

Addendum to Request for Proposal Medical, Vision and Hearing Benefits Administrative Services

This document amends Request For Proposal (RFP) #2004-02 for Medical, Vision and Hearing Benefits Administrative Services issued by the Connecticut State Teachers' Retirement Board (TRB). The intent of this Addendum is to provide:

- Clarification on submission of proposals and the proposal evaluation process
- Proposers clarification of and additional information being requested.

I. Clarification On Submission Of Proposals And The Proposal Evaluation Process

Modifications to Vendor Selection Process

The schedule for the selection and award of contract to a vendor is modified as follows:

All questions regarding this proposal must be submitted in writing via email to both Lisa A Cottrell (lacottrell@mac.com) at Corporate Benefit Consultants and Raymond Clarke, TRB Assistant Administrator (raymond.clarke@po.state.ct.us) no later than 5:00 pm on January 18, 2005. All questions must identify the RFP section and page number to which the question refers. All questions and responses will be published on the TRB Web page no later than 5:00 pm January 21, 2005. Vendors will be responsible for checking the Web page for responses.

Finalist(s) will be selected after the evaluation of proposals and will be requested to provide a presentation to TRB staff and consultants at which additional information and clarifications may be requested.

After completion of the presentation(s) and submission of any requested information, a final vendor will be recommended to the TRB Board of Directors March meeting after which the vendor will be expected to enter into contract negotiation.

Contract Period

The contract period for the delivery of the services requested in the RFP is for a three (3) year period beginning on July 1, 2005 and terminating on June 30, 2008. TRB may extend the resultant agreement for two additional successive terms of one (1) year each at the end of the initial term with concurrence of the vendor. As part of the cost proposal, the vendor should indicate the rates that would be applicable to each extension year.

Cost of Preparation of Proposals

The cost of proposal preparation and submission are solely those of the proposer and not TRB. TRB will not compensate any proposer for the development of a response to this RFP.

Errors and Omissions

If a Proposer discovers any ambiguity, conflict, discrepancy, omission or other error in the RFP, please immediately notify Corporate Benefit Consultants by email and request clarification or modification of the document.

Should TRB find it necessary, modification to the RFP will be made by addenda. Such modifications may be given by written notice to all parties who have submitted a written Notice of Intent to Propose.

If the proposer fails to notify TRB of a known error or an error that reasonably should have been known prior to the final filing date for submission, the Proposer shall assume the risk. If awarded the contract, the Proposer(s) shall not be entitled to additional compensation or time by reason of the error or its late correction.

No Contact

No contact with TRB Board or staff relating to the RFP will be allowed during the pendency of this RFP. All contact must be with Corporate Benefit Consultants. Any contact with TRB may be grounds for disqualification.

Format of Proposal

The returned proposals should follow the following format:

- Cover letter summarizing the salient points of the vendor's proposal, name of key contact and a commitment to the fee guarantees requested for the 3 year contract period. It must include the name and telephone number of the representative who is authorized to bind the firm in contract and must be signed by such representative. The vendor must indicate that the contents of their proposal are valid for a period of 180 days or until a contract is concluded whichever comes first.
- Table of Contents
- Technical Proposal: Responses to the bidder questionnaire in the order listed in the RFP except for cost information which will be provided in the next section of the proposal. Although the Bidder questionnaire does not specifically request it, the vendor should provide a description as to how they will provide the services requested on pages 12-13 of the proposal.

- Cost Proposal. The Cost Proposal will include all information being requested under “Financials/Pricing” on pages 16-17 of the RFP and as modified in this addendum.
- Returned compliance forms that were included in the proposal
- Audited financial statements for the past two years.
- Additional data and attachments

Criteria for Acceptance of Proposal

Notwithstanding any other provisions of this RFP, TRB reserves the right to reject any or all proposals or to waive any informality in a proposal. Non-responsive proposals include, but are not limited to, those that:

- Are irregular or not in conformance with the RFP requirements and instructions
- Are conditional, incomplete, indefinite or ambiguous
- Have no signature or an improper one
- Are not submitted on time or are submitted at any time via fax or email.

TRB may waive minor informalities or irregularities in a proposal are a matter of form and not substance and the correction of which would not be prejudicial to other proposals.

Joint proposals will not be accepted.

Criteria for Evaluation of Proposal

TRB with the assistance of consultants will evaluate the proposals and make a recommendation to the TRB Board. The evaluators will consider the following factors:

1. Breadth of experience, expertise, capabilities of the firm.
2. Quality and depth of the expertise and its prior capability in providing similar services.
3. Experience/expertise of assigned personnel.
4. Proposed scope of services.
5. Proposed fee schedule.
6. Information provide by client references.
7. Overall organization, completeness, responsiveness and quality of proposal, including cohesiveness, conciseness, and clarity of response.
8. Presentation and/or interviews.
9. Financial soundness of the proposer.

The notification of the administrator selection has been changed to be March 10, 2005 rather than February 11, 2005.

II. Clarification Of And Additional Information Being Requested.

Increase in Membership Over Contract Period

Vendors should plan on the following annual increases for each of the 3 years of the contract period.

2005-2006	6 %
2006-2007	7 %
2007-2008	8 %

The number of plan participants for the fiscal year end 2003-2004 was 11,883.

Services Requirements (page 12-13):

The provision of the listed services are for the administration of the current plan listed in Appendix C and as further described on pages 11 and 12.

The Service Requirement – Electronic management of the eligibility and benefits system is further defined to mean the administration of claims to include the determination of claim eligibility, coordination of benefits, and issuance of payments. The determination of eligibility for plan participation is made by TRB.

Cost Proposal

The requested cost information is described under “Financials/Pricing” listed on pages 16 and 17 of the RFP. Proposed fees should be delineated for each year of the contract period and should be for mature years. In addition, indicate what the process will be for reduction of fees should the actual administrative experience be less than that used for the purposes of determining fees for this proposal.

Indicate if there is a number of plan participants beyond which economies of scale kick-in that can potentially reduce the administrative fees.

TRB is estimating the growth in plan participants over the next 3 years. Should these estimates be high or low, at what point would the vendor discuss re-negotiation of fees.

Modifications to Bidder’s Questionnaire

- Vendor’s must indicated if they are in full compliance with HIPAA mandates, and if not fully compliant must indicate what remains to be addressed to be in full compliance.
- Include audited statements for the past two years.

- The section entitled “Quality Assurance and Member Relations”, is to be re-titled to “Member Relations”.
- Under the existing section entitled “Quality Assurance and Member Relations”, item 1 the explanation should be for “complaint resolution” not for “complaints”.
- Under the existing section entitled “Quality Assurance and Member Relations, item 3 add the Average Per call time expected or that experienced by the vendor based on the provision of a similar experience.
- Add a New Section called “Proposed Service Levels”. Please list the service levels that you will commit to in providing claims services and call service handling.
- Add a New Section called “Quality Assurance”. In this section identify the quality assurance steps to be implemented to ensure that claims are being paid accurately and on a timely basis per the committed to service levels. Identify the sampling method to be used for the accuracy of claims. Identify the process used for correcting incorrect claim payments and the internal process of addressing claims that may be calculated incorrectly on a consistent basis.
- List and describe any existing or former client, business or personal relationships with any individual TRB trustee or senior staff or principals or staff of the consultant firm hired to prepare this RFP.