the RFP for benefits that will be issued in late October, as well as provide advice and lead negotiations for best and final rates and contract terms with benefit providers.

b. **Specific.** The Commission is soliciting competitive proposals to evaluate, analyze and provide advice regarding benefit proposals received in response to the RFP for selection of benefit vendors, and lead individual negotiations with medical, prescription, dental and vision providers. The selected vendor will compile information, analyze proposals received, and prepare recommendations/presentations for Executive Staff for the following benefit plans: medical, prescription, dental and vision. Please see proposed project timeline in Part IV-4 Tasks to ensure you will have adequate staffing and resources available for this project. New vendors must be in place for a go-live date of July 1, 2012 since existing benefit contracts expire June 30, 2012.


a. **Background.** The Commission is an independent agency of the Commonwealth of Pennsylvania. As a government agency, the Commission is not governed by the rules, regulations, or legislative requirements of ERISA.

The PA Turnpike is a key transportation route within the state of Pennsylvania and a vital link in the network of the eastern United States. The Turnpike is 536 miles in length with 60 fare collection facilities, 20 service plazas and two welcome centers, 21 maintenance buildings, 8 police barracks and 5 tunnels (www.paturnpike.com).

As of October 3, 2011, there were 459 non-union and 1,687 union employees (covered by the Teamsters Union) of the Commission who work in over 110 locations including three administrative offices: the Central Administration Office in Middletown, PA, the Eastern Regional Office in King of Prussia, PA and the Western Regional Office in New Stanton, PA. There are also almost 1,000 retirees of the Commission.

b. **Scope.** The Commission provides medical and prescription benefit plans to approximately 3,000 employees and retirees, and additionally to their eligible family members. The Commission offers 3 different medical plans; a PPO plan for active employees and most retirees under the age of 65, a traditional ClassicBlue indemnity plan for a small segment of retirees under the age of 65, and a Signature 65 Medicare wrap-around plan for retirees age 65 and over. The Commission offers 3 different prescription plans; a plan for active employees, a plan for retirees under the age of 65, and a plan for retirees age 65 and over. The medical and prescription plans are separated into union and non-union groups. Additionally, the Commission offers one dental plan and one vision plan, both of which are available only to non-union employees and retirees.
Medicare Advantage plans currently offered to retirees will not be included in this RFP. The administration of COBRA continuation coverage is currently outsourced and will also not be included in this RFP. A Request for Proposal for Stop Loss insurance will be out for bid in October/November, but will be evaluated solely by the Commission; the consultant for this project will not evaluate stop loss proposals received since stop loss insurance has a go-live date of March 1, 2012 rather than July 1, 2012.

In 2002, the Commission utilized Marsh Inc. to assist with choosing benefit providers. In 2007, Innovative Risk Solutions was used to assist with choosing benefit providers. The Commission is not currently working with a benefits consultant.

The Commission has collective bargaining agreements with the Teamsters and is currently in union negotiations. The current contracts expired on September 30, 2011. It is not anticipated that negotiations will have much impact on the plan designs.

Attachment A to this document is a summary of the benefit plans currently offered by the Commission, for which the Commission would be soliciting new bids/proposals.

IV-3. Requirements. You must be able to complete the tasks exactly as specified in Part IV-4 below. Your proposal should include a performance guarantee covering the quality, timeliness and accuracy of your processes and outcome achieved through the execution of your contracted services.

IV-4. Tasks. Perform the full range of services related to the analysis, selection and negotiation of the Commission’s benefit plans and providers. The tasks involved in providing these services include:

a. Perform and provide a preliminary review of proposals received in response to the already-developed benefits RFP that will be posted in mid/late November. This includes a comparison of geo access data, provider disruption reports, review/compilation of questionnaire responses (see Attachment A), performance guarantees and multiple year agreements. Provide a comparative analysis of each provider’s strong points and weak points.

b. Prepare questions for the vendor presentations based on your preliminary analysis. Attend and participate in vendor presentations, expected to be held in late January or early February. The number of presentations for each benefit program has not been determined. The Commission will be selecting the vendors for presentations due to time constraints. There will not be a pre-proposal conference for the benefits RFP.

c. Determine if benefit plan parameters and provisions under each proposal have been met, including obligations under the collective bargaining agreements.

d. The selected vendor will evaluate and analyze all pricing proposals submitted; both for fully-insured and self-insured benefit plans, and negotiate best and final offers/rates with final vendors in consideration. Assist the Commission in determining the most economical funding methods for benefit programs by comparing projected cost illustrations.
e. Provide the Commission with a final comparative service analysis of respondents including benefit levels, plan design, provider disruption, etc. Provide the Commission with a separate cost and rate analysis.

f. Travel to the Commission’s Central Administration Building in Middletown, PA to present analyses at Professional Services Procurement Committee (PSPC) meeting and a formal Commission meeting (see tentative dates below).

g. Establish specific implementation timelines and assist the Commission in resolving problems associated with the implementation of employee benefit programs. Meetings with employees will not be required and no open enrollment materials/meetings will be required of the selected vendor.

h. Negotiate and confirm final terms with selected medical, prescription, dental and vision providers. This includes the final negotiation and confirmation of best and final rates, benefit levels, plan design and terms and conditions of coverage. Negotiate/confirm retention rates and/or funding methods with all providers.

i. Ensure that selected plans are in compliance with all laws and regulations related to employee benefits. Advise the Commission of any new developments in the law and employee benefit programs on an ongoing basis.

j. Obtain, negotiate and finalize the benefit plan contracts prior to the plan Effective Dates of July 1, 2012, in accordance with the Commission’s Standard Contract Terms and Conditions.

### Proposed Timeline for this Project

<table>
<thead>
<tr>
<th>Description</th>
<th>Tentative Dates*</th>
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<tbody>
<tr>
<td>Benefit proposals due</td>
<td>Mid/Late December</td>
</tr>
<tr>
<td>Tentative date for award of this RFP</td>
<td>1/03/2012</td>
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<tr>
<td>Analyze benefit proposals/prepare recommendations/final analysis</td>
<td>1/25/2012** – 02/24/2012</td>
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<tr>
<td>Vendor Presentations</td>
<td>Late January/Early February</td>
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<tr>
<td>Draft analysis to Human Resources for review</td>
<td>02/24/2012</td>
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<td>Complete changes to analysis as necessary</td>
<td>02/24/2012 – 03/01/2012</td>
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<tr>
<td>Final analysis completed, given to Human Resources</td>
<td>03/01/2012</td>
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<tr>
<td>Analysis to PSPC committee</td>
<td>03/08/2012</td>
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<td>PSPC Meeting</td>
<td>03/22/2012</td>
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<tr>
<td>Commission Meeting</td>
<td>04/03/2012</td>
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<tr>
<td>Notification of vendor award</td>
<td>04/04/2012</td>
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<tr>
<td>Implementation with vendors</td>
<td>04/04/2012 – 06/30/2012</td>
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<tr>
<td>Go-Live with selected benefit vendors</td>
<td>07/01/2012</td>
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*Dates above are subject to change by the Commission.

**Work on this contract cannot begin until contract is signed and executed. Date above will adjust accordingly.
IV-5. Reports and Project Control.

a. **Task Plan.** A work plan for each task that identifies the work elements of each task, the resources assigned to the task, and the time allotted to each element and the deliverable items to be produced.

b. **Status Report.** A periodic, **weekly telephonic** progress report with appropriate Commission personnel covering activities, problems, and recommendations; the report should be keyed to the work plan developed by the Proposer in its proposal, as amended or approved by the Commission. In addition, face-to-face meetings with appropriate Commission personnel at the Commission’s Central Administration Building in Middletown as needed.

c. **Problem Identification Report.** An “as required” report, identifying problem areas. The report should describe the problem and its impact on the overall project and on each affected task. It should list possible courses of action with advantages and disadvantages of each, and include Proposer recommendations with supporting rationale.

d. **Final Report.**

1. Abstract or summarize the result of the analysis in terminology that will be meaningful to appropriate Commission personnel and others generally familiar with the subject areas.

2. Describe data collection and analytical and other techniques used during the study.

3. Summarize findings, conclusions, and recommendations developed in each task.

4. Include all supporting documentation; e.g., flow charts, forms, questionnaires, etc.

5. Recommend a time-phased work plan for implementing the recommendations.
Attachment A
Questionnaire from Benefits RFP

V. Questionnaire

A. GENERAL INFORMATION – ALL CARRIERS

Please respond to all items listed below. Follow the format provided below so your response to each item is distinguishable from other information. If an item does not apply to your line of business, so state. (For example, not all network questions listed below may apply to prescription.)

COMPANY BACKGROUND

a) Years in group benefit plan administration.

b) Products offered.

c) Area/Markets served (including counties).

d) Number of total groups.

e) Number of groups with over 3,000 lives covered.

f) Number of members covered.

g) Number of employees.

h) Any Subsidiaries and/or Affiliates.

i) Company financial information and ratings.

j) Future plans for group benefit plan administration (i.e. where you see your organization going in the next five years; network development, contracting approaches, other changes, etc.).

k) Explain what differentiates you from your competitor.

NETWORK

a) Describe your national network service area.

b) Describe how you recruit new providers and facilities.

c) Describe last three years turnover rate for providers and facilities.

d) Describe provider fee schedule methodology.

e) Please submit a comprehensive disruption analysis report illustrating any members whose current providers are not within your network.

f) Please provide an internet and telephone resource for network participation information.

g) For in-network providers, provide details on your provider-negotiated contracts (specify percentage (%) difference between negotiated amounts vs. charges). Provide the basis for your in-network reimbursement levels and your definition of "reasonable and customary" charge.

h) List any exceptions or restrictions.

i) Explain in detail how members residing outside of your service area would be covered and how their benefits will be administered.

j) Explain how a member would access your network while traveling; both in the United States and abroad.
k) Please explain how emergencies are paid for an out-of-network provider, and if there will be any balance bill to the participant.
l) Regarding an emergency service for an out-of-network provider, once the participant is stabilized, please explain the continuation of care process.
m) Explain how the employee and employer are notified of provider changes, network changes and coverage changes. Will the Commission be able to opt out of changes that violate union-negotiated benefits?
n) What are the financial arrangements if a provider terminates his or her contract with your organization in the middle of the course of treatment of a patient?
o) What are the financial arrangements if a patient loses coverage in the middle of a course of treatment?
p) Advise of your willingness and capability to develop networks in locations where you do not now have acceptable access. Under what conditions would you do so? What would be the time frame?
q) How do you assess member satisfaction in your networks? How often do conduct this assessment? To whom are the results made available? Please provide specifics on how this is tested, with current results.

**CUSTOMER SERVICE**

a) Include information regarding location, days, hours of operation.
b) Number of people handling the processing of claims.
c) Describe employee experience and training requirements.
d) Provide background on key personnel.
e) Provide statistical data with regard to:
   1. Time to answer
   2. Abandonment rate
   3. Customer satisfaction rate
f) Please outline the procedure an employee is to follow if satisfactory resolution is not received from your customer service staff.
g) Are you willing to provide a toll free dedicated customer service phone number to the employees of the Commission? To the Human Resources department for employer inquiries?
h) Who would be responsible for day-to-day service issues and problem resolution? Where is this individual located? Please provide a brief professional biography of the team leader responsible for daily issues regarding customer service, billing, claims and group related sales issues.

**WEBSITE FEATURES**

a) Describe your electronic capabilities with respect to electronic and/or online enrollment, maintenance of eligibility records and access to electronic reports.
b) Describe your employee internet capabilities with respect to online directories, access to claims, view/change enrollment data and ability to order ID cards, the ability to change physicians if applicable and other services available to members of the Commission.
c) Describe your employer internet capabilities with respect to online directories, access to claims, view/change enrollment data and ability to order ID cards, and other services available to Human Resources personnel of the Commission.
**CLAIMS PROCESSING**

a) Describe your system capabilities.

b) Describe the system edits, procedures, and internal and external audit processes used to ensure that only medically necessary claims, and valid claims based on plan provisions, are paid by the plan.

c) Are network, customer service notes and utilization management information integrated with claims system?

d) Describe your capabilities as they relate to the Administrative Simplification provisions of HIPAA. Are you capable of processing enrollment and record changes in accordance with HIPAA requirements?

e) Describe transition of care for patients currently under care.

f) Describe the appeals process if a member believes a denied claim should have been paid.

g) Describe your means for obtaining Coordination of Benefits (COB) info, and COB procedures for in-network and out-of-network claims. How do you determine COB savings for Medicare eligibles? For non-Medicare eligibles? How often is this information updated?

h) Provide statistical data relative to turnaround time and accuracy.

i) Advise if there will be any major system changes that could affect enrollment or claims in the next 12-24 months, and how you will ensure minimal disruption to the participant and the Commission.

j) Please provide performance guarantees (timeliness, accuracy, etc.) and indicate any costing specifics separately in Part II-9.

**IMPLEMENTATION**

a) Describe your experience with 834 interfacing.

b) Please provide a detailed implementation transition plan and timetable including but not limited to: plan setup and 834 interfacing.

c) Would you be willing to conduct a site visit and/or claims office visit for designated members of the Commission?

d) Confirm your ability to provide COBRA tiered rates for each group under the plan, even for self-insured plans.

**MISCELLANEOUS**

a) Describe your experience with the Systems, Applications and Products in Data Processing (SAP) system and confirm your ability to interface with SAP.

b) Please list the percentage of eligible employees that must be enrolled under your group plans. Does that change if more than one vendor for the same line of coverage is awarded a contract?

c) Please provide specific information regarding Performance Guarantees especially as they pertain to claims turnaround and customer service problem resolution. Are you willing to provide a Performance Guarantee for both timeliness and accuracy with respect to Account Management and Claims Payment? What is the level of risk you are willing to place on a Performance Guarantee?

d) Are you willing to provide a Performance Guarantee with respect to the timely issuance and accuracy of identification cards, employee benefits booklets and program contracts? What is the level of risk you are willing to place on a Performance Guarantee?
e) Please describe in detail any wellness programs that are available and how an employee would access these programs. Please include any additional costs if applicable.

f) Please provide details regarding value-added services such as wellness discounts, vision and dental benefits, and include any associated costs in Part II-9.

g) Advise on your willingness to attend Commission-sponsored open enrollment meetings or pre-retirement seminars.

h) Do you provide group level and member level newsletters or other publications? On what topics? Please provide samples.

i) Indicate your willingness to participate in health benefits fairs at multiple locations in-state, and discuss activities you can present such as blood pressure screening, body fat analysis etc.

j) Please describe your billing procedures. Is electronic billing available? Please describe your electronic billing capabilities including invoices, reports and payments. Is a detailed bill available each month?

k) Please describe in detail the reports that are available to the Commission. How much customization is available?

REFERENCES

a) Provide three references of current employer groups of similar size and scope. Include how long each has been a customer and the approximate number of employees.

b) Provide three references of former employer groups of similar size and scope. Include how long each was a customer and the approximate number of employees.

SAMPLE DOCUMENTS REQUESTED

a) Identification card

b) Billing statement (detailed and summary)

c) Explanation of benefits

d) Enrollment application

e) Provider directory for each network quoted

f) Sample of the reporting package included

g) Most recent annual report

h) HIPAA continuation certificate

i) Employee benefit booklets

B. MEDICAL CARRIERS ONLY

a) How many networks can you offer to the Commission? Please include information (if applicable) regarding each network including the following:

i. Year network organized

ii. Type (PPO, POS, Indemnity etc.)

iii. Organization’s relationship to network (i.e., owned, affiliated, etc.)

iv. Current number of Hospitals, Ancillary facilities, PCP’s, and Specialists under contract

v. Number of the above that are JCAHO-accredited or board certified

vi. Number of Hospitals, Ancillary facilities, PCP’s, and Specialists in network in each of the past 3 years

vii. Number of Hospitals, Ancillary facilities, PCP’s, and Specialists in market area
viii. Number of PCP’s and Specialists with closed practices as of January 1, 2007
ix. Hospital, PCP, and Specialist turnover numbers over the past 3 years (Network initiated and Provider initiated)
x. Length of Contract (Hospital, Ancillary facilities, PCP, and Specialist)
xii. Percentage (%) of providers that participate in market area

b) Please provide a geo access report using the following standards: two Primary Care Physicians within an 8-mile radius; two Specialty Care providers within an 8-mile radius and one hospital within a 10-mile radius.

c) Explain in detail any current plans you have to reconfigure your networks to meet the needs of the Commission. Include detailed timelines and work plans.

d) Describe the process for certifying a disabled dependent.

e) Are you able to provide the Commission with reports of Medicare eligible? How often?

f) Describe the following programs/procedures that would be included in your proposal, and how a member would access these programs:
   i. Large case management (high dollar cases)
   ii. Case management
   iii. Disease management
   iv. New programs in development?

g) Explain the criteria used to determine an emergency claim vs. an urgent situation claim. How are they covered under the plan?

h) Describe how you will handle ongoing transition of care in the following situations where:
   i. An eligible member is receiving treatment on the effective date of coverage
   ii. Member is hospitalized
   iii. Member is receiving major ongoing treatment (not hospitalized) for an acute condition
   iv. Member is receiving major ongoing chronic care requiring specialized management
   v. Member is receiving non-acute ongoing care
   vi. Member is pregnant
   vii. Member is receiving ongoing treatment for outpatient mental health or substance abuse
   viii. Member is receiving ongoing treatment for any of the above conditions with a non-participating provider (continuity of care)

   i. Describe your HIPAA Certification services and procedures.

C. PRESCRIPTION CARRIERS ONLY

a) Please describe your retail pharmacy network including the number of pharmacies in Pennsylvania, the number outside of Pennsylvania and the percentage of pharmacies that participate.

b) Please list the major pharmacy chains that participate in your network, and list any major pharmacy chains that do not participate in your network.

c) Is your network accessible to members traveling abroad?

d) List the location of the facility that will provide services for mail order prescriptions and the number of employees that are located at that facility.

e) Describe any quality assurance procedures that are currently in place to ensure all prescriptions are filled correctly and in a timely manner.

f) What is the average turnaround time for a new prescription to be filled? What is the average turnaround for a prescription to be refilled? Please describe the process for each.

g) Do you have a 24 hour phone number that members can call to speak with a pharmacist? To speak with a customer service representative? Can refills be ordered over the phone and online?
h) Describe your internet capabilities with respect to online refills, email notifications, drug information, over the counter purchases and network availability.

i) Describe any safeguards in place in your processing system, for potential drug interactions.

j) Describe your network discounting strategy including percentage of discount on the retail and mail service level and any applicable dispensing or utilization management fees.

k) Pharmacies and 90 day supply of medications.
   i. Do you participate with designated retail pharmacies for member long-term maintenance prescriptions up to a 90-day supply?
   ii. Would the cost to the employee be the same as the mail order cost? Please list any variance.
   iii. Would the cost to the employer be the same as the mail order cost? Would the retail dispensing fees apply? Please list any variance.

l) Does your plan use a formulary? If so:
   i. Advise if the formulary is open or closed.
   ii. Advise if you are willing to create a customized formulary for the Commission.
   iii. Please enclose a copy of your formulary as well as an internet and telephone resource for inquiries regarding the formulary.
   iv. Explain how your formulary list is developed and by whom.
   v. Explain how often your formulary is changed.
   vi. Explain if any exceptions are made to the formulary and describe the process.

m) Do you offer formulary rebates? How often are they distributed? Are there any guarantees? Please explain.

n) Describe how specialty drugs are handled and if there are limitations on how an employee may obtain specialty drugs.

o) Explain if coverage is offered for diabetic supplies and how a member would obtain them. Does the standard copay apply?

p) Describe your approach and philosophy to managing prescription drug costs. Be sure to identify where the drugs are dispensed, contracting approach, utilization review procedures, use of formulary, etc.

q) Describe your Coverage Authorization, Drug Education and Drug Utilization Review (DUR) programs.

r) List any internet-based discounts on non-covered prescriptions or over the counter products you provide.

s) The Commission applies for the employer drug subsidy for Medicare Part D and will require monthly reports from the prescription vendor for this service. What services do you provide with regard to Medicare D and the employer drug subsidy? Do you have dedicated resources for Medicare processes? If so, please explain. Are there any costs associated with these services? If so, provide all costs associated with Medicare D in your cost submittal.

D. DENTAL CARRIERS ONLY

a) Please describe your network including number of dentists, oral surgeons, orthodontists, and other specialists in Pennsylvania, the number outside of Pennsylvania and the percentage of dentists that participate. Is your network accessible to members traveling abroad?

b) Please provide a geo-access report using the following standards: two general dentists, two oral surgeons, two orthodontists and two other specialists within an 8 mile radius.

c) Describe your preauthorization process; applicable procedures, and dollar thresholds.

d) How are the following services covered under your plan?
   i. Anesthesia
ii. Pediatric dental specialist services
iii. Hospitalization or attending physician due to the member’s general health or physical limitations
iv. Removal of impacted teeth; bony or soft tissue
v. Tooth implants
vi. Extractions for orthodontic purposes
vii. Periodontics, both surgical and non-surgical
viii. Therapeutic Periodontal Treatment

E. VISION CARRIERS ONLY

a) Please describe your network including number of optometrists, ophthalmologists and opticians in Pennsylvania, the number outside of Pennsylvania and the percentage of each type of provider that participates.
b) Please provide a geo-access report using the following standards: two optometrists, two ophthalmologists and two opticians within an 8 mile radius.
c) Please list the major “chain” providers in your network.
d) Would the member pay a different cost at a “retail provider” versus an “independent provider?” If yes, please list all providers considered to be a “retail provider” that are located in Pennsylvania.
e) Is the network accredited by an outside organization? If yes, by whom?
f) Advise if you are able to provide wholesale allowances to the Commission.
g) Are the allowances listed in your plan retail or wholesale? If the member receives additional services (i.e., two pairs of glasses), does the member pay the retail or wholesale price on the second service/product?
h) Explain if “Lasik” is an option under your plan, and any additional options of treatment that can be offered under the plan. Please define how you can cover these services or what discounts a member can expect for these services.
i) Can you provide customized allowances for services such as frames and lenses, to give a member an allowance to go toward any balance they may owe on frames/lenses?
j) List any other discounts you can provide or other coverage for items such as non-prescription sunglasses, safety goggles, additional pairs of glasses or contacts or colored contacts? Are there discounts available for supplies such as contact lens cleaning fluids?
Addendum No. 1

RFP #11-10380-3341

Consultant to Evaluate, Analyze and Provide Advice Regarding Benefit Proposals, and Lead Individual Negotiations with Medical, Prescription, Dental and Vision Providers

Prospective Respondents: You are hereby notified of the following information in regard to the referenced RFP:

ADDITIONS

Insurance Requirements

(a) General. Do not commence work under the contract until all insurance, and insurers, under this section have been obtained and approved by the Commission. Before or at the execution of a Contract, provide the Commission with certificates of insurance evidencing the coverage required. Have all primary and excess liability policies contain the following clause: "Thirty (30) days written notice of any cancellation, non-renewal, limit or coverage reduction is to be sent to the Commission by Certified Mail."
The preceding is subject to existing Commonwealth of Pennsylvania statutory cancellation provisions relating to non-payment of premium and misrepresentation by the insured. Maintain the insurance described herein until the work is completed and a Final Certificate of Completion has been issued. All insurance policies must be written by an Insurance Company licensed and authorized to do business in Pennsylvania and acceptable to the Commission. Have all insurance policies and certificates signed by a resident Pennsylvania Agent of the issuing Company. However, in the case of an eligible surplus lines insurer, have all policies and certificates also signed by a party duly authorized to bind, on behalf of the eligible surplus lines insurer, the certified coverage’s.

(b) Worker's Compensation and Employer's Liability Insurance. Take out, pay for and maintain during the life of the contract, Worker's Compensation Insurance in statutory required limits for the protection of all employees. Provide, pay for and maintain during the life of the contract, Employer's Liability Insurance in limits of not less than $100,000 bodily injury each accident, $500,000 bodily injury by disease, and $100,000 bodily injury by disease each employee.

(c) Commercial General Liability Insurance. Includes: Products/Completed Operations; Blanket Contractual Liability - All Written & Oral Contracts; premises and operations liability; explosion, collapse and underground; personal injury; independent contractors; broad form property damage; severability of interests provisions; personal
injury and advertising liability; premises medical payments; host liquor liability; fire
damage legal liability - real property; incidental malpractice (including employees); non-
owned watercraft; and automatic coverage for newly acquired entities. The minimum
required limits for the Commercial General Liability policy will be as follows:

- $2,000,000 Each Occurrence; $2,000,000 in aggregate

(d) **Professional Liability Insurance** - $1,000,000

(e) The Commercial General Liability policy will name the Pennsylvania Turnpike
Commission, and the Commonwealth of Pennsylvania as an Additional Insured.

(f) **Proof of Insurance.** Before commencing work, furnish to the Commission three
original certificates of insurance outlining the coverage’s detailed above. The certificate
will also indicate the Additional Insured status of the Commission and the appropriate
cancellation/non-renewal notice wording. The insurance company certificates will be in standard ACORD form and will contain the
address and phone number of the insurance company or insurance agent. If appropriate,
the Commission reserves the right to request certified copies of the contractor's insurance
coverage’s.

**QUESTIONS & ANSWERS**

Following are the answers to questions submitted in response to the above referenced
RFP as of November 18, 2011. All of the questions have been listed verbatim, as
received by the Pennsylvania Turnpike Commission.

1. In 2007, when Innovative Risk Solutions was used to assist with choosing benefits
providers, were they compensated by fees or commissions?

   **Answer:** Set fee.

2. Can you provide us the amount of the annual fees or commissions that were paid to
Innovative Risk Solutions?

   **Answer:** This information will not be provided.

3. Is Innovative Risk Solutions or any other broker currently receiving fees or
commissions on the plans today?

   **Answer:** No.

4. If commissions are currently being paid, can you please provide the dollar amount of
commission for each line of coverage?

   **Answer:** Not applicable; no commissions are being paid.
5. Does Pennsylvania Turnpike Commission have a preference to receive a quote on a fee or commission basis, or both?

   **Answer:** Fee basis. No commissions will be paid.

6. What are the annual premiums being paid for each line of coverage?

   **Answer:** The Commission is self-insured, no premiums are paid. Administrative fees paid to medical, prescription, dental and vision providers will not be provided. Monthly COBRA rate history is attached to this addendum.

7. Would you provide a copy of the Commission's standard benefits consulting services contract?

   **Answer:** Attached to this addendum is the template of the agreement that is used by Pennsylvania Turnpike Commission. The template provided does not contain specific information pertaining to this RFP.

8. Within your benefit consulting contracts, are partners required to maintain specific liability coverage with/without limits?

   **Answer:** Yes. Please see Insurance Requirements as listed above under ADDITIONS.

9. Section II-6 addresses training of Commission personnel. Please expand on this question if specific staff training is expected in response to this RFP.

   **Answer:** Training of Commission personnel is not expected. This section is left in the RFP in case a consultant has specific training that is necessary (secure email system, etc.).

10. Who are your current medical, pharmacy, dental, and vision vendors?

    **Answer:** Medical – Highmark Blue Shield; Prescription – Aetna; Dental – United Concordia; Vision – Highmark Vision (through Davis Vision).

11. Would you provide copies of your current plan designs?

    **Answer:** Current plan designs that will be included in the Benefits RFP are attached to this addendum.

12. How many different vendors will be given an opportunity to bid on the Commission's medical, pharmacy, dental and vision plans (independently)?
Answer: The Commission does not have a limit on who can bid on the Commission’s benefit plans or how many vendors can bid on the Commission’s benefit plans. All proposals received will be reviewed.

13. How many vendor presentation meetings will the Commission/consulting partner conduct for each unique benefit plan? In other words, how many finalists will be asked to make presentations?

Answer: Finalists will be determined based on the viability of the proposals submitted/received in response to the Benefits RFP. There is no set number of finalist presentations at this time.

14. Section IV 4. (a.) indicates the benefits RFP will be posted in mid/late November, 2011. Is this date still on target? If not, what is the revised date?

Answer: The Benefits RFP is posted on the PTC website, it is titled RFP # 11-1380-3395 Providing Medical, Prescription, Dental and Vision Benefit Plans

15. Are the benefit RFP questions in Attachment A listed in their entirety, or is this a subset of all questions? If this is a subset, can we obtain a complete copy of the RFP that will be posted?

Answer: Please see answer to question #14.

16. Can the RFP questions in the benefits RFP be modified? Can the selected consulting partner add to them?

Answer: Clarifying/Additional questions can be sent to vendors that submit proposals in response to the Benefits RFP, but the Benefits RFP will be posted prior to the benefit consultant contract being awarded. Therefore, no questions are able to be added/modified prior to the Benefits RFP being posted.

17. Once the benefit RFP responses are received from the prospective vendors, will the ongoing interaction between the vendors and consulting partner be direct, or through the Commission personnel?

Answer: Through Commission personnel.

18. Will Formulary changes be an issue for the Union?

Answer: Formularies are set by the vendor and are not negotiated with the union.

All other terms, conditions and requirements of the original RFP dated November 7, 2011 remain unchanged unless modified by this Addendum.