



Request for Proposal 08-x-39329

For: Administrative Services for Section 125 Flexible Spending Account

Event	Date	Time
Bidder's Electronic Question Due Date (Refer to RFP Section 1.3.1 for more information.)	3/8/07	5:00 PM
Mandatory Pre-bid Conference (Refer to RFP Section 1.3.3 for important details about the new electronic bid option.)	NA	NA
Mandatory Site Visit (Refer to RFP Section 1.3.3 for more information.)	NA	NA
Bid Submission Due Date (Refer to RFP Section 1.3.2 for more information.)	4/4/07	2:00 PM

Dates are subject to change. All changes will be reflected in Addenda to the RFP posted on the Division of Purchase and Property website.

Small Business Set-Aside (Refer to RFP Section 4.4.2.2 for more information.)	Status ☐ Not Applicable ☐ Entire Contract ☐ Partial Contract ☒ Subcontracting Only	Category ☒ I ☒ II ☒ III
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RFP Issued By

State of New Jersey
Department of the Treasury
Division of Purchase and Property
Trenton, New Jersey 08625-0230

Using Agency

State of New Jersey
Department of the Treasury
Division of Pensions and Benefits
Trenton, New Jersey 08625

Date: 2/27/07

Table of Contents

NOTICE TO BIDDERS	5
1.0 INFORMATION FOR BIDDERS.....	6
1.1 PURPOSE AND INTENT	6
1.2 BACKGROUND.....	6
APPROXIMATE NUMBER OF ELIGIBLE EMPLOYEES: 126,000.....	7
1.3 KEY EVENTS	7
1.3.1 ELECTRONIC QUESTION AND ANSWER PERIOD	7
1.3.2 SUBMISSION OF BID PROPOSAL	8
1.4 ADDITIONAL INFORMATION	8
1.4.1 ADDENDA: REVISIONS TO THIS RFP	8
1.4.2 BIDDER RESPONSIBILITY	8
1.4.3 COST LIABILITY	9
1.4.4 CONTENTS OF BID PROPOSAL	9
1.4.5 BID OPENING	9
1.4.6 PRICE ALTERATION	9
1.4.7 BID ERRORS.....	9
1.4.8 JOINT VENTURE	10
2.0 DEFINITIONS	11
2.1 GENERAL DEFINITIONS	11
2.2 CONTRACT SPECIFIC DEFINITIONS	12
3.0 SCOPE OF WORK.....	13
3.1 GENERAL REQUIREMENTS	13
3.2 SPECIFIC REQUIREMENTS	13
3.2.1 ENROLLMENT SERVICES.....	13
3.2.2 ADMINISTRATIVE SERVICES	14
3.2.3 CLAIMS PROCESSING SERVICES	15
3.2.4 ELECTRONIC FILE TRANSFER REQUIREMENTS:	16
3.2.5 END OF YEAR SERVICES.....	16
3.3 REPORTS	17
4.0 BID PROPOSAL PREPARATION AND SUBMISSION.....	18
4.1 GENERAL	18
4.2 BID PROPOSAL DELIVERY AND IDENTIFICATION	18
4.3 NUMBER OF BID PROPOSAL COPIES.....	18
4.4 BID PROPOSAL CONTENT	18
4.4.1 FORMS THAT MUST BE SUBMITTED WITH BID PROPOSAL	18
4.4.1.1 SIGNATORY PAGE	18
4.4.1.2 OWNERSHIP DISCLOSURE FORM	19
4.4.1.3 DISCLOSURE OF INVESTIGATIONS/ACTIONS INVOLVING BIDDER	19
4.4.1.4 NOTICE OF INTENT TO SUBCONTRACT FORM.....	19
4.4.1.5 SUBCONTRACTOR UTILIZATION FORM.....	19
4.4.2 PROOFS OF REGISTRATION THAT MUST BE SUBMITTED WITH THE BID PROPOSAL	19
4.4.2.1 BUSINESS REGISTRATION CERTIFICATE FROM THE DIVISION OF REVENUE	19
4.4.2.2 SMALL BUSINESS SET-ASIDE CONTRACTS	20
4.4.3 FORMS THAT MUST BE SUBMITTED BEFORE CONTRACT AWARD AND SHOULD BE SUBMITTED WITH THE BID PROPOSAL.....	20
4.4.3.1 MACBRIDE PRINCIPLES CERTIFICATION	20
4.4.3.2 AFFIRMATIVE ACTION.....	20
4.4.3.3 SERVICES SOURCE DISCLOSURE FORM.....	20
4.4.4 TECHNICAL PROPOSAL	20
4.4.4.1 MANAGEMENT OVERVIEW	20
4.4.4.2 CONTRACT MANAGEMENT	21

4.4.4.3 CONTRACT SCHEDULE.....	21
4.4.4.4 MOBILIZATION AND IMPLEMENTATION PLAN.....	21
4.4.4.5 POTENTIAL PROBLEMS	22
4.4.5 ORGANIZATIONAL SUPPORT AND EXPERIENCE	22
4.4.5.1 LOCATION.....	22
4.4.5.2 ORGANIZATION CHART (CONTRACT SPECIFIC)	22
4.4.5.3 RESUMES	22
4.4.5.4 BACKUP STAFF	23
4.4.5.5 ORGANIZATION CHART (ENTIRE FIRM).....	23
4.4.5.6 EXPERIENCE OF BIDDER ON CONTRACTS OF SIMILAR SIZE AND SCOPE	23
4.4.5.7 FINANCIAL CAPABILITY OF THE BIDDER.....	23
4.4.5.8 SUBCONTRACTOR(S).....	24
4.4.6 PRICE SCHEDULE	24
5.0 SPECIAL CONTRACTUAL TERMS AND CONDITIONS.....	26
5.1 PRECEDENCE OF SPECIAL CONTRACTUAL TERMS AND CONDITIONS.....	26
5.2 CONTRACT TERM AND EXTENSION OPTION	26
5.3 CONTRACT TRANSITION.....	26
5.4 CONTRACT AMENDMENT	26
5.5 CONTRACTOR RESPONSIBILITIES	26
5.6 SUBSTITUTION OF STAFF	27
5.7 SUBSTITUTION OR ADDITION OF SUBCONTRACTOR(S)	27
5.8 OWNERSHIP OF MATERIAL	27
5.9 DATA CONFIDENTIALITY	28
5.10 NEWS RELEASES.....	28
5.11 ADVERTISING	28
5.12 LICENSES AND PERMITS	28
5.13 CLAIMS AND REMEDIES.....	28
5.13.1 CLAIMS	29
5.13.2 REMEDIES.....	29
5.13.3 REMEDIES FOR FAILURE TO COMPLY WITH MATERIAL CONTRACT REQUIREMENTS.....	29
5.14 LATE DELIVERY	29
5.15 RETAINAGE.....	29
5.16 STATE'S OPTION TO REDUCE SCOPE OF WORK	29
5.17 SUSPENSION OF WORK.....	29
5.18 CHANGE IN LAW.....	30
5.19 CONTRACT PRICE INCREASE (PREVAILING WAGE)	30
5.20 ADDITIONAL WORK AND/OR SPECIAL PROJECTS	30
5.21 FORM OF COMPENSATION AND PAYMENT	31
5.21.1 PAYMENT TO CONTRACTOR - OPTIONAL METHOD.....	32
5.22 MODIFICATIONS AND CHANGES TO THE NJ STANDARD TERMS AND CONDITIONS VERSION 05 09 06	32
5.22.1 PATENT AND COPYRIGHT INDEMNITY	32
5.22.2 INDEMNIFICATION	32
5.22.3 INSURANCE - PROFESSIONAL LIABILITY INSURANCE	33
5.23 CONTRACT ACTIVITY REPORT	33
6.0 PROPOSAL EVALUATION	35
6.1 PROPOSAL EVALUATION COMMITTEE	35
6.2 ORAL PRESENTATION AND/OR CLARIFICATION OF BID PROPOSAL.....	35
6.3 EVALUATION CRITERIA	35
6.3.1 TECHNICAL EVALUATION CRITERIA	35
6.3.2 BIDDER'S PRICE SCHEDULE	36
6.3.3 BID DISCREPANCIES	36
6.3.4 EVALUATION OF THE BID PROPOSALS	36
6.4 NEGOTIATION AND BEST AND FINAL OFFER (BAFO).....	36
7.0 CONTRACT AWARD	38
7.1 DOCUMENTS REQUIRED BEFORE CONTRACT AWARD	38
7.1.1 REQUIREMENTS OF N.J.S.A. 19:44A-20.13-25 (FORMERLY EXECUTIVE ORDER 134).....	38
7.1.1.1 DEFINITIONS	38

7.1.1.2 BREACH OF TERMS OF THE LEGISLATION.....	38
7.1.1.3 CERTIFICATION AND DISCLOSURE REQUIREMENTS.....	39
7.1.1.4 STATE TREASURER REVIEW	39
7.1.1.5 ADDITIONAL DISCLOSURE REQUIREMENT OF P.L. 2005, C. 271.....	39
7.1.2 SOURCE DISCLOSURE REQUIREMENTS.....	40
7.1.2.1 REQUIREMENTS OF N.J.S.A. 52:34-13.2.....	40
7.1.2.2 SOURCE DISCLOSURE REQUIREMENTS	40
7.1.2.3 BREACH OF CONTRACT OF EXECUTIVE ORDER 129.....	40
7.2 FINAL CONTRACT AWARD	40
7.3 INSURANCE CERTIFICATES	40
7.4 PERFORMANCE BOND	40
8.0 CONTRACT ADMINISTRATION.....	41
8.1 CONTRACT MANAGER	41
8.1.1 STATE CONTRACT MANAGER RESPONSIBILITIES.....	41
8.1.2 COORDINATION WITH THE STATE CONTRACT MANAGER	41
PRICE SCHEDULE	42

NOTICE TO BIDDERS

SET-ASIDE CONTRACTS

N.J.S.A 52:32-17, N.J.A.C. 17:13, 12A:10

Pursuant to the provisions of the New Jersey statute and administrative code cited above, this contract, or a portion thereof, has been designated as a set-aside contract for Small Business. As such, as indicated on page one of this document, eligibility to bid is limited to bidders (or subcontractors, as applicable) that meet statutory and regulatory requirements and have had their eligibility determined by the New Jersey Commerce, Economic Growth and Tourism Commission (Commerce). The definitions of each Small Business set-aside category can be found at N.J.A.C. 17:13-1.2 or N.J.A.C. 12A:10-1.2.

"Small Business" means a business that has its principal place of business in the state of New Jersey, is independently owned and operated, and has no more than 100 full-time employees.

The new program places Small Business into the following categories: (I) those with gross revenues up to \$500,000; (II) those with gross revenues of up to \$5 million; and (III) those with gross revenues that do not exceed \$12 million. While companies registered as having revenues below \$500,000 can bid on any contract, those earning more than the \$500,000 and \$5 million amounts will not be permitted to bid on contracts designated for revenue classifications below their respective levels.

Each business interested in bidding for this contract should provide, as part of its response to this solicitation, proof of its current registration as a qualifying Small Business with New Jersey Commerce, Economic Growth and Tourism Commission. Any business that seeks to register as a Small Business is required to submit a fee along with its application to Commerce.

All necessary forms and any additional information concerning registration may be obtained by contacting Commerce's office of Small Business services, by telephone at the number below, or by mail, or in person between the hours of 9:00 am and 5:00 pm at the address below:

NEW JERSEY COMMERCE, ECONOMIC GROWTH AND TOURISM COMMISSION
OFFICE OF SMALL BUSINESS SERVICES
20 WEST STATE STREET - 4TH FLOOR
PO BOX 820, TRENTON, NJ 08625-0820

TELEPHONE: 609-292-2146

1.0 INFORMATION FOR BIDDERS

1.1 PURPOSE AND INTENT

This Request for Proposal (RFP) is issued by the Purchase Bureau, Division of Purchase and Property, Department of the Treasury on behalf of Division of Pensions and Benefits, Department of the Treasury. The purpose of this RFP is to solicit bid proposals to administer two flexible spending account (FSA) plans under the State's Section 125 Tax Savings Program for the Department of the Treasury, Division of Pensions and Benefits.

The intent of this RFP is to award a contract to that responsible bidder whose bid proposals, conforming to this RFP is most advantageous to the State, price and other factors considered. However, the State reserves the right to separately procure individual requirements that are the subject of the contract during the contract term, when deemed by the Director to be in the State's best interest.

The NJ Standard Terms & Conditions version 05 09 06 will apply to all contracts or purchase agreements made with the State of New Jersey. These terms are in addition to the terms and conditions set forth in this RFP and should be read in conjunction with them unless the RFP specifically indicates otherwise.

1.2 BACKGROUND

The Section 125 Tax Savings Program was established in 1996 pursuant to N.J.S.A. 52:14-15.1a. This program consists of three separate component plans, an unreimbursed medical spending account (UMSA), a dependent care spending account (DCSA), and a premium conversion plan. Under the UMSA plan, eligible employees can set aside up to \$2,000 on a pre-tax basis for out-of-pocket expenses not covered by insurance. Employees can set aside up to \$5,000 under the DCSA. The premium conversion plan allows employees to pay any State Health Benefits Program (SHBP) medical and/or dental premiums they have with before-tax dollars. This is a multiple-employer program, which is available to full-time State employees eligible for employer paid health insurance coverage through the SHBP.

The annual open enrollment period for the Section 125 program generally runs the month of October. Eligible employees who fail to enroll during the open enrollment period are not permitted to participate in the program for the upcoming plan year unless they experience a qualifying change in family status. New hires and other newly eligible employees are permitted to enroll in the FSA plans after a waiting period of 60 days for the UMSA plan and 30 days for the DCSA plan.

The minimum election amounts are \$100 per calendar year for the UMSA and \$250 per calendar year for the DCSA.

Reimbursement claims are processed on a weekly basis. Reimbursement checks are mailed to the participant's home address. Participants can also elect to receive reimbursements via direct deposit. UMSA participants receive a stored value debit card that can be used to pay for qualifying medical expenses. The debit card is not used in the DCSA plan.

Internet services are available to participants including the ability to download plan forms and instructions, the ability to enroll on-line during the annual open enrollment period, and the ability to access account information on-line. Participants can also access account information via an interactive voice response unit system.

The run-off period for filing reimbursement claims following the end of the plan year is January 1 through April 30. Both FSA plans have adopted the 2 ½ month grace period extension rule for incurring qualifying expenses.

Participant Data:

Approximate number of eligible employees: 126,000

Employees currently participating in a flexible spending account: 5,416

Employees with an Unreimbursed Medical Spending Account: 5,209

Employees with a Dependent Care Spending Account: 1,464

Listing of Participating Employers:

State of New Jersey (Centralized Payroll)
The College of New Jersey
New Jersey City University
Kean University
Montclair State University
New Jersey Institute of Technology
New Jersey Commerce & Economic Growth Commission
Palisade Interstate Park Commission
Rowan University
Ramapo College of New Jersey
Rutgers University
Richard Stockton College of New Jersey
Thomas Edison State College
University of Medicine and Dentistry of New Jersey
William Paterson University

This is a procurement of the **Administrative Services for Section 125 Flexible Spending Account** term contract, presently due to expire on **December 31, 2007**. Bidders who are interested in the current contract specifications and pricing information may review the current contract (T# 2010) at <http://www.state.nj.us/treasury/purchase/contracts.htm>.

1.3 KEY EVENTS

1.3.1 ELECTRONIC QUESTION AND ANSWER PERIOD

The Purchase Bureau will accept questions and inquiries from all potential bidders electronically via web form. To submit a question, please go to Current Bid Opportunities webpage or to <http://ebid.nj.gov/QA.aspx>

Questions should be directly tied to the RFP and asked in consecutive order, from beginning to end, following the organization of the RFP. Each question should begin by referencing the RFP page number and section number to which it relates.

Bidders are not to contact the Using Agency directly, in person, by telephone or by email, concerning this RFP.

The cut-off date for electronic questions and inquiries relating to this RFP is indicated on the cover sheet. Addenda to this RFP, if any, will be posted on the Purchase Bureau website after the cut-off date (see Section 1.4.1. of this RFP for further information.)

1.3.2 SUBMISSION OF BID PROPOSAL

In order to be considered for award, the bid proposal must be received by the Purchase Bureau of the Division of Purchase and Property at the appropriate location by the required time. **ANY BID PROPOSAL NOT RECEIVED ON TIME AT THE LOCATION INDICATED BELOW WILL BE REJECTED. THE DATE AND TIME IS INDICATED ON THE COVER SHEET. THE LOCATION IS AS FOLLOWS:**

BID RECEIVING ROOM - 9TH FLOOR
PURCHASE BUREAU
DIVISION OF PURCHASE AND PROPERTY
DEPARTMENT OF THE TREASURY
33 WEST STATE STREET, P.O. BOX 230
TRENTON, NJ 08625-0230

Directions to the Purchase Bureau can be found at the following web address:
<http://www.state.nj.us/treasury/purchase/directions.htm>.

Note: Bidders using USPS Regular or Express mail services should allow additional time since USPS mail deliveries are not delivered directly to the Purchase Bureau.

Procedural inquiries on this RFP may be directed to (609) 292-4751. The Purchase Bureau will not respond to substantive questions related to the RFP or any contract.

To submit an RFP or contract related question, go to the Current Bidding Opportunities webpage or to <http://ebid.nj.gov/QA.aspx>.

1.4 ADDITIONAL INFORMATION

1.4.1 ADDENDA: REVISIONS TO THIS RFP

In the event that it becomes necessary to clarify or revise this RFP, such clarification or revision will be by addendum. Any addendum to this RFP will become part of this RFP and part of any contract awarded as a result of this RFP.

ALL RFP ADDENDA WILL BE ISSUED ON THE DIVISION OF PURCHASE AND PROPERTY WEB SITE. TO ACCESS ADDENDA, SELECT THE BID NUMBER ON THE BIDDING OPPORTUNITIES WEB PAGE AT THE FOLLOWING ADDRESS:

<http://www.state.nj.us/treasury/purchase/bid/summary/bid.shtml>.

There are no designated dates for release of addenda. Therefore interested bidders should check the Purchase Bureau "Bidding Opportunities" website on a daily basis from time of RFP issuance through bid opening.

It is the sole responsibility of the bidder to be knowledgeable of all addenda related to this procurement.

1.4.2 BIDDER RESPONSIBILITY

The bidder assumes sole responsibility for the complete effort required in submitting a bid proposal in response to this RFP. No special consideration will be given after bid proposals are opened because of a bidder's failure to be knowledgeable as to all of the requirements of this RFP.

1.4.3 COST LIABILITY

The State assumes no responsibility and bears no liability for costs incurred by a bidder in the preparation and submittal of a bid proposal in response to this RFP.

1.4.4 CONTENTS OF BID PROPOSAL

Subsequent to bid opening, all information submitted by bidders in response to the bid solicitation is considered public information, except as may be exempted from public disclosure by the Open Public Records Act, N.J.S.A. 47:1A-1 et seq., and the common law. Because the State proposes to negotiate and/or pursue a Best and Final Offer, bid proposals will not be made public until the Letter of Intent to Award is issued.

A bidder may designate specific information as not subject to disclosure when the bidder has a good faith legal/factual basis for such assertion. The State reserves the right to make the determination and will advise the bidder accordingly. The location in the bid proposal of any such designation should be clearly stated in a cover letter. **The State will not honor any attempt by a bidder either to designate its entire bid proposal as proprietary and/or to claim copyright protection for its entire proposal.**

By signing the cover sheet of this RFP, the bidder waives any claims of copyright protection set forth within the manufacturer's price list and/or catalogs. The price lists and/or catalogs must be accessible to State using agencies and cooperative purchasing partners and thus have to be made public to allow all eligible purchasing entities access to the pricing information.

All bid proposals, with the exception of information determined by the State or the Court to be proprietary, are available for public inspection after the Letter of Intent to Award is issued. At such time, interested parties can make an appointment with the Purchase Bureau to inspect bid proposals received in response to this RFP.

1.4.5 BID OPENING

On the date and time bid proposals are due under the RFP, only the names of the bidders submitting bid proposals will be publicly announced. The contents of the bid proposals shall remain confidential until the Notice of Intent to Award is issued by the Director.

1.4.6 PRICE ALTERATION

Bid prices must be typed or written in ink. Any price change (including "white-outs") must be initialed. Failure to initial price changes shall preclude a contract award from being made to the bidder.

1.4.7 BID ERRORS

In accordance with N.J.A.C. 17:12-1.22, "Bid Errors," a bidder may withdraw its bid as follows:

A bidder may request that its bid be withdrawn prior to bid opening. Such request must be made, in writing, to the Supervisor of the Business Unit. If the request is granted, the bidder may submit a revised bid as long as the bid is received prior to the announced date and time for bid opening and at the place specified.

If, after bid opening but before contract award, a bidder discovers an error in its proposal, the bidder may make written request to the Supervisor of the Business Unit for authorization to

withdraw its proposal from consideration for award. Evidence of the bidder's good faith in making this request shall be used in making the determination. Some of the factors that may be considered are that the mistake is so significant that to enforce the contract resulting from the proposal would be unconscionable; that the mistake relates to a material feature of the contract; that the mistake occurred notwithstanding the bidder's exercise of reasonable care; and that the State will not be significantly prejudiced by granting the withdrawal of the proposal. Note: a PB-36 complaint form may be filed and forwarded to the Division's Contract Compliance and Administration Unit (CCAU) for handling. A record of the complaint will also be maintained in the Division's vendor performance file for evaluation of future bids submitted.

All bid withdrawal requests must include the bid identification number and the final bid opening date and sent to the following address:

Department of the Treasury
Purchase Bureau, PO Box 230
33 West State Street – 9th Floor
Trenton, New Jersey 08625-0230
Attention: Supervisor, Business Unit

If during a bid evaluation process, an obvious pricing error made by a potential contract awardee is found, the Director shall issue written notice to the bidder. The bidder will have five days after receipt of the notice to confirm its pricing. If the vendor fails to respond, its bid shall be considered withdrawn, and no further consideration shall be given it.

If it is discovered that there is an arithmetic disparity between the unit price and the total extended price, the unit price shall prevail. If there is any other ambiguity in the pricing other than a disparity between the unit price and extended price and the bidder's intention is not readily discernible from other parts of the bid proposal, the Director may seek clarification from the bidder to ascertain the true intent of the bid.

1.4.8 JOINT VENTURE

If a joint venture is submitting a bid proposal, the agreement between the parties relating to such joint venture should be submitted with the joint venture's bid proposal. Authorized signatories from each party comprising the joint venture must sign the bid proposal. A separate Ownership Disclosure Form, Disclosure of Investigations and Actions Involving Bidder, Affirmative Action Employee Information Report, MacBride Principles Certification, and Business Registration or Interim Registration must be supplied for each party to a joint venture.

2.0 DEFINITIONS

2.1 GENERAL DEFINITIONS

The following definitions will be part of any contract awarded or order placed as result of this RFP.

Addendum – Written clarification or revision to this RFP issued by the Purchase Bureau.

All Inclusive Firm Fixed Price – A price that is all-inclusive of direct cost and indirect costs, including, but not limited to, direct labor costs, overhead, fee or profit, clerical support, equipment, materials, supplies, managerial (administrative) support, all documents, reports, forms, travel, reproduction and any other costs. No additional fees or costs shall be paid by the State unless there is a change in the scope of work.

Amendment – A change in the scope of work to be performed by the contractor. An amendment is not effective until it is signed by the Director, Division of Purchase and Property.

Bidder – An individual or business entity submitting a bid proposal in response to this RFP.

Contract – This RFP, any addendum to this RFP, and the bidder's proposal submitted in response to this RFP, as accepted by the State.

Contractor – The bidder awarded a contract resulting from this RFP. Also referred to as the Implementation Contractor.

Director – Director, Division of Purchase and Property, Department of the Treasury. By statutory authority, the Director is the chief contracting officer for the State of New Jersey.

Division – The Division of Purchase and Property

Evaluation Committee – A committee established by the Director to review and evaluate bid proposals submitted in response to this RFP and to recommend a contract award to the Director.

Joint Venture – A business undertaking by two or more entities to share risk and responsibility for a specific project.

May – Denotes that which is permissible, not mandatory.

Project – The undertaking or services that are the subject of this RFP.

Request for Proposal (RFP) – This document which establishes the bidding and contract requirements and solicits bid proposals to meet the purchase needs of the using Agencies as identified herein.

Shall or Must – Denotes that which is a mandatory requirement. Failure to meet a mandatory requirement will result in the rejection of a bid proposal as materially non-responsive.

Should – Denotes that which is recommended, not mandatory.

State Contract Manager – The individual responsible for the approval of all deliverables, i.e., tasks, sub-tasks or other work elements in the Scope of Work as set forth in Sections 8.1, 8.1.1 and 8.1.2.

Subtasks – Detailed activities that comprise the actual performance of a task.

State – State of New Jersey.

Subcontractor – An entity having an arrangement with a State contractor, where the State contractor uses the products and/or services of that entity to fulfill some of its obligations under its State contract, while retaining full responsibility for the performance of all of its [the contractor's] obligations under the contract, including payment to the subcontractor. The subcontractor has no legal relationship with the State, only with the contractor.

Task – A discrete unit of work to be performed.

Using Agency[ies] – The entity[ies] for which the Division has issued this RFP and will enter into a contract.

2.2 CONTRACT SPECIFIC DEFINITIONS

None

3.0 SCOPE OF WORK

3.1 GENERAL REQUIREMENTS

The contractor shall handle all administrative and recordkeeping functions including processing enrollments, terminations and election changes, member correspondence, maintaining individual FSA accounts for participating employees, and processing reimbursement claims. Claim payments shall be from an account established in the contractor's name. Administrative services to be provided shall also include preparing informational plan materials and providing employer and employee training.

3.2 SPECIFIC REQUIREMENTS

The contractor shall be required to provide the following administrative services:

3.2.1 ENROLLMENT SERVICES

The Contractor shall participate in the open enrollment for the 2008 plan year that will run from October 1 through October 31, 2007. All required enrollment services shall be in place prior to the start of the open enrollment period.

The contractor shall meet with the designated State Contract Manager to discuss and organize the annual open enrollment. Open enrollment meetings and discussions shall commence no later than June 1, 2007. The contractor shall participate in at least one on-site open enrollment meeting per year. The contractor shall also make at least one on-site visit to each participating employer's worksite prior to the commencement of the 2008 plan year to establish working procedures and timelines.

The contractor shall conduct employer and employee training, as requested, during and around the annual open enrollment period.

The contractor shall prepare communication/announcement materials for the flexible spending accounts. Plan year 2008 materials shall be prepared by the successor contractor.

At a minimum, the contractor must provide the following written materials:

- A pamphlet that provides a general description of the flexible spending account plans, lists the major expenses covered by the accounts, stresses the advantages of participating in the program, covers important enrollment and claim filing deadlines, and lists available IVR and internet services. **Sufficient copies of the FSA pamphlet must be available for distribution to all eligible employees.**
- A booklet containing a more detailed description of the plans, a comprehensive listing of eligible and ineligible expenses under each plan, use-it-or-lose-it rule, change in family status requirement for election changes, important plan deadlines and cutoffs, procedures for filing claims and using the UMSA stored value card, options available under the UMSA plan due to a COBRA qualifying event, comprehensive listing of available services, and description of other important plan provisions. **Sufficient copies of the FSA booklet must be available for distribution to those who are interested in the program (approximately 7,000). The FSA booklet will not be distributed to all eligible employees.**
- All required FSA forms with instructions including the election (enrollment) form, reimbursement claim form, and change in family status form.

The State prepares an annual newsletter that is distributed to eligible State employees prior to the start of the annual open enrollment period. The newsletter and the FSA pamphlet are provided to employees by the participating employers. The Contractor shall print and distribute sufficient copies of these materials to the employers prior to the start of the open enrollment. For employees on the State's Centralized Payroll, the materials shall be mailed to several designated State distribution centers.

All plan materials, letters and forms shall be approved by the State Contract Manager prior to distribution.

For those enrolling in the FSA plans, the contractor shall provide a welcome kit, which shall include the following information:

- An enrollment confirmation letter;
- Summary plan description;
- For UMSA participants, a stored-value debit card with instructions (two cards per participant.)
- Reimbursement claim forms with instructions;
- Information regarding COBRA.

The contractor shall mail welcome kits to the participant's home address.

The contractor shall provide three ways for employees to enroll in the FSA program. Specifically, enrollment options shall include on-line enrollment via the contractor's web site, enrollment via a toll free Interactive Voice Response phone dial-up, and paper enrollment. Paper election forms shall be sent directly to the contractor by the participant.

Prior to the start of the annual open enrollment period, the contractor shall mail to the current plan participants a notice announcing the open enrollment and instructing participants that re-enrollment in the FSA plans is required.

3.2.2 ADMINISTRATIVE SERVICES

The contractor shall administer a stored value debit card program for UMSA participants. Two debit cards shall be provided to each UMSA participant prior to the start of the plan year and, for new hires and other newly eligible employees, upon enrolling in the plan. The contractor shall adhere to IRS substantiation rules applicable to the use of debit cards in FSA programs as specified in *IRS Notice 2006-69*. Any fees associated with the issuance or use of debit cards should be included in the per member/per month base cost and no cost shall be charged to the participant.

The contractor shall establish a website for the State's FSA program that employees can access to obtain account information and to utilize on-line services. The web-site shall include general information regarding the FSA plans.

Required internet services provided by the contractor shall include: (a) enrolling on-line during the annual open enrollment period; (b) ability to download plan forms, including the election form, change of status form, and reimbursement claim form; (c) access to member account information, including claim payments, pending claims and account balances; and (d) ability to file reimbursement claim forms on-line.

The contractor shall provide a toll free number that employees can call for general account information or to speak to a representative. Customer service representatives shall be available

Monday through Friday, between the hours of 9:00 am and 5:00 pm. The Contractor shall also provide a toll-free 24 hour automated interactive voice response (IVR) system that employees can use to obtain account information including the following: (a) annual election; (b) total deposits to date; (c) eligible claims to date; (d) claim payments to date; (e) current cash balance; (f) date and amount of last claim payment, and (g) remaining balance to be claimed.

3.2.3 CLAIMS PROCESSING SERVICES

Salary reduction amounts deducted by employers shall be forwarded to the contractor based upon the employer's normal payroll cycle. Most employers operate on a bi-weekly payroll cycle and will make 26 deductions in a full plan year for 12 month employees. However, certain colleges and universities will have 24 payroll feeds in a given plan year for 12 months employees and 20 payroll feeds for their 10 month employees. Employers shall have the option of turning over payroll deductions to the Contractor via ACH payment, wire transfer, or paper check.

The contractor shall post contributions received from participating employers to individual participant accounts. Reimbursements for incurred expenses shall be made to employees upon the submission of a properly completed reimbursement claim form with required documentation. Reimbursements must be made from an account established in the contractor's own name. The contractor shall establish and maintain controls to ensure that only valid claims are processed and that proper documentation to substantiate incurred expenses accompany submitted claims.

Participants shall be permitted to mail or fax claim forms to the contractor, and to file claim forms electronically via the contractor's internet site.

Reimbursement checks shall be accompanied by a statement summarizing the member's account activity, including the participant's total election, deposits to date, claims received, claims processed and current account balance. If a filed claim is deemed to be invalid or if additional information is required to process a claim, a letter must be sent to the claimant detailing the reason for the denial of the claim or the specific information needed in order to process the claim.

The contractor shall process claim reimbursements on a weekly basis. Reimbursements shall be made on Friday of each week. The cutoff date for submitting reimbursement claim forms for the current week's reimbursements shall be the close of business on Wednesday.

In accordance with federal rules and guidelines, the maximum amount of reimbursement shall be available at all times during the period of coverage under the UMSA plan. The maximum amount of reimbursement at any particular time during the period of coverage cannot relate to the extent to which the participant has paid the required premiums to the UMSA.

Under the DCSA plan, the maximum amount of reimbursement available to the participant during any period shall be the amount posted to the DCSA at the time of reimbursement. Eligible claims shall be paid up to the available cash balance in the DCSA account, and the remaining amount shall be pended and paid to the participant each reimbursement cycle as additional payroll deductions are posted to the account. The minimum reimbursement amount shall be set at \$25.00.

To ensure that DCSA participants have immediate access to funds deducted for their DCSA coverage, payroll deductions received from employers by the close of business on Thursday shall be posted to the participant's account and available for reimbursement on the next business day.

For those employees participating in the UMSA who are off payroll due to a leave of absence without pay, the contractor shall provide a letter to the participant detailing the options available

during the period of unpaid leave under COBRA. The letter shall be sent by the contractor directly to the participant's home address.

If an employee elects to continue payments under the UMSA after-tax during a period of unpaid leave, the contractor shall be responsible for billing the employee and collecting required contributions during the leave the absence. Upon return from leave, the employer shall be notified to resume payroll deductions.

3.2.4 ELECTRONIC FILE TRANSFER REQUIREMENTS:

The contractor shall provide a secure internet site from which enrollment and payroll deduction files can be safely transferred between the contractor and the participating employers.

For all data that is transmitted by the contractor, the standard method of transmission is Connect Direct: Secure +. The Secure+ option provides strong authentication, data encryption and data integrity checking. It uses X.509 certificates to positively identify the entities with which data is shared and uses Secure Socket Layer (SSL) technology for data encryption.

At least four weeks prior to the start of the plan year, the contractor shall create and forward to each payroll location an electronic file containing FSA annual elections and per pay period deduction amounts for all eligible employees enrolling in the program.

A file shall be forwarded to each payroll location on a biweekly basis, or per an arranged file transfer timeline, to serve as notification of enrollment for new hires, newly eligible employees, transfers, recalculated per-pay period deduction amounts and shut-off deduction notifications. Payroll files shall be sent timely and accurately to participating employers based on the employer's payroll schedule.

Prior to the start of the annual open enrollment, an initial eligibility load file will be forwarded to the contractor by each participating employer. The file will contain pertinent employee data for those eligible to participate in the program. Based upon the employer's payroll deduction cycle, two files will be forwarded to the contractor each pay period: (1) an updated eligibility file to notify the contractor of new hires and others who are eligible to participate in the FSA plans; and (2) a payroll deduction file for all employees enrolled in the FSA plan.

Payroll deduction errors and/or omissions must be investigated and brought to the attention of the employer. A timely payroll deduction discrepancy report detailing missing deductions shall be prepared and sent to the participating employer.

Procedures shall be established to accommodate those employees who transfer between two participating employers. Members who terminate with one employer and are hired by another participating employer without a break in service or with a break in service of no more than 30 days will be treated as continuing in the program, and not as terminating with the first employer and re-enrolling in the program with the new employer. Those with more than a 30 day break between employment shall be processed as terminating from the program with the first employer and picked up as new hires with the new employer.

3.2.5 END OF YEAR SERVICES

The program's cut-off date for filing reimbursement claims following the end of the plan year is April 30th. The contractor shall be required to process reimbursement claims received from participants up through the April 30th cutoff date.

The contractor shall provide two reminder notices to participants who have unused funds in their FSA account after December 31. An initial notice shall be sent on or around the end of January and shall inform the participant that any unused funds in the participant's account after the April 30th cutoff date will be forfeited. A second notice shall be sent on or around the end of March to those who still have unused funds in their account for the prior plan year. The contractor shall mail reminder notices to the participant's home address.

The program adopted the grace period extension rule for both FSA accounts, which allows participants to be reimbursed for qualifying expenses incurred between January 1 and March 15 following the end of the plan year from the prior year's election. The contractor shall be required to treat reimbursement claims filed by participants during the grace period as first being applied toward any unused funds from the prior year. Debit card charges for UMSA participants shall be applied toward any prior year unused amount before charging expenses to the current year's election.

The contractor shall prepare and send a final reconciliation report of the individual member accounts to the Division of Pensions and Benefits. The report shall be formatted in Microsoft Excel, Word or Access and shall be e-mailed to the Division of Pensions and Benefits. In addition, the contractor shall send a check made out to the State of NJ, Dept. of the Treasury, Div. of Administration – Care of Div. of Pensions and Benefits with an amount equal to the amount of forfeited funds. Accompanying the check shall be a report listing those participants who forfeited funds. This listing shall include the participant's name, social security number and forfeiture amount. This must be accomplished within 120 days of the April 30th cutoff date.

The contractor shall provide limited services following the end of the contract term. For the plan year ending on the contract expiration date, the contractor shall continue to process reimbursement claims filed by participants for the prior year. After the run-off period for filing reimbursement claims has ended, the contractor shall account for any unused funds and return such funds to Pensions and Benefits along with the year-end forfeiture report.

3.3 REPORTS

The contractor shall compile on a periodic basis, reports that summarize the claims activity and provide detailed member account information. At a minimum, the following reports shall be prepared and forwarded to the State Contract Manager:

1. A report prior to the start of the plan year that lists the plan participants and their election amount.
2. A quarterly activity report which includes a detailed listing of participants, deposits to date, claims submitted, claims paid and current account balances.
3. A preliminary forfeiture report prepared as of December 31st with member account detail.
4. A final forfeiture report with member account detail within 120 days following the close of the plan year.

4.0 BID PROPOSAL PREPARATION AND SUBMISSION

4.1 GENERAL

The bidder is advised to thoroughly read and follow all instructions contained in this RFP, including the instructions on the RFP's signatory page, in preparing and submitting its bid proposal.

Note: Bid proposals shall not contain URLs (Uniform Resource Locators, i.e., the global address of documents and other resources on the world wide web) or web addresses. Inasmuch as the web contains dynamically changing content, inclusion of a URL or web address in a bid response is indicative of potentially changing information. Inclusion of a URL or web address in a bid response implies that the bid's content changes as the referenced web pages change.

4.2 BID PROPOSAL DELIVERY AND IDENTIFICATION

In order to be considered, a bid proposal must arrive at the Purchase Bureau in accordance with the instructions on the RFP signatory page

<http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml>. Bidders are cautioned to allow adequate delivery time to ensure timely delivery of bid proposals. **State regulation mandates that late bid proposals are ineligible for consideration. THE EXTERIOR OF ALL BID PROPOSAL PACKAGES ARE TO BE LABELED WITH THE BID IDENTIFICATION NUMBER AND THE FINAL BID OPENING DATE OR RISK NOT BEING RECEIVED IN TIME.**

4.3 NUMBER OF BID PROPOSAL COPIES

The bidder must submit **one (1) complete ORIGINAL bid proposal**, clearly marked as the "ORIGINAL" bid proposal. The bidder should submit **eight (8) full, complete and exact copies** of the original. The copies requested are necessary in the evaluation of the bid proposal. A bidder failing to provide the requested number of copies will be charged the cost incurred by the State in producing the requested number of copies. It is suggested that the bidder make and retain a copy of its bid proposal.

4.4 BID PROPOSAL CONTENT

The bid proposal should be submitted in one volume and that volume divided into four (4) sections with tabs (separators), and the content of the material located behind each tab, as follows:

- Section 1 - Forms (Section 4.4.1 - 4.4.3.)
- Section 2 - Technical Proposal (Section 4.4.4)
- Section 3 - Organizational Support and Experience (Section 4.4.5)
- Section 4 - Cost Proposal (Section 4.4.6)

4.4.1 FORMS THAT MUST BE SUBMITTED WITH BID PROPOSAL

4.4.1.1 SIGNATORY PAGE

The bidder shall complete and submit the Signatory page provided on the Advertised Solicitation, Current Bid Opportunities webpage

<http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml>. The Signatory page shall be signed by an authorized representative of the bidder. If the bidder is a limited partnership, the Signatory page must be signed by a general partner. If the bidder is a joint

venture, the Signatory page must be signed by a principal of each party to the joint venture. Failure to comply will result in rejection of the bid proposal.

4.4.1.2 OWNERSHIP DISCLOSURE FORM

In the event the bidder is a corporation, partnership or sole proprietorship, the bidder must complete the attached Ownership Disclosure Form. A current completed Ownership Disclosure Form must be received prior to or accompany the bid proposal. Failure to do so will preclude the award of a contract.

The Ownership Disclosure Form is located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml>.

4.4.1.3 DISCLOSURE OF INVESTIGATIONS/ACTIONS INVOLVING BIDDER

The bidder shall provide a detailed description of any investigation, litigation, including administrative complaints or other administrative proceedings, involving any public sector clients during the past five years including the nature and status of the investigation, and, for any litigation, the caption of the action, a brief description of the action, the date of inception, current status, and, if applicable, disposition. The bidder shall use the Disclosure of Investigations and Actions Involving Bidder form located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml>.

4.4.1.4 NOTICE OF INTENT TO SUBCONTRACT FORM

All bidders shall complete the attached Notice of Intent to Subcontract Form <http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml> to advise the State as to whether or not a subcontractor will be utilized to provide any goods or services under the contract. If this is a Small Business Subcontracting set-aside contract, the bidder must comply with the Procedures for Small Business Participation as Subcontractors set forth in <http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml>.

4.4.1.5 SUBCONTRACTOR UTILIZATION FORM

If the bidder intends to utilize a subcontractor, the Subcontractor Utilization Form <http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml> must be completed and submitted with the bid proposal.

4.4.2 PROOFS OF REGISTRATION THAT MUST BE SUBMITTED WITH THE BID PROPOSAL

4.4.2.1 BUSINESS REGISTRATION CERTIFICATE FROM THE DIVISION OF REVENUE

FAILURE TO SUBMIT A COPY OF THE BIDDER'S BUSINESS REGISTRATION CERTIFICATE (OR INTERIM REGISTRATION) FROM THE DIVISION OF REVENUE WITH THE BID PROPOSAL MAY BE CAUSE FOR REJECTION OF THE BID PROPOSAL.

The bidder may go to www.nj.gov/njbgs to register with the New Jersey Division of Revenue or to obtain a copy of an existing Business Registration Certificate.

Refer to Section 1.1. of the NJ Standard Terms and Conditions version 05 09 06 located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml>.

4.4.2.2 SMALL BUSINESS SET-ASIDE CONTRACTS

This is a contract with set aside subcontracting goals for Small Businesses. All bidders must include in their bid proposal a completed and signed **Notice of Intent to Subcontract** form located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml>. Bidders intending to utilize subcontractors must also include a completed and signed Subcontractor Utilization Plan form located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml>. Failure to submit the required forms shall result in a determination that the bid is materially non-responsive. Bidders seeking eligible small businesses should contact the New Jersey Commerce, Economic Growth and Tourism Commission at (609) 292-2146.

4.4.3 FORMS THAT MUST BE SUBMITTED BEFORE CONTRACT AWARD AND SHOULD BE SUBMITTED WITH THE BID PROPOSAL.

4.4.3.1 MACBRIDE PRINCIPLES CERTIFICATION

The bidder is required to complete the attached MacBride Principles Certification evidencing compliance with the MacBride Principles. The requirement is a precondition to entering into a State contract. The MacBride Principles Certification Form is located on the Advertised Solicitation, Current Bid Opportunities webpage:
<http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml>.

4.4.3.2 AFFIRMATIVE ACTION

The bidder is required to submit a copy of Certificate of Employee Information or a copy of Federal Letter of Approval verifying that the bidder is operating under a federally approved or sanctioned Affirmative Action program. If the bidder has neither document of Affirmative Action evidence, then the bidder must complete the attached Affirmative Action Employee Information Report (AA-302). This requirement is a precondition to entering into a State contract. The Affirmative Action Employee Information Report (AA-302) is located on the Advertised Solicitation, Current Bid Opportunities webpage:
<http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml>.

4.4.3.3 SERVICES SOURCE DISCLOSURE FORM

Pursuant to N.J.S.A. 52:34-13.2, the bidder is required to submit with its bid proposal a completed source disclosure form. The Services Source Disclosure Form is located on the Advertised Solicitation, Current Bid Opportunities webpage
<http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml>. Refer to section 7.1.2 of this RFP.

4.4.4 TECHNICAL PROPOSAL

In this Section, the bidder shall describe its approach and plans for accomplishing the work outlined in the Scope of Work Section, i.e., Section 3.0. The bidder must set forth its understanding of the requirements of this RFP and its ability to successfully complete the contract. This Section of the bid proposal should contain at least the following information:

4.4.4.1 MANAGEMENT OVERVIEW

The bidder shall set forth its overall technical approach and plans to meet the requirements of the RFP in a narrative format. This narrative should convince the State that the bidder

understands the objectives that the contract is intended to meet, the nature of the required work and the level of effort necessary to successfully complete the contract. This narrative should convince the State that the bidder's general approach and plans to undertake and complete the contract are appropriate to the tasks and subtasks involved.

Mere reiterations of RFP tasks and subtasks are strongly discouraged, as they do not provide insight into the bidder's ability to complete the contract. The bidder's response to this section should be designed to convince the State that the bidder's detailed plans and approach proposed to complete the Scope of Work are realistic, attainable and appropriate and that the bidder's bid proposal will lead to successful contract completion.

4.4.4.2 CONTRACT MANAGEMENT

The bidder should describe its specific plans to manage, control and supervise the contract to ensure satisfactory contract completion according to the required schedule. The plan should include the bidder's approach to communicate with the State Contract Manager including, but not limited to, status meetings, status reports, etc.

Other Requirements

In addition to describing in detail all required services, the bidder shall include the following:

Samples of educational and training materials;
Samples of required communication materials including employee claim forms and Explanation of Payment(s) forms that accompany claim payments to employees;
Samples of required management reports

In addition, a detailed description of the bidder's claims processing procedure shall be provided, including a detailed explanation of the bidder's data processing capabilities. The standard for all transmissions is presently Connect: Direct Secure+ (See Section 3.2.4). The bidder must document their ability to support Connect: Direct Secure+ and maintain software compatibility with the State on all patches and new releases of the product.

4.4.4.3 CONTRACT SCHEDULE

The bidder should include a contract schedule. If key dates are a part of this RFP, the bidder's schedule should incorporate such key dates and should identify the completion date for each task and sub-task required by the Scope of Work. Such schedule should also identify the associated deliverable item(s) to be submitted as evidence of completion of each task and/or subtask.

The bidder should identify the contract scheduling and control methodology to be used and should provide the rationale for choosing such methodology. The use of Gantt, PERT or other charts is at the option of the bidder.

4.4.4.4 MOBILIZATION AND IMPLEMENTATION PLAN

It is essential that the State move forward quickly to have the contract in place. Therefore, the bidder, except for the incumbent contractor, must include as part of its proposal a mobilization and implementation plan, beginning with the date of notification of contract award.

Such mobilization and implementation plan should include the following elements:

(a) A detailed timetable for the mobilization and implementation period. Such detailed timetable shall be designed to demonstrate how the bidder will have the contract up and operational following the notification of the contract award. In preparing the timetable, the following key elements should be taken into consideration:

- All plan materials, including the open enrollment announcements, must be approved and ready for distribution to employers by the end of August.
- The timeline and a procedure for the importing and exporting of eligibility and payroll files must be established with each participating employer. The contractor must be prepared to receive eligibility files from participating employers by mid-September. The initial payroll deduction file must be sent to the participating employers by early December.
- A procedure must be established with each participating employer for the transfer of employee payroll deductions to the Contractor. This procedure must be in place by the end of August.
-
- All enrollment options must be fully functioning by the start of the open enrollment on October 1st, including internet and IVR options.
- All web-based and automated member services must be available and in place by the start of the plan year on January 1, 2008.

(b) The bidder's plan for the deployment and use of management, supervisory or other key personnel during the mobilization and implementation period. The plan should show all management, supervisory and key personnel that will be assigned to manage, supervise and monitor the bidder's mobilization and implementation of the contract within the period of

4.4.4.5 POTENTIAL PROBLEMS

The bidder should set forth a summary of any and all problems that the bidder anticipates during the term of the contract. For each problem identified, the bidder should provide its proposed solution.

4.4.5 ORGANIZATIONAL SUPPORT AND EXPERIENCE

The bidder should include information relating to its organization, personnel, and experience, including, but not limited to, references, together with contact names and telephone numbers, evidencing the bidder's qualifications, and capabilities to perform the services required by this RFP.

4.4.5.1 LOCATION

The bidder should include the location of the bidder's office that will be responsible for managing the contract. The bidder should include the telephone number and name of the individual to contact.

4.4.5.2 ORGANIZATION CHART (CONTRACT SPECIFIC)

The bidder should include a contract organization chart, with names showing management, supervisory and other key personnel (including sub-vendor's management, supervisory or other key personnel) to be assigned to the contract. The chart should include the labor category and title of each such individual.

4.4.5.3 RESUMES

Detailed resumes should be submitted for all management, supervisory and key personnel to be assigned to the contract. Resumes should be structured to emphasize relevant qualifications and experience of these individuals in successfully completing contracts of a similar size and scope to those required by this RFP. Resumes should include the following:

Clearly identify the individual's previous experience in completing similar contracts.

Beginning and ending dates should be given for each similar contract.

A description of the contract should be given and should demonstrate how the individual's work on the completed contract relates to the individual's ability to contribute to successfully providing the services required by this RFP.

With respect to each similar contract, the bidder should include the name and address of each reference together with a person to contact for a reference check and a telephone number.

4.4.5.4 BACKUP STAFF

The bidder should include a list of backup staff that may be called upon to assist or replace primary individuals assigned. Backup staff must be clearly identified as backup staff.

In the event the bidder must hire management, supervisory and/or key personnel if awarded the contract, the bidder should include, as part of its recruitment plan, a plan to secure backup staff in the event personnel initially recruited need assistance or need to be replaced during the contract term.

4.4.5.5 ORGANIZATION CHART (ENTIRE FIRM)

The bidder should include an organization chart showing the bidder's entire organizational structure. This chart should show the relationship of the individuals assigned to the contract to the bidder's overall organizational structure.

4.4.5.6 EXPERIENCE OF BIDDER ON CONTRACTS OF SIMILAR SIZE AND SCOPE

The bidder should provide a comprehensive listing of contracts of similar size and scope that it has successfully completed, as evidence of the bidder's ability to successfully complete the services required by this RFP. Emphasis should be placed on contracts that are similar in size and scope to the work required by this RFP. A description of all such contracts should be included and should show how such contracts relate to the ability of the firm to complete the services required by this RFP. For each such contract, the bidder should provide two names and telephone numbers of individuals for the other contract party. Beginning and ending dates should also be given for each contract.

4.4.5.7 FINANCIAL CAPABILITY OF THE BIDDER

In order to provide the State with the ability to judge the bidder's financial capacity and capabilities to undertake and successfully complete the contract, the bidder should submit certified financial statements to include a balance sheet, income statement and statement of cash flow, and all applicable notes for the most recent calendar year or the bidder's most recent fiscal year. If certified financial statements are not available, the bidder should provide either a reviewed or compiled statement from an independent accountant setting forth the same information required for the certified financial statements, together with a certification from the Chief Executive Officer and the Chief Financial Officer, that the financial statements and other information included in the statements fairly present in all material respects the financial condition, results of operations and cash flows of the bidder as of, and for, the periods presented in the statements. In addition, the bidder should submit a bank reference.

If the information is not supplied with the bid proposal, the State may still require the bidder to submit it. If the bidder fails to comply with the request within seven (7) business days, the State may deem the proposal non-responsive.

A bidder may designate specific financial information as not subject to disclosure when the bidder has a good faith legal/factual basis for such assertion. Bidder may submit specific financial documents in a separate, sealed package clearly marked "Confidential-Financial Information" along with the Bid Proposal.

The State reserves the right to make the determination to accept the assertion and shall so advise the bidder.

4.4.5.8 SUBCONTRACTOR(S)

All bidders must complete the **Notice of Intent to Subcontract Form** whether or not they intend to utilize subcontractors in connection with the work set forth in this RFP. If the bidder intends to utilize subcontractor(s), then the **Subcontractor Utilization Plan** must also be submitted with the bid.

N.J.A.C. 17:13-4 and Executive Order 71 mandate that if the bidder proposes to utilize a subcontractor, the bidder must make a good faith effort to meet the set-aside subcontracting targets of awarding a total of twenty-five percent (25%) of the value of the contract to New Jersey-based, New Jersey Commerce, Economic Growth & Tourism Commission registered small businesses, with a minimum of five (5) percent awarded to each of the three categories set forth below, and the balance of ten (10) percent spread across the three annual gross revenue categories: Category I – \$1 to \$500,000; Category II - \$500,001 to \$5,000,000; Category III - \$5,000,001 to \$12,000,000.

Should the bidder choose to use subcontractors and fail to meet the Small Business Subcontracting targets set forth above, the bidder must submit documentation demonstrating its good faith effort to meet the targets with its bid proposal or within seven (7) business days upon request.

Should the bidder propose to utilize a subcontractor(s) to fulfill any of its obligations, the bidder shall be responsible for the subcontractor's(s): (a) performance; (b) compliance with all of the terms and conditions of the contract; and (c) compliance with the requirements of all applicable laws.

The bidder must provide a detailed description of services to be provided by each subcontractor, referencing the applicable Section or Subsection of this RFP.

The bidder should provide detailed resumes for each subcontractor's management, supervisory and other key personnel that demonstrate knowledge, ability and experience relevant to that part of the work which the subcontractor is designated to perform.

The bidder should provide documented experience to demonstrate that each subcontractor has successfully performed work on contracts of a similar size and scope to the work that the subcontractor is designated to perform in the bidder's proposal.

4.4.6 PRICE SCHEDULE

The bidder must submit its pricing using the format set forth in the State supplied price sheet(s) attached to this RFP. Failure to submit all information required will result in the bid being

considered non-responsive. Each bidder is required to hold its prices firm through issuance of contract.

5.0 SPECIAL CONTRACTUAL TERMS AND CONDITIONS

5.1 PRECEDENCE OF SPECIAL CONTRACTUAL TERMS AND CONDITIONS

The contract awarded as a result of this RFP shall consist of this RFP, addendum to this RFP, the contractor's bid proposal and the Division's Notice of Award.

Unless specifically stated within this RFP, the Special Contractual Terms and Conditions of the RFP take precedence over the NJ Standard Terms and Conditions version 05 09 06 located on the Advertised Solicitation, Current Bid Opportunities webpage:

<http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml>.

In the event of a conflict between the provisions of this RFP, including the Special Contractual Terms and Conditions and the NJ Standard Terms and Conditions version 05 09 06, and any Addendum to this RFP, the Addendum shall govern.

In the event of a conflict between the provisions of this RFP, including any Addendum to this RFP, and the bidder's bid proposal, the RFP and/or the Addendum shall govern.

5.2 CONTRACT TERM AND EXTENSION OPTION

The term of the contract shall be for a period of **three (3)** years. The anticipated "Contract Effective Date" is provided on the signatory page of this RFP located on the Advertised Solicitation, Current Bid Opportunities webpage, <http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml>. If delays in the bid process result in an adjustment of the anticipated Contract Effective Date, the bidder agrees to accept a contract for the full term of the contract.

The contract may be extended for **two (2)** additional periods of up to one (1) year, by mutual written consent of the contractor and the Director at the same terms, conditions and pricing. The length of each extension shall be determined when the extension request is processed.

Should the contract be extended, the contractor shall be paid at the rates in effect in the last year of the contract.

5.3 CONTRACT TRANSITION

In the event that a new contract has not been awarded prior to the contract expiration date, as may be extended herein, it shall be incumbent upon the contractor to continue the contract under the same terms and conditions until a new contract can be completely operational. At no time shall this transition period extend more than ninety (90) days beyond the expiration date of the contract.

5.4 CONTRACT AMENDMENT

Any changes or modifications to the terms of the contract shall be valid only when they have been reduced to writing and signed by the contractor and the Director.

5.5 CONTRACTOR RESPONSIBILITIES

The contractor shall have sole responsibility for the complete effort specified in the contract. Payment will be made only to the contractor. The contractor shall have sole responsibility for all payments due any subcontractor.

The contractor is responsible for the professional quality, technical accuracy and timely completion and submission of all deliverables, services or commodities required to be provided under the contract. The contractor shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in its deliverables and other services. The approval of deliverables furnished under this contract shall not in any way relieve the contractor of responsibility for the technical adequacy of its work. The review, approval, acceptance or payment for any of the services shall not be construed as a waiver of any rights that the State may have arising out of the contractor's performance of this contract.

5.6 SUBSTITUTION OF STAFF

If it becomes necessary for the contractor to substitute any management, supervisory or key personnel, the contractor will identify the substitute personnel and the work to be performed.

The contractor must provide detailed justification documenting the necessity for the substitution. Resumes must be submitted evidencing that the individual(s) proposed as substitution(s) have qualifications and experience equal to or better than the individual(s) originally proposed or currently assigned.

The contractor shall forward a request to substitute staff to the State Contract Manager for consideration and approval. No substitute personnel are authorized to begin work until the contractor has received written approval to proceed from the State Contract Manager.

5.7 SUBSTITUTION OR ADDITION OF SUBCONTRACTOR(S)

This Subsection serves to supplement but not to supersede Section 3.11 of the NJ Standard Terms and Conditions version 05 09 06 located on the Advertised Solicitation, Current Bid Opportunities webpage.

If it becomes necessary for the contractor to substitute a subcontractor, add a subcontractor or substitute its own staff for a subcontractor, the contractor will identify the proposed new subcontractor or staff member(s) and the work to be performed. The contractor must provide detailed justification documenting the necessity for the substitution or addition.

The contractor must provide detailed resumes of its proposed replacement staff or of the proposed subcontractor's management, supervisory and other key personnel that demonstrate knowledge, ability and experience relevant to that part of the work which the subcontractor is to undertake.

The qualifications and experience of the replacement(s) must equal or exceed those of similar personnel proposed by the contractor in its bid proposal.

The contractor shall forward a written request to substitute or add a subcontractor or to substitute its own staff for a subcontractor to the State Contract Manager for consideration. If the State Contract Manager approves the request, the State Contract Manager will forward the request to the Director for final approval.

No substituted or additional subcontractors are authorized to begin work until the contractor has received written approval from the Director.

5.8 OWNERSHIP OF MATERIAL

All data, technical information, materials gathered, originated, developed, prepared, used or obtained in the performance of the contract, including, but not limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video and/or audio), pictures, drawings,

analyses, graphic representations, software computer programs and accompanying documentation and print-outs, notes and memoranda, written procedures and documents, regardless of the state of completion, which are prepared for or are a result of the services required under this contract shall be and remain the property of the State of New Jersey and shall be delivered to the State of New Jersey upon 30 days notice by the State. With respect to software computer programs and/or source codes developed for the State, the work shall be considered "work for hire", i.e., the State, not the contractor or subcontractor, shall have full and complete ownership of all software computer programs and/or source codes developed. To the extent that any of such materials may not, by operation of the law, be a work made for hire in accordance with the terms of this Agreement, contractor or subcontractor hereby assigns to the State all right, title and interest in and to any such material, and the State shall have the right to obtain and hold in its own name and copyrights, registrations and any other proprietary rights that may be available.

Should the bidder anticipate bringing pre-existing intellectual property into the project, the intellectual property must be identified in the bid proposal. Otherwise, the language in the first paragraph of this section prevails. If the bidder identifies such intellectual property ("Background IP") in its bid proposal, then the Background IP owned by the bidder on the date of the contract, as well as any modifications or adaptations thereto, remain the property of the bidder. Upon contract award, the bidder or contractor shall grant the State a non-exclusive, perpetual royalty free license to use any of the bidder/contractor's Background IP delivered to the State for the purposes contemplated by the Contract.

5.9 DATA CONFIDENTIALITY

All financial, statistical, personnel and/or technical data supplied by the State to the contractor are confidential. The contractor is required to use reasonable care to protect the confidentiality of such data. Any use, sale or offering of this data in any form by the contractor, or any individual or entity in the contractor's charge or employ, will be considered a violation of this contract and may result in contract termination and the contractor's suspension or debarment from State contracting. In addition, such conduct may be reported to the State Attorney General for possible criminal prosecution.

5.10 NEWS RELEASES

The contractor is not permitted to issue news releases pertaining to any aspect of the services being provided under this contract without the prior written consent of the Director.

5.11 ADVERTISING

The contractor shall not use the State's name, logos, images, or any data or results arising from this contract as a part of any commercial advertising without first obtaining the prior written consent of the Director.

5.12 LICENSES AND PERMITS

The contractor shall obtain and maintain in full force and effect all required licenses, permits, and authorizations necessary to perform this contract. The contractor shall supply the State Contract Manager with evidence of all such licenses, permits and authorizations. This evidence shall be submitted subsequent to the contract award. All costs associated with any such licenses, permits and authorizations must be considered by the bidder in its bid proposal.

5.13 CLAIMS AND REMEDIES

5.13.1 CLAIMS

All claims asserted against the State by the contractor shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq., and/or the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq.

5.13.2 REMEDIES

Nothing in the contract shall be construed to be a waiver by the State of any warranty, expressed or implied, of any remedy at law or equity, except as specifically and expressly stated in a writing executed by the Director.

5.13.3 REMEDIES FOR FAILURE TO COMPLY WITH MATERIAL CONTRACT REQUIREMENTS

In the event that the contractor fails to comply with any material contract requirements, the Director may take steps to terminate the contract in accordance with the State administrative code and/or authorize the delivery of contract items by any available means, with the difference between the price paid and the defaulting contractor's price either being deducted from any monies due the defaulting contractor or being an obligation owed the State by the defaulting contractor.

5.14 LATE DELIVERY

The contractor must immediately advise the State Contract Manager of any circumstance or event that could result in late completion of any task or subtask called for to be completed on a date certain.

5.15 RETAINAGE

The amount of retainage is noted on the RFP signatory page located on the Advertised Solicitation, Current Bid Opportunities webpage, <http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml>. The using agency shall retain the stated percentage of each invoice submitted. At the end of each three (3) month period, the using agency shall review the contractor's performance. If performance has been satisfactory, the Using Agency shall release 90% of the retainage for the preceding three (3) month period. Following certification by the State Contract Manager that all services have been satisfactorily performed the balance of the retainage shall be released to the contractor.

5.16 STATE'S OPTION TO REDUCE SCOPE OF WORK

The State has the option, in its sole discretion, to reduce the scope of work for any task or subtask called for under this contract. In such an event, the Director shall provide advance written notice to the contractor.

Upon receipt of such written notice, the contractor will submit, within five (5) working days to the Director and the State Contract Manager, an itemization of the work effort already completed by task or subtask. The contractor shall be compensated for such work effort according to the applicable portions of its price schedule.

5.17 SUSPENSION OF WORK

The State Contract Manager may, for valid reason, issue a stop order directing the contractor to suspend work under the contract for a specific time. The contractor shall be paid until the effective date of the stop order. The contractor shall resume work upon the date specified in the

stop order, or upon such other date as the State Contract Manager may thereafter direct in writing. The period of suspension shall be deemed added to the contractor's approved schedule of performance. The Director and the contractor shall negotiate an equitable adjustment, if any, to the contract price.

5.18 CHANGE IN LAW

Whenever an unforeseen change in applicable law or regulation affects the services that are the subject of this contract, the contractor shall advise the State Contract Manager and the Director in writing and include in such written transmittal any estimated increase or decrease in the cost of its performance of the services as a result of such change in law or regulation. The Director and the contractor shall negotiate an equitable adjustment, if any, to the contract price.

5.19 CONTRACT PRICE INCREASE (PREVAILING WAGE)

If the Prevailing Wage Act (N.J.S.A. 34:11-56 et seq.) is applicable to the contract, the contractor may apply to the Director, on the anniversary of the effective date of the contract, for a contract price increase. The contract price increase will be available only for an increase in the prevailing wages of trades and occupations covered under this contract during the prior year. The contractor must substantiate with documentation the need for the increase and submit it to the Director for review and determination of the amount, if any, of the requested increase, which shall be available for the upcoming contract year. No retroactive increases will be approved by the Director.

5.20 ADDITIONAL WORK AND/OR SPECIAL PROJECTS

The contractor shall not begin performing any additional work or special projects without first obtaining written approval from both the State Contract Manager and the Director.

In the event of additional work and/or special projects, the contractor must present a written proposal to perform the additional work to the State Contract Manager. The proposal should provide justification for the necessity of the additional work. The relationship between the additional work and the base contract work must be clearly established by the contractor in its proposal.

The contractor's written proposal must provide a detailed description of the work to be performed broken down by task and subtask. The proposal should also contain details on the level of effort, including hours, labor categories, etc., necessary to complete the additional work.

The written proposal must detail the cost necessary to complete the additional work in a manner consistent with the contract. The written price schedule must be based upon the hourly rates, unit costs or other cost elements submitted by the contractor in the contractor's original bid proposal submitted in response to this RFP. Whenever possible, the price schedule should be a firm, fixed cost to perform the required work. The firm fixed price should specifically reference and be tied directly to costs submitted by the contractor in its original bid proposal. A payment schedule, tied to successful completion of tasks and subtasks, must be included.

Upon receipt and approval of the contractor's written proposal, the State Contract Manager shall forward same to the Director for the Director's written approval. Complete documentation from the Using Agency, confirming the need for the additional work, must be submitted. Documentation forwarded by the State Contract Manager to the Director must include all other required State approvals, such as those that may be required from the State of New Jersey's Office of Management and Budget (OMB) and Office of Information and Technology (OIT).

No additional work and/or special project may commence without the Director's written approval. In the event the contractor proceeds with additional work and/or special projects without the Director's written approval, it shall be at the contractor's sole risk. The State shall be under no obligation to pay for work performed without the Director's written approval.

5.21 FORM OF COMPENSATION AND PAYMENT

This Section supplements Section 4.5 of the NJ Standard Terms and Conditions version 05 09 06, located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml>. The contractor must submit official State invoice forms to the Using Agency with supporting documentation evidencing that work for which payment is sought has been satisfactorily completed. Invoices must reference the tasks or subtasks detailed in the Scope of Work section of the RFP and must be in strict accordance with the firm, fixed prices submitted for each task or subtask on the RFP pricing sheets. When applicable, invoices should reference the appropriate RFP price sheet line number from the contractor's bid proposal. All invoices must be approved by the State Contract Manager before payment will be authorized.

In addition, primary contractors must provide, on a monthly and cumulative basis, a breakdown in accordance with the budget submitted, of all monies paid to any small business subcontractor(s). This breakdown shall be sent to the Purchase Bureau Business Unit, Set-Aside Coordinator.

Invoices must also be submitted for any special projects, additional work or other items properly authorized and satisfactorily completed under the contract. Invoices shall be submitted according to the payment schedule agreed upon when the work was authorized and approved. Payment can only be made for work when it has received all required written approvals and has been satisfactorily completed.

The contractor will invoice the Department of the Treasury, Division of Administration on a monthly basis for a fee to be computed as follows:

Monthly Fee Computation for (Month/Year)

Total number of participating employees	_____
(times) Monthly Fee Per Employee	\$ <u> X.XX </u>
TOTAL MONTHLY FEES	\$ _____

The contractor will invoice the State within ten (10) days after the close of each month.

The bidder should quote a fee based upon a charge per month per participating employee which will include all cost considerations for the services required by the RFP, including costs associated with printing and distributing materials.

Fees must be guaranteed for the term of this contract, including extensions. Any proposed rate adjustments between plan years must be set forth in the proposal.

5.21.1 PAYMENT TO CONTRACTOR - OPTIONAL METHOD

The State of New Jersey now offers State contractors the opportunity to be paid through the MasterCard procurement card (p-card). A contractor's acceptance and a State agency's use of the p-card, however, is optional.

P-card transactions do not require the submission of either a contractor invoice or a State payment voucher. Purchasing transactions using the p-card will usually result in payment to a contractor in three days.

A contractor should take note that there will be a transaction-processing fee for each p-card transaction. To participate, a contractor must be capable of accepting the MasterCard. Additional information can be obtained from banks or merchant service companies.

5.22 MODIFICATIONS AND CHANGES TO THE NJ STANDARD TERMS AND CONDITIONS VERSION 05 09 06

NJ Standard Terms and Conditions version 05 09 06 are located on the Advertised Solicitation, Current Bid Opportunities webpage
<http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml>.

5.22.1 PATENT AND COPYRIGHT INDEMNITY

Section 2.1 of the NJ Standard Terms and Conditions version 05 09 06 is deleted and replaced with the following:

2.1 Patent and Copyright Indemnity

a. The Contractor shall hold and save the State of New Jersey, its officers, agents, servants and employees, harmless from liability of any nature or kind for or on account of the use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in the performance of the contract.

b. The State of New Jersey agrees: (1) to promptly notify the Contractor in writing of such claim or suit; (2) that the Contractor shall have control of the defense of settlement of such claim or suit; and (3) to cooperate with the Contractor in the defense of such claim or suit, to the extent that the interests of the Contractor and the State are consistent.

c. In the event of such claim or suit, the Contractor, at its option, may: (1) procure for the State of New Jersey the legal right to continue the use of the product; (2) replace or modify the product to provide a non-infringing product that is the functional equivalent; or (3) refund the purchase price less a reasonable allowance for use that is agreed to by both parties.

5.22.2 INDEMNIFICATION

Section 2.2 of the NJ Standard Terms and Conditions version 05 09 06, is deleted and replaced with the following:

2.2 Indemnification

The contractor's liability to the State for actual, direct damages resulting from the contractor's performance or non-performance, or in any manner related to the contract, for any and all claims, shall be limited in the aggregate to 100 % of the value of the contract, except that such limitation of liability shall not apply to the following:

1. The contractor's obligation to indemnify the State of New Jersey and its employees from and against any claim, demand, loss, damage or expense relating to bodily injury or the death of any person or damage to real property or tangible personal property, incurred from the work or materials supplied by the contractor under the contract caused by negligence or willful misconduct of the contractor;
2. The contractor's breach of its obligations of confidentiality; and,
3. Contractor's liability with respect to copyright indemnification.

The contractor's indemnification obligation is not limited by but is in addition to the insurance obligations contained in Section 2.3 of the NJ Standard Terms and Conditions version 05 09 06.

The contractor shall not be liable for special, consequential, or incidental damages.

5.22.3 INSURANCE - PROFESSIONAL LIABILITY INSURANCE

Section 2.3 of the NJ Standard Terms and Conditions version 05 09 06 regarding insurance is modified with the addition of the following section regarding Professional Liability Insurance.

d) Professional Liability Insurance: The Contractor shall carry Errors and Omissions, Professional Liability Insurance and/or Professional Liability Malpractice Insurance sufficient to protect the Contractor from any liability arising out the professional obligations performed pursuant to the requirements of the Contract. The insurance shall be in the amount of not less than \$500,000 and in such policy forms as shall be approved by the State. If the Contractor has claims-made coverage and subsequently changes carriers during the term of the Contract, it shall obtain from its new Errors and Omissions, Professional Liability Insurance and/or Professional Malpractice Insurance carrier an endorsement for retroactive coverage.

5.23 CONTRACT ACTIVITY REPORT

In conjunction with the standard record keeping requirements of this contract, as required by in paragraph 3.19 of the NJ Standard Terms and Conditions version 05 09 06, located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml>, contractor(s) must provide, on a calendar quarter basis, to the Purchase Bureau buyer assigned, a record of all purchases made under their contract award resulting for this Request for Proposal. This includes purchases made by all using agencies including the State and political sub-divisions thereof. This reporting requirement includes sales to State using agencies and, if permitted under the terms of the contract, sales to counties, municipalities, school districts, volunteer fire departments, first aid squads and rescue squads, and independent institutions of higher education. The requirement also includes sales to State and County Colleges and Quasi-State Agencies. Quasi-State Agencies include any agency, commission, board, authority or other such governmental entity which is established and is allocated to a State department or any bi-state governmental entity of which the State of New Jersey is a member.

This information must be provided in a tabular format such that an analysis can be made to determine the following:

- Contractor's total sales volume to each purchaser under the contract, subtotaled by product, including, if applicable, catalog number and description, price list with appropriate page reference and/or contract discount applied.
- Total dollars paid to subcontractors.

Submission of purchase orders, confirmations, and/or invoices do not fulfill this contract requirement for information.

Contractors are strongly encouraged to submit the required information in electronic spreadsheet format. The Purchase Bureau uses Microsoft Excel.

Failure to report this mandated information will be a factor in future award decisions.

6.0 PROPOSAL EVALUATION

6.1 PROPOSAL EVALUATION COMMITTEE

Bid proposals may be evaluated by an Evaluation Committee composed of members of affected departments and agencies together with representative(s) from the Purchase Bureau. Representatives from other governmental agencies may also serve on the Evaluation Committee. On occasion, the Evaluation Committee may choose to make use of the expertise of outside consultant in an advisory role.

6.2 ORAL PRESENTATION AND/OR CLARIFICATION OF BID PROPOSAL

After the submission of bid proposals, unless requested by the State as noted below, vendor contact with the State is still not permitted.

A bidder may be required to give an oral presentation to the Evaluation Committee concerning its bid proposal. The Evaluation Committee may also require a bidder to submit written responses to questions regarding its bid proposal.

The purpose of such communication with a bidder, either through an oral presentation or a letter of clarification, is to provide an opportunity for the bidder to clarify or elaborate on its bid proposal. Original bid proposals submitted, however, cannot be supplemented, changed, or corrected in any way. No comments regarding other bid proposals are permitted. Bidders may not attend presentations made by their competitors.

It is within the Evaluation Committee's discretion whether to require a bidder to give an oral presentation or require a bidder to submit written responses to questions regarding its bid proposal. Action by the Evaluation Committee in this regard should not be construed to imply acceptance or rejection of a bid proposal.

The Purchase Bureau buyer will be the sole point of contact regarding any request for an oral presentation or clarification.

6.3 EVALUATION CRITERIA

The following evaluation criteria categories, not necessarily listed in order of significance, will be used to evaluate bid proposals received in response to this RFP. The evaluation criteria categories may be used to develop more detailed evaluation criteria to be used in the evaluation process:

6.3.1 TECHNICAL EVALUATION CRITERIA

- A) The bidder's general approach and plans in meeting the requirements of this RFP.
- B) The bidder's detailed approach and plans to perform the services required by the Scope of Work of this RFP.
- C) The bidder's documented experience in successfully completing contracts of a similar size and scope to the work required by this RFP.
- D) The qualifications and experience of the bidder's management, supervisory or other key personnel assigned to the contract, with emphasis on documented experience in successfully completing work on contracts of similar size and scope to the work required by this RFP.

- E) The overall ability of the bidder to mobilize, undertake and successfully complete the contract. This judgment will include, but not be limited to, the following factors: the number and qualifications of management, supervisory and other staff proposed by the bidder to complete the contract, the availability and commitment to the contract of the bidder's management, supervisory and other staff proposed and the bidder's contract management plan, including the bidder's contract organizational chart.

6.3.2 BIDDER'S PRICE SCHEDULE

For evaluation purposes, bidders will be ranked according to the total bid price located on the Price Sheet located on the Advertised Solicitation, Current Bid Opportunities webpage, <http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml>.

6.3.3 BID DISCREPANCIES

In evaluating bids, discrepancies between words and figures will be resolved in favor of words. Discrepancies between unit prices and totals of unit prices will be resolved in favor of unit prices. Discrepancies in the multiplication of units of work and unit prices will be resolved in favor of the unit prices. Discrepancies between the indicated total of multiplied unit prices and units of work and the actual total will be resolved in favor of the actual total. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the corrected sum of the column of figures.

6.3.4 EVALUATION OF THE BID PROPOSALS

The Evaluation Committee will complete its evaluation and recommend to the Director for award the responsible bidder(s) whose bid proposal, conforming to this RFP, is most advantageous to the State, price and other factors considered. The Evaluation Committee considers and assesses price, technical criteria, and other factors during the evaluation process.

6.4 NEGOTIATION AND BEST AND FINAL OFFER (BAFO)

Following the opening of bid proposals, the State shall, pursuant to N.J.S.A. 52:34-12(f), negotiate one or more of the following contractual issues: the technical services offered, the terms and conditions and/or the price of a proposed contract award with any bidder, and/or solicit a Best and Final Offer (BAFO) from one or more bidders.

Initially, the Evaluation Committee will conduct a review of all the bids and select bidders to contact to negotiate and/or conduct a BAFO based on its evaluation and determination of the bid proposals that best satisfy the evaluation criteria and RFP requirements, and that are most advantageous to the State, price and other factors considered. The Committee may not contact all bidders to negotiate and/or to submit a BAFO.

In response to the State's request to negotiate, bidders must continue to satisfy all mandatory RFP requirements but may improve upon their original technical proposal in any revised technical proposal. However, any revised technical proposal that does not continue to satisfy all mandatory requirements will be rejected as non-responsive and the original technical proposal will be used for any further evaluation purposes in accordance with the following procedure.

In response to the State's request for a BAFO, bidders may submit a revised price proposal that is equal to or lower in price than their original submission, but must continue to satisfy all mandatory requirements. Any revised price proposal that is higher in price than the original will

be rejected as non-responsive and the original bid will be used for any further evaluation purposes.

After receipt of the results of the negotiation and/or the BAFO(s), the Evaluation Committee will complete its evaluation and recommend to the Director for award that responsible bidder(s) whose bid proposal, conforming to this RFP, is most advantageous to the State, price and other factors considered.

All contacts, records of initial evaluations, any correspondence with bidders related to any request for negotiation or BAFO, any revised technical and/or price proposals, the Evaluation Committee Report and the Award Recommendation, will remain confidential until a Notice of Intent to Award a contract is issued.

7.0 CONTRACT AWARD

7.1 DOCUMENTS REQUIRED BEFORE CONTRACT AWARD

7.1.1 REQUIREMENTS OF N.J.S.A. 19:44A-20.13-25 (FORMERLY EXECUTIVE ORDER 134)

In order to safeguard the integrity of State government procurement by imposing restrictions to insulate the negotiation and award of State contracts from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof, the Legislature enacted N.J.S.A. 19:44A-20.13 – 25 on March 22, 2005 (the "Legislation"), retroactive to October 15, 2004, superseding the terms of Executive Order 134. Pursuant to the requirements of the Legislation, the terms and conditions set forth in this section are material terms of any contract resulting from this RFP:

7.1.1.1 DEFINITIONS

For the purpose of this section, the following shall be defined as follows:

a) Contribution – means a contribution reportable as a recipient under "The New Jersey Campaign Contributions and Expenditures Reporting Act." P.L. 1973, c. 83 (C.19:44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq. Through December 31, 2004, contributions in excess of \$400 during a reporting period were deemed "reportable" under these laws. As of January 1, 2005, that threshold was reduced to contributions in excess of \$300.

b) Business Entity – means any natural or legal person, business corporation, professional services corporation, Limited Liability Company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction. The definition of a business entity includes (i) all principals who own or control more than 10 percent of the profits or assets of a business entity or 10 percent of the stock in the case of a business entity that is a corporation for profit, as appropriate; (ii) any subsidiaries directly or indirectly controlled by the business entity; (iii) any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and (iv) if a business entity is a natural person, that person's spouse or child, residing in the same household.

7.1.1.2 BREACH OF TERMS OF THE LEGISLATION

It shall be a breach of the terms of the contract for the Business Entity to (i) make or solicit a contribution in violation of the Legislation, (ii) knowingly conceal or misrepresent a contribution given or received; (iii) make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution; (iv) make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate or holder of the public office of Governor, or to any State or county party committee; (v) engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by the business entity itself, would subject that entity to the restrictions of the Legislation; (vi) fund contributions made by third parties, including consultants, attorneys, family members, and employees; (vii) engage in any exchange of contributions to circumvent the intent of the Legislation; or (viii) directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of the Legislation.

7.1.1.3 CERTIFICATION AND DISCLOSURE REQUIREMENTS

a) The State shall not enter into a contract to procure from any Business Entity services or any material, supplies or equipment, or to acquire, sell or lease any land or building, where the value of the transaction exceeds \$17,500, if that Business Entity has solicited or made any contribution of money, or pledge of contribution, including in-kind contributions to a candidate committee and/or election fund of any candidate for or holder of the public office of Governor, or to any State or county political party committee during certain specified time periods

b) Prior to awarding any contract or agreement to any Business Entity, the Business Entity proposed as the intended awardee of the contract shall submit the Certification and Disclosure form, certifying that no contributions prohibited by the Legislation have been made by the Business Entity and reporting all contributions the Business Entity made during the preceding four years to any political organization organized under 26 U.S.C.527 of the Internal Revenue Code that also meets the definition of a "continuing political committee" within the mean of N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7. The required form and instructions, available for review on the Purchase Bureau website at

<http://www.state.nj.us/treasury/purchase/forms.htm#eo134>, shall be provided to the intended awardee for completion and submission to the Purchase Bureau with the Notice of Intent to Award. Upon receipt of a Notice of Intent to Award a Contract, the intended awardee shall submit to the Division, in care of the Purchase Bureau Buyer, the Certification and Disclosure(s) within five (5) business days of the State's request. Failure to submit the required forms will preclude award of a contract under this RFP, as well as future contract opportunities.

c) Further, the Contractor is required, on a continuing basis, to report any contributions it makes during the term of the contract, and any extension(s) thereof, at the time any such contribution is made. The required form and instructions, available for review on the Purchase Bureau website at <http://www.state.nj.us/treasury/purchase/forms.htm#eo134>, shall be provided to the intended awardee with the Notice of Intent to Award.

7.1.1.4 STATE TREASURER REVIEW

The State Treasurer or his designee shall review the Disclosures submitted pursuant to this section, as well as any other pertinent information concerning the contributions or reports thereof by the intended awardee, prior to award, or during the term of the contract, by the contractor. If the State Treasurer determines that any contribution or action by the contractor constitutes a breach of contract that poses a conflict of interest in the awarding of the contract under this solicitation, the State Treasurer shall disqualify the Business Entity from award of such contract.

7.1.1.5 ADDITIONAL DISCLOSURE REQUIREMENT OF P.L. 2005, C. 271

Contractor is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC), pursuant to P.L. 2005, c. 271, section 3 if the contractor receives contracts in excess of \$50,000 from a public entity in a calendar year. It is the contractor's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

7.1.2 SOURCE DISCLOSURE REQUIREMENTS

7.1.2.1 REQUIREMENTS OF N.J.S.A. 52:34-13.2

Under the referenced statute, effective August 3, 2005, all contracts primarily for services awarded by the Director shall be performed within the United States, except when the Director certifies in writing a finding that a required service cannot be provided by a contractor or subcontractor within the United States and the certification is approved by the State Treasurer.

7.1.2.2 SOURCE DISCLOSURE REQUIREMENTS

Pursuant to the statutory requirements, the intended awardee of a contract primarily for services with the State of New Jersey must disclose the location by country where services under the contract, including subcontracted services, will be performed. The Source Disclosure Certification form is located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/08x39329.shtml>.

FAILURE TO SUBMIT SOURCING INFORMATION WHEN REQUESTED BY THE STATE SHALL PRECLUDE AWARD OF A CONTRACT TO THE BIDDER.

If any of the services cannot be performed within the United States, the bidder shall state with specificity the reasons why the services cannot be so performed. The Director shall determine whether sufficient justification has been provided by the bidder to form the basis of his certification that the services cannot be performed in the United States and whether to seek the approval of the Treasurer.

7.1.2.3 BREACH OF CONTRACT OF EXECUTIVE ORDER 129

A SHIFT TO PROVISION OF SERVICES OUTSIDE THE UNITED STATES DURING THE TERM OF THE CONTRACT SHALL BE DEEMED A BREACH OF CONTRACT.

If, during the term of the contract, the contractor or subcontractor, who had on contract award declared that services would be performed in the United States, proceeds to shift the performance of any of the services outside the United States, the contractor shall be deemed to be in breach of its contract, which contract shall be subject to termination for cause pursuant to Section 3.5b.1 of the Standard Terms and Conditions version 05 09 06 of the RFP, unless previously approved by the Director and the Treasurer.

7.2 FINAL CONTRACT AWARD

Contract award[s] shall be made with reasonable promptness by written notice to that responsible bidder(s), whose bid proposal(s), conforming to this RFP, is(are) most advantageous to the State, price, and other factors considered. Any or all bid proposals may be rejected when the State Treasurer or the Director determines that it is in the public interest to do so.

7.3 INSURANCE CERTIFICATES

The contractor shall provide the State with current certificates of insurance for all coverages required by the terms of this contract, naming the State as an Additional Insured.

7.4 PERFORMANCE BOND

Not applicable to this procurement

8.0 CONTRACT ADMINISTRATION

8.1 CONTRACT MANAGER

The State Contract Manager is the State employee responsible for the overall management and administration of the contract.

The State Contract Manager for this project will be identified at the time of execution of contract. At that time, the contractor will be provided with the State Contract Manager's name, department, division, agency, address, telephone number, fax phone number, and email address.

8.1.1 STATE CONTRACT MANAGER RESPONSIBILITIES

For an agency contract where only one State office uses the contract, the State Contract Manager will be responsible for engaging the contractor, assuring that Purchase Orders are issued to the contractor, directing the contractor to perform the work of the contract, approving the deliverables and approving payment vouchers. The State Contract Manager is the person that the contractor will contact **after the contract is executed** for answers to any questions and concerns about any aspect of the contract. The State Contract Manager is responsible for coordinating the use and resolving minor disputes between the contractor and any component part of the State Contract Manager's Department.

If the contract has multiple users, then the State Contract Manager shall be the central coordinator of the use of the contract for all Using Agencies, while other State employees engage and pay the contractor. All persons and agencies that use the contract must notify and coordinate the use of the contract with the State Contract Manager.

8.1.2 COORDINATION WITH THE STATE CONTRACT MANAGER

Any contract user that is unable to resolve disputes with a contractor shall refer those disputes to the State Contract Manager for resolution. Any questions related to performance of the work of the contract by contract users shall be directed to the State Contract Manager. The contractor may contact the State Contract Manager if the contractor can not resolve a dispute with contract users.

Price Schedule

ADMINISTRATIVE SERVICES FOR SECTION 125 FLEXIBLE SPENDING ACCOUNTS

Bid Number 08-x-39329

Refer to [RFP Section 3.0](#) (Scope of Work) for task requirements and deliverables & [RFP Section 2.1](#) for definitions of "All Inclusive Firm Fixed Price"

Price Line	Work to be Performed	Estimated Qty	Unit	Per month per Employee Unit Price	Monthly Total	Yearly Total (monthly total x 12)
1	All-inclusive year 1, Section 125 Administrative per Participating Employee per Month	5,500	Each	\$	\$	\$
2	All-inclusive year 2, Section 125 Administrative per Participating Employee per Month	5,775	Each	\$	\$	\$
3	All-inclusive year 3, Section 125 Administrative per Participating Employee per Month	6,000	Each	\$	\$	\$
TOTAL BID PRICE						\$

The bidder must provide a price for each bid item or the bid proposal shall be considered non-responsive.

For all unit price items, the Contractor shall be paid based on the actual quantity of work performed multiplied by the unit price.

The Estimated quantities represented in the "Estimated Qty" column are for bidding purposes only. Payments shall be based on actual quantities.

- The per month per participating employee unit price is an all-inclusive firm fixed price as defined in section 2.1.

The bidder should provide a budget showing staffing and how it proposes for each year to perform the work of the contract.