



STATE OF HAWAII  
Department of Human Resources Development

RELEASE DATE: June 6, 2025

**REQUEST FOR PROPOSALS**  
**DHRD RFP NO. 25-5-EAO**  
**SEALED OFFERS**  
**FOR**  
**THIRD PARTY ADMINISTRATOR**  
**FOR THE STATE OF HAWAII'S**  
**FLEXIBLE SPENDING ACCOUNTS**  
**AND COMMUTER BENEFITS**

WILL BE RECEIVED UP TO 4:00 P.M. (HST) ON  
JULY 29, 2025

IN THE EMPLOYEE ASSISTANCE OFFICE, 235 SOUTH BERETANIA STREET,  
ROOM 1004, HONOLULU, HI 96813. DIRECT QUESTIONS RELATING TO THIS  
SOLICITATION BY E-MAIL AT [DHRD.EAO@hawaii.gov](mailto:DHRD.EAO@hawaii.gov).

*Marc Togashi*

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MARC TOGASHI  
Procurement Officer

Dept. of Human Resources Development  
Name of Company

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**PUBLIC NOTICE TO OFFERORS**

NOTICE is hereby given that COMPETITIVE SEALED PROPOSALS for a THIRD PARTY ADMINISTRATOR for the STATE OF HAWAII'S ("**STATE**") FLEXIBLE SPENDING ACCOUNTS AND COMMUTER BENEFITS, DHRD RFP No. 25-5-EAO, are being solicited. Proposals shall be mailed or hand-delivered to the Department of Human Resources Development ("**DHRD**"), 235 S. Beretania St., #1004, Honolulu, HI 96813, and must be received by **4:00 p.m. (HST), July 29, 2025**. Deliveries by private mail services such as FedEx or equivalent shall be considered as hand-delivered. Proposals received after 4:00 p.m. (HST), July 29, 2025, shall be rejected and not considered. Proposals shall not be opened publicly, but shall be opened in the presence of the Director of Human Resources Development ("**Director**") or persons designated by the Director.

The Request for Proposals ("**RFP**") may be obtained at no cost, beginning at 9:00 a.m. (HST), June 6, 2025. A copy of the RFP can be picked up from the above address, downloaded from <https://dhrd.hawaii.gov>, or mailed to you by calling (808) 587-1075. Prospective offerors/bidders requesting that the RFP be mailed to them must provide their Federal Express account number or its equivalent.

The deadline for submission of written questions or requests to amend the RFP is 4:00 p.m. (HST), June 23, 2025. A written "Notice of Intent to Submit a Proposal" ("**NOTICE**") must be received by the above office by 4:00 p.m. (HST), July 15, 2025, in order to receive official communications from the State involving the RFP. Questions and the Notice may be emailed to DHRD.EAO@hawaii.gov.

DHRD reserves the right to cancel this RFP, or reject any and all proposals, in whole or in part, when it is in the best interest of the State. The State and DHRD assume no financial responsibility/liability whatsoever for the preparation of any response to this RFP. For additional information, visit our website at: <https://dhrd.hawaii.gov>, or the Procurement Notices System located on the State Procurement website at <https://spo.hawaii.gov>.

Inquiries regarding this RFP should be directed to the DHRD/Employee Assistance Office at 235 S. Beretania Street, Room 1004, Honolulu, HI 96813, or may be made by telephone to (808) 587-1075.

Brenna H. Hashimoto, Director  
Department of Human Resources Development  
June 6, 2025

**I. PROCUREMENT TIMETABLE**

Public Notice Announcing RFP	<b>June 6, 2025</b>
Proposals Available for Distribution	<b>June 6, 2025</b>
Deadline to Submit Written Questions/ Requests to Amend RFP	<b>June 23, 2025 (4:00 p.m. HST)</b>
STATE's Response to Questions/ Requests to Amend RFP	<b>July 8, 2025</b>
Deadline to submit "Letter of Intent to Submit a Proposal"	<b>July 15, 2025 (4:00 p.m. HST)</b>
<b>Deadline to Submit Proposals</b>	<b>July 29, 2025 (4:00 p.m. HST)</b>
Proposal Evaluation Period	<b>August 11 – 25, 2025</b>
Interviews with Priority-Listed Offerors (if requested by the State)	<b>September 2 – 8, 2025</b>
Deadline to submit Best and Final Offer (if requested by the State)	<b>September 15, 2025 (4:00 p.m. HST)</b>
Administrator Selection & Award	<b>September 30, 2025</b>
Transition Period	<b>October 2025 – June 2026</b>
Contract Start Date	<b>July 1, 2026</b>

Note: All times specified herein are based on Hawai'i Standard Time ("HST").

Proposals must be received by the Department of Human Resources Development ("DHRD") by **4:00 p.m. (HST), July 29, 2025**. Late proposals shall be rejected and not be considered.

The above dates are estimates only and are subject to change at the STATE's sole discretion. The STATE reserves the right to change any date(s) as deemed necessary and in the best interest of the STATE.

## II. INTRODUCTION

### A. Purpose

This Request for Proposals (“**RFP**”) has been issued for the purpose of contracting with a Third Party Administrator (“**TPA**”) to administer the State of Hawai‘i’s (“**STATE**”) Flexible Spending Accounts (“**FSA**”) and Commuter Benefits. This includes the ***Island Flex*** Plan, a flexible spending account plan authorized by Internal Revenue Code (“**Code**”) Section 125 that covers medical expense reimbursement account and dependent care expense reimbursement account, and Pretax Transportation Benefit Program (“**PTBP**”), a qualified transportation fringe benefit plan authorized by Section 132(f) of the Code. We are seeking a TPA that can offer an administrative solution that includes a debit card to access funds, an online portal for account management, outstanding customer service, and informative marketing materials to help employees make informed decisions about the different types of FSA and commuter benefits. Administrative services include, but is not limited to, preparation of informational materials, employee enrollment forms, employee account statements, reimbursement checks, reports to the Department of Human Resources Development (“**DHRD**”); conducting employee orientation and training sessions; and providing guidance and interpretations of the Internal Revenue Service (“**IRS**”) rules and regulations governing cafeteria plans and qualified transportation fringe benefit plans. The STATE requires that the plans be administered at no cost to the STATE. The CONTRACTOR will be compensated solely from monthly fees paid by participating employees, with the Plan subsidizing a portion of the fees with forfeiture money, if funds are available.

### B. Background

Pursuant to Hawai‘i Revised Statutes (“**HRS**”) section 78-30, the STATE is authorized to establish and administer a cafeteria plan for the benefit of State employees. In addition, pursuant to HRS section 78-53, the STATE is authorized to establish and administer a pretax transportation benefit program for the benefit of State employees. DHRD is responsible for administering both plans.

The STATE established the ***Island Flex*** Plan in July 2000, which includes the Medical Expense Reimbursement Accounts and Dependent Care Expense Reimbursement Accounts for all eligible State employees, as defined in the State of Hawai‘i Personnel Administrative Rules and Memoranda of Agreement.

Approximately 47,143 State employees are eligible to participate in the ***Island Flex*** Plan, including but not limited to employees of the State Executive Branch, the Legislative Branch, the Judicial Branch, Office of Hawaiian Affairs, and the Hawai‘i Health Systems Corporation. Currently there are approximately 6,000 employees participating in the ***Island Flex*** Plan.

Employee elections are on a plan year basis and employees must re-enroll each year to continue their payroll contribution to the plan. The Plan Year runs from July 1 – June 30 and the open enrollment period is conducted annually in March through April. Participant contributions are payroll deducted twice a month, over 24 pay periods. Fees for administrative services are paid by the participants of the plan through payroll deduction.

Under the Medical Expense Reimbursement Account, eligible employees can elect to contribute up to \$2,750 each plan year. The STATE has opted to allow employees to rollover up to \$550 remaining in their Medical Expense Reimbursement Account at the end of the plan year, including the 90-day run out period into the following year's election.

Under the Dependent Care Expense Reimbursement Account, eligible employees may elect up to \$5,000 each plan year or \$2,500 for employees who are married and filing a separate tax return.

The STATE additionally offers the PTBP which was established in 2001 in accordance with section 132(f) of the Code. Similar to the **Island Flex** Plan, approximately 47,143 State employees are eligible to participate. The STATE is currently administering this program so there are no administrative fees for participants. Eligible employees may enroll at any time and enrollment automatically continues until a cancellation is processed.

State employees that park in parking facilities under the jurisdiction of the Department of Accounting and General Services (“**DAGS**”) are currently paying a monthly parking fee through payroll deduction before Federal, State and FICA taxes are computed. However, due to limitations of the payroll system, employees that park in parking facilities not controlled by DAGS are not eligible to participate in the PTBP and must arrange their own payment with the applicable vendor on a post-tax basis. The STATE intends to have the TPA set up and administer a commuter benefit program specifically for employees who park in parking facilities outside of DAGS jurisdiction. The STATE currently does not have data on the number of employees who park outside of DAGS jurisdiction that would be interested in commuter benefits.

Under PTBP, eligible employees that do not have a DAGS parking assignment are allowed to elect a pre-tax payroll deduction for a monthly bus pass. Due to limited resources, distribution issues, and product availability, the bus pass program is only available to Oahu employees who purchase a regular monthly bus pass. Currently, there are approximately 277 employees participating in this program. The STATE would like to explore if the TPA could expand commuter benefits statewide for qualified mass transportation and vanpooling expenses. The State currently does not have data on the number of employees who would be interested in such commuter benefits.

DAGS operates the STATE's primary payroll system. There are 24 pay dates per year, which occurs on the 5<sup>th</sup> and 20<sup>th</sup> of each month. If any of these dates fall on a weekend or a holiday, the pay date is the last business day before those scheduled dates. The CONTRACTOR shall be required to electronically receive and transmit payroll data every pay period. The DAGS payroll system can receive and transmit data that use the File Transfer Protocol (FTP). The CONTRACTOR shall be required to pick-up and drop off of data on the STATE's Hawai'i Information Portal (HIP) sFTP Server and operate within this or any other framework adopted by the State.

The State has employees on all islands (i.e., O'ahu, Kaua'i, East and West Hawai'i, Maui, Moloka'i, and Lāna'i). Travel between the islands will be necessary to service all eligible employees who participate in the programs.



### III. SCOPE OF WORK

The requirements specified in this section are designed to assist the OFFEROR in submitting a proposal that will best meet the needs of the STATE. The requirements presented specify the services to be provided by the CONTRACTOR and the minimum capabilities required.

The CONTRACTOR shall implement and efficiently administer the FSA and Commuter Benefits for the STATE in accordance with applicable federal and STATE laws, rules and regulations, including but not limited to those governing Code section 125 cafeteria plans, Code section 132(f) qualified transportation fringe, and the Health Insurance Portability and Accountability Act of 1996. The services required shall include, but are not limited to the following:

#### A. Administrative Services

1. Have a dedicated account management team and maintain sufficient staff to perform the following functions which shall include, but not be limited to:
  - a. Regulatory compliance;
  - b. Eligibility determination and enrollment;
  - c. Accounting/finance; and
  - d. Customer service/support.
2. Assist the STATE with the amendment, as necessary, of the plan document, Administrative Rules (pursuant to HRS chapter 91), and Summary Plan Description, including attending administrative rules public hearings.
3. Obtain all required approvals for the benefit programs to ensure that the STATE is in compliance with all applicable federal and STATE laws, rules, and regulations.
4. Act as a liaison to all applicable federal and STATE agencies, as required.
5. Ensure compliance with all applicable STATE and federal laws, rules and regulations that are related to the proper operation of the program.
6. Prepare any reports or tests for the program as required by federal and/or STATE laws, rules and regulations, and, if necessary, perform any required discrimination testing at least twice each plan year. All Code-related reports and tests shall be prepared/filed in accordance with Code rules, regulations, and timetables.

7. Keep DHRD apprised of all new or amended laws, rules and regulations of applicable regulatory agencies which may affect section 125 plans (including FSA plans and premium conversion plans) and section 132(f) plan, and provide information on present or future federal or State-level changes pending, legislatively or otherwise, and their implications for the benefit programs and their participants.
8. Advise DHRD on the merits of maintaining the program and its provisions, and recommend amendments to the program as may be required by changing conditions, laws, or regulations.
9. Conduct informational/educational sessions for departmental human resources offices and eligible employees on all islands, including FSA open enrollment activities annually and at times specified by the STATE.
10. Design, print, and distribute in sufficient quantities, at no cost to the STATE, all customized written informational materials to fully apprise all eligible employees of the program's purposes and provisions, and design, print, and distribute all necessary program forms, including but not limited to, enrollment, cancellation and reimbursement claim forms. All materials shall be required to have the STATE's pre-approval.
11. Prepare customized informational videos, which shall be pre-approved by the STATE.
12. Provide assistance to all employees in completing all required forms, including, but not limited to, annual enrollment forms, payroll forms, and any other forms required by the STATE. For the **Island Flex** Plan, ensure that all eligible employees sign a participation form annually, as required by the STATE.
13. Provide auxiliary aid/services or other accommodation due to a disability, as required by the Americans with Disabilities Act of 1990, as amended, to educate/enroll employees.
14. Work with and coordinate all FSA open enrollment activities/forms with the STATE's Employer-Union Health Benefits Trust Fund, as appropriate.
15. Attend all meetings, legislative hearings, and public hearings, as required by the STATE, to explain the program and answer questions and assist DHRD in drafting written testimony, as requested by the STATE.
16. Perform all other day-to-day responsibilities necessary to ensure the effectiveness and integrity of the program in accordance with generally accepted industry practices and/or as requested by the STATE.

17. Provide administrative services, at the same level as the Medical Expense Reimbursement and Dependent Care Expense Reimbursement FSA, for any other flexible spending account the Code may authorize and the STATE chooses to implement (e.g., adoption assistance plans, legal assistance plans).

B. Customer Service/Support

1. Maintain a local service office in Honolulu that is open Monday through Friday, 8:00 a.m. to 5:00 p.m. (HST)\* to answer in-person and phone inquiries about enrollment status, program benefits, COBRA applications, contribution amounts, claims procedures, etc.
2. If the CONTRACTOR does not have neighbor island offices, the CONTRACTOR shall maintain a toll-free customer service telephone number to the local service office that will be available Monday through Friday, from 8:00 a.m. to 5:00 p.m. (HST)\*.
3. Allow for employee self-service via a secured website on the Internet. Such self-service capabilities shall include, but not be limited to:
  - a. Information on the benefit programs;
  - b. Frequently Asked Questions;
  - c. Forms;
  - d. E-mail inquiry capabilities;
  - e. On-line enrollment, during open enrollment and for mid-year changes;
  - f. Address changes;
  - g. Account status and history; and
  - h. Any other information reasonably requested by the STATE.
4. Respond to all inquiries whether in the form of telephone calls, correspondence or personal visits from participants or STATE agencies with respect to program requirements, eligibility, family status changes, procedures, rules, and/or other matters.

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\* Optional for local service office to open on State holidays.

5. Promptly respond by telephone, mail and/or e-mail to inquiries from participants and all interested parties regarding program requirements, eligibility, problems, procedures, rules, and/or other matters, provided that:
  - a. Telephone inquiries shall be promptly responded to within one business day. This includes requests for program reimbursement claim forms or family status change forms.
  - b. Written responses to inquiries requiring research or requiring written confirmation shall be provided within five (5) business days of the request or inquiry.
6. Ensure that customer service representatives are well trained in laws, rules, and requirements specific to the programs.
7. Provide a system, computer or otherwise, so that customer service representatives have the ability to gain immediate access to a participant's account to verify enrollment, deposits, claim authorizations, amounts and dates of reimbursements processed and account balances, status of authorizations of claims, dates of mailing/deposit, etc.
8. Provide an adequate number of local customer service representatives to handle the volume of walk-ins for the Honolulu office and employee telephone calls. These representatives shall provide prompt, knowledgeable, and courteous service at all times.
9. Ensure adequate staffing to handle increased workload during open enrollment and other special events.
10. Send to participant's homes, in a timely manner, any information or forms required by the Code or the STATE.
11. Ensure that customer service representatives have laptop/notebook computers and appropriate software to assist employees in making decisions, including the ability to inform each employee how contributions to the programs affect his/her net paycheck.
12. Provide staff to explain the programs when requested by the STATE and at New Employee Orientation Sessions sponsored by the STATE and elsewhere as requested.

C. Enrollment

1. Process ongoing and annual open enrollment, terminations, and changes in a timely manner. This includes, but not limited to processing allowable family status changes for all **Island Flex** Plan participants such as

birth/adoption of a child, marriage, divorce, termination, and death, etc. For PTBP, allow eligible employees to make benefit election and changes to their account year round.

2. Send written confirmation letters to all enrollees prior to the first employee payroll deduction. Confirmation letters shall specify, at a minimum, the program enrolled, the type of account, the annual amount of salary reduction, the pro-rated semi-monthly amount, and instructions on how to file for reimbursement for eligible expenses.
3. Design a system that shall not use a participant's full social security number as an identifier to process claim reimbursement forms.
4. For the **Island Flex** Plan, assist employees with family status changes and ensure that the changes qualify under the plan document/administrative rules and the Code.
5. Assume responsibility for carrying out the requirements under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("**COBRA**") and all amendments thereto that have been or may be enacted, as they relate to FSA, including notification to participants/dependents, and maintenance of accounts for any participant/dependent who elects continuation under COBRA.
6. Assume responsibility for carrying out the requirements under the Health Insurance Portability and Accountability Act of 1996 and all amendments thereto that have been or may be enacted, including applicable notification to participants/dependents.
7. Promptly and courteously answer all employee questions/inquiries and provide written responses when needed or requested.

D. Processing Claims

1. Establishing a claims processing/reimbursement system with a standard that at least ninety percent (90%) of claims shall be processed within five (5) business days after receipt of a claim and that one hundred percent (100%) shall be processed within ten (10) business days of receipt of a claim.
2. Be responsible for receiving and verifying reimbursement claims.
3. Offer a debit card under the FSA and Commuter Benefit program ("**Debit Card**") to interested Plan participants.

- a. The Debit Card shall allow a participant to pay for qualifying medical expenses by debiting the participant's Medical Expense Reimbursement Account, up to the total medical expense amount designated by the participant at the start of the applicable plan year. Thus, by using the Debit Card, the participant will not have to pay for the qualifying medical expense with out-of-pocket funds nor seek reimbursement. A similar debit card should also be offered for Commuter Benefits.
  - b. The Debit Card shall be offered and provided at no cost to the STATE or participants.
4. As required or permitted under the Code, pay the full amount of Medical Expense Reimbursement claim that is submitted for an amount larger than a participant's account balance, up to the amount the employee will have contributed for the entire plan year.
5. Each reimbursement check shall contain a stub which provides a summary of the participant's account status, including but not limited to year-to-date ("YTD") total deposits, YTD total reimbursements, YTD totals of authorized claims, and other information reasonably requested by the STATE.
6. Automatically deposit the reimbursement checks directly into participant's bank accounts, at no cost to the STATE, or mail them to their homes, as requested by the participants and/or the STATE.
7. The information provided on the check stub shall be provided by mail or e-mail, provided the participants' e-mail addresses are on file, to participants who have the funds automatically deposited into their bank accounts.
8. Notify participant if a claim is rejected for any reason. Written notification should be sent within five (5) business days of the rejection and include the basis for the rejection.
9. Provide the participant written notification of the reason if a claim is authorized for an amount different from the request for reimbursement. Notification should be given within five (5) business days of the authorization.
10. Maintain participants' YTD contributions and process a STATE cancellation of payroll deduction at the point any employee exceeds his/her annual elected amount, or the legal account limit. Timely process a cancellation, as required by the STATE, for terminating employees and employees who do not re-enroll each plan year.

11. Provide a late-billing procedure to accept claims filed after the close of the grace period, if the late filing was not the participant's fault (e.g., waiting for documentation, etc.).
12. Provide a stop-pay, void, and stale-date check procedures, with the approval of the STATE.

E. Appeals

1. Develop and administer appeal procedures, with the approval of the STATE, for employees who believe decisions/actions are not consistent with the plan document, administrative rules, and/or Code; whose claims are rejected or denied; whose claims are not processed in a timely manner; whose accounts are misstated; whose reimbursement checks are delayed or incorrect; whose request to change is denied; or who may have other complaints against the CONTRACTOR or the STATE. This includes, but is not limited to:
  - a. Receiving all program appeals, conducting investigations, resolving appeals, and preparing a response in a timely manner on behalf of the STATE.
  - b. Notifying the STATE immediately of any employee or participant appeal, or any participant request that cannot be handled within the day-to-day scope of the CONTRACTOR's customer service department.

F. Accounting/Recordkeeping and Financial Support Services

1. Accurately input all participant data and validate data fields and/or ranges, including but not limited to: names; social security numbers; line item numbers, agency codes, payroll distribution codes; and contribution amounts (that do not exceed the legal account limits or limits set by the STATE.)
2. Provide on a semi-monthly basis, within the deadlines prescribed by DAGS, data containing any/all required participant data information to the STATE payroll office(s) in a format specified by the STATE, or electronic transfer of such data.
3. Resolve any errors including those discovered on its own or by the STATE.
4. Develop and provide error resolution and prevention instructional materials, subject to the STATE's approval.

5. Provide each participant, via U.S. postal mail to participant's home, with a quarterly transactional summary that includes but is not limited to the following:
  - a. Individual deposits;
  - b. Reimbursements;
  - c. Dates of service for each reimbursement;
  - d. Account balances;
  - e. Outstanding authorized claims;
  - f. Appropriate and timely general messages to participants regarding the programs. The message shall be pre-approved by the STATE; and
  - g. Any other information reasonably requested by the STATE.
6. Send to each participant's home, at the end of each plan year, a statement of each participant's account balance(s). For the **Island Flex** Plan, a reminder of the ninety (90) day grace period ("run out" period) for the submission of claims for expenses incurred during the preceding plan year should be included.
7. Provide a comprehensive system of audit and control to track and balance accounts and to ensure the overall fiscal integrity of the program, maintaining all records associated with an individual's account (including contributions, enrollment forms, authorizations, address, reimbursements) that relate to the proper administration of an account, and ensure that all necessary forms and authorizations are complete, on file, and in compliance with the program's rules and requirements of the Code.
8. For the **Island Flex** Plan, comply with and implement instructions given by the STATE for the disposition of any balances in any participant's account following the close of each plan year's grace period. Any and all forfeitures shall be returned to the STATE by October 31<sup>st</sup> of each year. For the Commuter Benefits program, return any and all forfeitures to the STATE upon request.
9. If requested by the STATE, set up and deposit participant contributions into:
  - a. An interest-bearing account in the name of the STATE at a financial institution approved by the STATE; or



- b. An alternative investment product in the name of the STATE (e.g. savings account, checking account, money market account, etc.) with a provider approved by the STATE. The investment product(s) shall guarantee, at a minimum, a full return of principal.

The STATE shall retain any and all interest earned on the account or investment product.

PLEASE NOTE: The STATE may decide to set up its own account to deposit the participant contributions and periodically transfer funds to the CONTRACTOR for distribution to the participants. The STATE shall select the type of account or investment product that shall be utilized after proposals have been submitted.

10. Maintain all necessary accounting records including recordation of all receipts and disbursements for at least seven (7) years, in a secure and safe manner.
11. Process the expenditures for administrative expenses for the services covered by this RFP; including arrangements for proper approvals and signatures for the disbursement of funds, record and account for disbursement of all funds, etc.
12. Maintain necessary check registers showing disbursements for at least seven (7) years, in a secure and safe manner.
13. Maintain internal accounting controls and reconcile any financial reporting discrepancies.

G. Consultation Services

1. Provide consultation to the STATE regarding all cafeteria plan-related benefits, including FSA and premium conversion plan, and qualified transportation fringe benefit. This includes, but is not limited to:
  - a. Answer questions regarding all cafeteria plan-related benefits as well as commuter related benefits;
  - b. Assist in review and analysis of the impact of legislative bills/statutes relating to cafeteria plan and commuter related benefits; and
  - c. Provide letters of interpretation of section 125 and section 132 of the Code and the rules governing these benefits.

2. Confer with the STATE's deferred compensation third party administrator(s) and tax sheltered annuity agents, when necessary, to provide assistance so that employees do not over-defer into their deferred compensation plan as a result of participating in the benefit programs.

#### H. Reports

##### 1. Quarterly Reports

- a. The CONTRACTOR shall provide quarterly reports to DHRD, in a form requested by the STATE that contain, without limitation, such information as:
  1. Number of employees contributing to each type of expense account;
  2. Amount of payroll reductions for each type of expense account;
  3. Fees charged;
  4. Number of new enrollments;
  5. Number of separated participants;
  6. Number of claims received and processed;
  7. Disposition of claims;
  8. Number of claims rejected;
  9. Claim adjustments made after initial disposition;
  10. Number, nature, and resolution of complaint calls;
  11. Average number of days elapsed in processing claims;
  12. Number of claims paid after ten business days and reasons;
  13. Beginning balance in each type of expense account for the period;
  14. Contributions and withdrawals in each type of expense account for the period;
  15. Ending balances for each type of expense account for the period;
  16. Beginning and ending balance of forfeitures (including contributions, withdrawals, and interest-earned) for the period, if applicable; and
  17. Any other information reasonably requested by DHRD and/or the STATE.
- b. These reports shall be provided within fifteen (15) days after the end of each quarter.

##### 2. Annual Reports

- a. The CONTRACTOR shall provide an annual report (or semi-annual if requested) to DHRD that summarizes the information in H.1.a.

above, and any other information reasonably required by the STATE.

- b. The semi-annual report(s) may be in lieu of an annual report which shall typically cover the periods of July 1 to the following June 30, and provided to DHRD by July 15 of each year.
- 3. Independent Audit
  - a. The CONTRACTOR shall provide, at the STATE's request (and at no cost to the STATE), an independent audit of the financial transactions of each type of benefit account and its forfeitures.
  - b. The results of the audit shall be submitted to the STATE within one hundred twenty (120) days of the STATE's request for an audit.
  - c. The selection of the auditor shall be approved by the STATE.
- 4. Ad Hoc Reporting
  - a. The CONTRACTOR shall be responsible for notifying DHRD immediately in writing of any material events (e.g., ownership changes, personnel departures, violation of guidelines, etc.) that potentially could have a negative impact on the Plan.

I. Protection of Personal Information

- 1. Ensure compliance with all applicable STATE and federal laws, rules and regulations that are related to the protection of participants' personal information.
- 2. Notify the STATE and the affected individual(s) immediately whenever personal information has been compromised by any unauthorized disclosure.
- 3. Establish security procedures to maintain confidentiality and integrity when disposing of records containing personal information, and take reasonable measures to protect against unauthorized access to or use of the information in connection with or after its disposal.

J. Other Services

- 1. Conduct a customer service satisfaction survey of a statistically significant random number of participants periodically, if requested by the STATE. The contents of the survey shall be approved by the STATE. Prepare a

survey report and present to the STATE within sixty (60) days after participant responses are due.

2. Provide data processing services, maintain enrollment and financial databases, and provide adequate security and emergency protection of all data, records, forms and data processing operations devoted to the benefit program, including but not limited to:
  - a. Establish procedures to ensure the data processing system will be back in at least minimal operation within thirty (30) calendar days of a disaster, such as, but not limited to, a fire, flood, hurricane, tornado, earthquake, or bomb;
  - b. Back up all tapes and files daily for changes;
  - c. Provide for off-site disaster back up of computer data files in connection with the Plan. Additionally, the CONTRACTOR shall have a disaster recovery plan in effect and shall be required periodically by the STATE to provide evidence that the system has been tested within the last twelve (12) months; and
  - d. All computer data files, as maintained by the STATE, shall at all times remain the property of the STATE, notwithstanding the fact that such records may be stored upon or within one or more computer or data retention systems owned, operated, or leased by the CONTRACTOR.
    1. The STATE or its representatives shall at all reasonable times have access to all of the records.
    2. In the event that the records are maintained on a computer system or other data retention system not owned by the CONTRACTOR, the CONTRACTOR shall provide the STATE with assurances from the owner of such system, satisfactory to the STATE, of the continued availability and security of the records at all times.
3. Provide the STATE with access to all back-up source materials, reports, books, records, computer programs, and all other information and documentation relating to the Plan as reasonably required to enable the STATE to conduct a financial examination and/or audit of the Plan.
4. Perform necessary on-going programming and modifications to the system to meet the needs of the STATE at no cost to the STATE.

5. Manage the files and records of the Plan in accordance with record retention policies approved by the STATE.
6. All electronic information technology developed or provided under this contract or procurement shall comply with the applicable requirements of the Hawaii Electronic Information Technology Disability Access Standards.
7. Provide other services reasonably required by DHRD and/or the STATE.
8. Specify any other additional services you are willing to provide to the STATE and the Plan (at no additional cost to the STATE and Plan Participants) that are not specified in this RFP.

K. Transition Plan for Assumption of Services

1. Plan for assumption of services from current TPA:
  - a. The OFFEROR shall provide a transition plan approved by the STATE that outlines the specifics on how the transition process to transfer the Plan's record keeping shall be completed.
  - b. The OFFEROR shall address all questions by the STATE regarding the transition and transfer of the Plan's records.
  - c. The OFFEROR shall establish written and actual procedures for handling all participant activities (including conducting Open Enrollment activities) during the transition period.

L. Turnover Plan

1. Provide a Turnover Plan, acceptable to the STATE, which provides for the complete transfer of the Plan's operations and accounts to the STATE or to a successor TPA. Such a plan shall be used at the end of the contract period to minimize any disruption of processing or service to participants, and the STATE's goal is continuity of Plan operation. This includes but is not limited to:
  - a. Provide the STATE with any required technical assistance and advice during the turnover period;
  - b. Cooperating fully with the STATE and any successor TPA during the turnover period;
  - c. Provide the STATE with a Turnover Plan within six (6) months of execution of a contract;

- d. Update the Turnover Plan, as requested by the STATE;
  - e. Meet with the STATE to review all open payroll audit, delinquency, and any other pending matters to ensure that these open matters are properly picked up and resolved by the successor TPA;
  - f. Attend meetings, as required by the STATE, with STATE representatives and designees; and
  - g. Provide other turnover services reasonably requested by the STATE.
- 2. Coordinate the changing of signatories on the Plan's bank accounts; notify the bank(s) of the change(s) in administrators.
  - 3. Prepare necessary letters, pre-approved by the STATE, informing STATE agencies and Plan participants of the change in administrators and specific instructions to ensure a smooth transition.

#### **IV. OFFEROR'S QUALIFICATIONS**

##### **A. Executive Summary**

1. Provide an executive summary of the OFFEROR's proposal that shall:
  - a. Not exceed three (3) pages in length;
  - b. Fully disclose ALL material facts, terms, and conditions, and include a detailed summary of:
    1. The OFFEROR's qualifications and experience, including the experience and background of those individuals who would be assigned to the implementation and management of this project, the services that you intend to provide, your understanding of the Plan and the objectives of the Plan, and the strength and distinguishing characteristics of your company and your response;
    2. The fees charged for administrative services under this RFP; and
    3. Why the OFFEROR should be selected.
2. The Executive Summary shall be detachable from the OFFEROR's main proposal.

##### **B. Offeror's Qualifications and Experience**

1. State the name, address, telephone, e-mail and internet addresses, and fax number(s) of your company and the principal contact for this RFP.
2. Describe fully your company's corporate or other business entity structure, including the state of incorporation or formation and list any controlling stockholders, officers, directors, general partners, members, managers, etc.
  - a. Attach an organization chart of the company (or any part of the company associated with this RFP) showing principal officers, directors, general partners, members, managers, etc. and staff members who will be associated with this RFP.
  - b. What is the principal business of your company and when did your company begin work in the area of FSA and Commuter Benefits administration?

- c. When was the company established?
  - d. Please indicate whether your company is a subsidiary or affiliate of another company and whether there are any pending or proposed agreements to merge or sell the company.
- 3. Provide full disclosure of any direct or indirect ownership or control by any administrative service agency and/or financial institution and describe fully.
- 4. An OFFEROR shall be licensed to transact business in the STATE and shall have complied with all applicable STATE and federal registration and licensing requirements. Please provide proof that these applicable registration/ licensing requirements have been complied with (e.g., provide a current certificate of authority, etc., with your proposal).
- 5. What are the company's:
  - a. Total assets?
  - b. Capital and surplus?
  - c. Total income, after taxes, for 2024?
  - d. Total receipts for 2024?
- 6. Furnish a copy of your company's audited financial statements/financial reports for the last two (2) years. Such statements shall remain confidential to the extent provided by law (e.g., HRS chapter 92F).
- 7. Given your current contractual obligations, will you have any problem providing the services required under this RFP?
- 8. Provide opinion of legal counsel that the services you propose to provide are legal and appropriate for your company under STATE and federal laws and rules.
- 9. What professional liability insurance coverages are maintained by your company for errors or omissions or any other acts committed by your company or its employees?
- 10. Has any contract of your company ever been terminated for cause? If so, when, by whom and under what circumstances?
- 11. Do you now, or have you ever had, a contract with the STATE to provide products or services? Briefly describe the nature and scope of the contract.



12. Describe whether your company has been cited, or threatened with a citation, within the last five (5) years, by federal or STATE regulators for violations of federal or STATE law or implementing regulations. Please explain in detail.
13. Describe any litigation to which your company is currently a party, or in the last five (5) years has been involved in, either as a plaintiff or as a defendant, as it relates to the services you propose to provide pursuant to this RFP (including the current status of such litigation).
  - a. If there is any pending litigation, please provide an opinion of legal counsel that the pending litigation shall not impair the company's ability to provide the services under this RFP.
14. Does your company have or is it willing to open a local office in Honolulu? If so, how many employees will be located at the Honolulu office?

C. Offeror's Proposed Monthly Fee

Indicate the monthly fee(s) that you propose to charge the participants under the following scenarios:

1. One single monthly fee
  - a. Specify the fee that would be charged regardless of whether the employee enrolled in one or all types of benefit accounts (i.e. medical expense reimbursement account, dependent care expense reimbursement account and commuter benefit).
  - b. Specify the fee if enrollments are done online versus paper enrollment (i.e., would there be a difference in amount?).
  - c. Indicate whether the fee would be different if the STATE decides to set up its own account to deposit participants' contributions and periodically transfer funds to the CONTRACTOR for distributions to participants. If so, specify the fee.
2. Three separate monthly fees
  - a. Specify the separate fees that would be charged if the employee chooses:
    1. Only one benefit account;
    2. Two benefit accounts; or

3. Three benefit accounts.
  - b. Specify the fee if enrollments are done online versus paper enrollment (i.e., would there be a difference in amount?).
  - c. Indicate whether the fee would be different if the STATE decides to set up its own account to deposit participants' contributions and periodically transfer funds to the CONTRACTOR for distributions to participants. If so, specify the fee.
3. Alternative fees
  - a. Please provide, if any, other alternative fees/fee structures.

PLEASE NOTE: Fees cannot be assessed until the employee's first FSA/Commuter Benefits payroll deduction.

D. Interest-Bearing Account/Investment Product(s)

1. If requested by the STATE, which type of interest-bearing account at a financial institution do you propose to use to deposit the participant contributions? Please describe in detail.
2. Specify the financial institution you propose to use.
3. If requested by the STATE, which alternative investment product(s) (e.g., savings accounts, checking accounts, money market account, etc.) would you propose to use to deposit participant contributions? Please describe in detail.
4. Specify the proposed provider(s) of the above investment product(s). Provide proof that the provider(s) has/have complied with all applicable registration/licensing requirements of the STATE's Department of Commerce and Consumer Affairs ("**DCCA**").
5. What is the current interest rate/rate of return ("**ROR**") for the interest-bearing account and investment product(s)? Keep in mind that a full return of principal must be guaranteed.
6. How is the interest rate/ROR calculated and what has it been for the past five (5) years for each of the above?
7. Describe how a full return of principal can be guaranteed for each of the above.

8. Indicate whether your proposed monthly fee would change, and by how much, if the STATE requests the CONTRACTOR to set up the interest-bearing/investment product account.

E. Customer References

1. Indicate the number of clients OFFEROR currently performs FSA and Commuter Benefits administration activities for.
2. List the current top ten (i.e., based on the largest number of eligible employees) private sector and the top ten government clients for whom you provide FSA and/or Commuter Benefits administration services.
  - a. For each, please provide: services provided, the average number of participants, fees charged, type of account used, contract beginning and end dates, contact person, address, telephone and fax number.
  - b. Indicate which clients, if any, are similar in size to the STATE's Plan.
  - c. Indicate the number of clients who have not renewed their contracts with the OFFEROR within the last five (5) years and briefly describe why.
3. Each OFFEROR shall provide a list of at least three (3) governmental clients, for whom the OFFEROR has specifically provided FSA and/or Commuter Benefits administrative services and who can attest to the OFFEROR's performance.
  - a. Please provide the names, addresses, contact persons, and telephone numbers of these clients.
  - b. If an OFFEROR has less than three (3) governmental clients, please provide the above contact information on the OFFEROR's governmental clients and the appropriate number of private sector clients.
4. By providing the information under this section, the OFFEROR consents to the STATE contacting the OFFEROR's governmental and private sector clients for reference purposes.

F. Partnerships, Joint Ventures, and Subcontractors

1. Each OFFEROR shall identify all partners, joint venturers, and subcontractors that the OFFEROR intends to use in the provisions of services under this RFP.

Note: Once the contract is executed, an OFFEROR shall not subcontract any of the work to be performed under the Contract, change subcontractors, or assign the contract to any other person or firm without the prior written approval of the STATE.

2. Describe in detail the work to be performed by the OFFEROR's partners, joint venturers, and subcontractors.
3. In your proposal, please provide the information requested in this Part IV. "Offeror's Qualifications" and other applicable sections of this RFP for each of the OFFEROR's partners, joint venturers, or subcontractors.

G. Privacy, Confidentiality and Security

1. An OFFEROR shall keep confidential all information, records, and data collected or obtained in accordance with this RFP and the resulting Contract.
2. The STATE expects the CONTRACTOR to comply with the administrative simplification requirements of the Health Insurance Portability and Accountability Act of 1996, including privacy, security, and electronic transactions. Indicate whether your company is currently in compliance, or, if not, your timetable for compliance.
3. The STATE expects the CONTRACTOR to comply with all other federal and STATE privacy and confidentiality laws, rules, and regulations (including, but not limited to, those pertaining to the disclosure of individual social security numbers).
4. Describe the extent to which internal procedures provide for confidentiality and security of participant records.
5. What safeguards exist for preventing breaches in confidentiality with regard to participant records?
6. Describe the extent to which internal procedures provide for the destruction of records containing personal information.
7. How does your company monitor adherence to security policies and standards?

8. Describe your disaster recovery plan and procedures.
9. Describe your security procedures.

H. Proposed Methods of Performance

1. Describe in detail the timeline of your plan to implement the FSA. Include a description of the activities and considerations necessary for an orderly and controlled transition. What is the minimum amount of preparation time you believe is necessary to effectively and efficiently implement the FSA by July 1, 2026. Please provide an implementation checklist based on a date of July 1, 2026.
2. Describe in detail the timeline of your plan to implement Commuter Benefits. Include a description of the activities and considerations necessary for an orderly and controlled transition. The STATE is open to implementing this program jointly with FSA or separately. Please provide an implementation plan for both scenarios.
3. Describe in detail what assistance the CONTRACTOR expects of the STATE in the areas of program design, implementation, and day-to-day administration. Include the anticipated frequency of assistance.
4. Provide the name of the company, address, telephone number, and name of the official who will coordinate all activities related to the Contract qualifications.
5. Describe the resources the OFFEROR has available for advising the STATE on operation of the Plan.
6. Describe the employee communication strategy your company would utilize in administering the programs. Describe the types of informational/promotional materials used in similar plans and provide samples.
7. Describe all record-keeping and computer systems capabilities the company has to administer similar benefit programs and identify those resources that will be utilized in connection with this intended contract.
  - a. Describe your company's electronic data processing services and capabilities (i.e., number of staff and whether they are in-house employees or subcontracted). If you use a subcontractor, please identify the subcontractor by name, address, and phone number. Will your Hawai'i office have direct on-line data entry and inquiry capabilities?

- b. Specify the basic record-keeping system to be provided for the Plan, with particular reference to the ability to receive, disburse, control, and ensure timeliness, accuracy, and confidentiality of records. Indicate if this system is owned in-house or subcontracted to another organization.
  - c. Indicate all interfacing that will occur with the STATE. Indicate your ability to interface with the STATE's internal data processing systems.
- 8. Describe your capabilities to provide a customer service center. This center should provide an 800-toll-free telephone line to representatives who can advise the participants of information regarding their accounts. Also describe the customer service training program for your employees and how you measure the quality of your customer service.
- 9. Describe in detail the capabilities to provide voice response services that will allow participants to access information for inquiry purposes and/or enroll in/make changes to their elections.
- 10. Describe in detail the capabilities to provide web-based and/or mobile application services that will allow participants to access information for inquiry purposes and/or enroll in/make changes to their elections and/or filing for claim reimbursements.
- 11. Describe in detail your capabilities to provide FSA and Commuter Benefits debit cards that will allow participants the ability to pay for eligible merchandise at the checkout without having to submit a claim for reimbursement. Please specify if the debit card you utilize have the ability to substantiate payments for both FSA and Commuter Benefits on one card. Also describe how the funding to the debit card will be processed and whether participants have to substantiate claims by submitting receipts. For information purposes, please provide controls that would be employed to prohibit debit card overpayments, controls that would be used to avoid payment of ineligible claims and process for recovering overpayments or ineligible claims.
- 12. Describe in detail your capabilities to process claims and reimbursements. Please provide your frequency of reimbursements, methods claims may be submitted, any minimum reimbursement or claim amount, average claim turnaround time, notification process for claim denials and claim appeals, etc. Also specify the administrative process of claims review.
- 13. Specify all reports you propose to issue to the participants, the STATE, and governmental agencies. Furnish examples of all reports and indicate the frequency of each.

14. Describe any performance measurements your organization currently uses to ensure performance standards are met. This includes, but not limited to evaluation of claims processing volume, accuracy, turnaround time, etc. Specify how these measurements are derived.
15. Describe any system limitations you might have regarding the type of services you will be required to administer.

**V. COMPENSATION AND PAYMENT OF EXPENSES**

- A. The CONTRACTOR shall provide all services required by this RFP at no cost to the STATE. No STATE funds have been or shall be budgeted for the Plan, and no fees shall be paid to the OFFEROR by the STATE.
- B. The CONTRACTOR shall be compensated solely from the monthly fees paid by the Plan's participants.
- C. Should the STATE owe any compensation to the CONTRACTOR for services and investment options provided under the Contract, such compensation shall be subject to: the availability of funds, allotment by the STATE Director of Finance, and accounting procedures and controls, all in accordance with STATE law.



## **VI. ADMINISTRATIVE PROVISIONS**

### **A. STATE Procurement Code**

1. This RFP is issued in accordance with provisions of the STATE's Procurement Code contained in HRS chapter 103D and the administrative rules thereunder.
2. All OFFERORS are charged with presumptive knowledge of all requirements of the cited authorities and STATE law.
3. The submission of a valid executed proposal by an OFFEROR shall constitute certification and representation of such knowledge on the part of such OFFEROR.

### **B. Issuing Officer**

1. This RFP is issued by the State of Hawai'i, Department of Human Resources Development.
2. The individual listed below shall be the point of contact from the date this RFP is issued to the date an OFFEROR is selected to be the CONTRACTOR:

Ms. Doreen Kuroda  
Personnel Program Manager  
Department of Human Resources Development  
Employee Relations Division, Employee Assistance Office  
235 South Beretania Street, Room 1004\*  
Honolulu, HI 96813

\* NOTE: Mailing and delivery address for this RFP only. All correspondence and proposal submittals shall be clearly marked "For DHRD RFP No. 25-5-EAO."

Telephone: (808) 587-1169  
Email: doreen.j.kuroda@hawaii.gov

### **C. Procurement Officer**

1. The Procurement Officer for the Contract is Mr. Marc Togashi, Administrative Services Officer.
2. The Procurement Officer or his designee shall serve as the STATE's primary liaison with the CONTRACTOR in working with other STATE staff during the term of the Contract. The Procurement Officer or his designee

shall provide overall direction during the term of the Contract, and monitor and assess the CONTRACTOR's performance.

D. OFFEROR's Questions on the RFP

1. If an OFFEROR has any question on the provisions of the RFP, the OFFEROR shall submit its question(s) in writing (typewritten) to the Issuing Officer no later than 4:00 p.m. (HST), June 23, 2025. Questions may be sent by email to the Issuing Officer, provided they are received by 4:00 p.m. (HST), June 23, 2025. Such documents shall contain pertinent information to identify the RFP No., prospective OFFEROR, OFFEROR's mailing address, telephone, email address, and fax number.
2. The Issuing Officer shall formally respond in writing to timely submitted written questions received by date identified in the "Procurement Timetable." The Issuing Officer intends to respond by email by the date identified in the "Procurement Timetable" to all OFFERORS known to have picked up an RFP.

E. OFFEROR's Request to Amend the RFP

1. If an OFFEROR desires to amend a requirement of the RFP, the OFFEROR shall identify the amendment and provide justification for the amendment in writing. A request to amend this RFP shall be submitted to the Issuing Officer by the date and time identified in the "Procurement Timetable."
2. The STATE shall review the request and decide whether to amend the RFP in its sole discretion. Any changes to the RFP shall be made through the issuance of an Addendum to the RFP.

F. STATE Not Responsible for Non-Receipt of Responses by OFFERORS

1. The STATE shall not be responsible whatsoever for any delays or non-receipt of responses to questions or requests to amend the RFP, or Addendums, by the OFFERORS.

G. RFP Amendments

1. The STATE reserves the right to amend this RFP any time prior to the closing date for final receipt of proposals (i.e., prior to the date and time identified in the "Procurement Timetable").

H. Cancellation of RFP/Rejection of Proposals

1. The STATE reserves the right to cancel the RFP when, in the STATE's sole opinion, such cancellation is in the best interest of the STATE (including but not limited to, if the STATE does not receive a sufficient number of proposals, responsible OFFERORS, or reasonable prices).
2. The STATE may reject proposals, in whole or in part, and waive any defects, when in the STATE's sole opinion, such rejection or waiver will be in the best interest of the STATE.
3. The STATE shall not be liable for any costs, expenses, loss of profits, or damages whatsoever incurred by the OFFEROR in the event this RFP is canceled or a proposal is rejected.
4. Multiple, alternate, or conditional proposals shall not be accepted.

I. Bid Security

1. No bid security is required to be submitted for this RFP, and no performance or payment security shall be required for the resulting Contract.

J. Notice of Award

1. The notice of award, if any, resulting from this RFP shall be posted on the Hawai'i Awards & Notices Data System, which is available on the SPO website at: <https://spo.hawaii.gov/>

K. Debriefing

1. Pursuant to Hawai'i Administrative Rules ("HAR") section 3-122-60, a debriefing is provided to the non-selected OFFERORS to inform them of the basis for the source selection decision and contract award.
2. A written request for debriefing shall be made within three (3) working days after the posting of the award of the contract. The STATE shall hold the debriefing within seven (7) working days to the extent practicable from the receipt date of the written request.
3. Any protest by a non-selected OFFEROR following debriefing shall be filed in writing with the procurement officer within five (5) working days after the date upon which the debriefing is completed, pursuant to HRS section 103D-303(h).

L. Protest

1. Any protest shall be submitted in writing within five (5) working days after the aggrieved person knows or should have known of the facts giving rise thereto; provided, that a protest based upon the content of the solicitation shall be submitted in writing prior to the date set for receipt offers and a protest of an award or proposed award shall be submitted within five (5) working days after the posting of the award of the Contract or, if requested, within five (5) working days after the debriefing is completed.
2. Any protest pursuant to HRS section 103D-701 and HAR section 3-126-3 shall be submitted in writing to the Procurement Officer, Department of Human Resources Development, c/o Employee Relations Division, Employee Assistance Office, 235 S. Beretania Street, Room 1004, Honolulu, HI 96813.

M. Certifications Required Prior to Contract Award

1. Tax Clearance

- a. In accordance with HRS section 103-53 and HRS chapter 103D-328, and HAR section 3-122-112, the CONTRACTOR shall, prior to award, provide valid tax clearance certificates from the State Department of Taxation (“**DOTAX**”) and the IRS.
- b. The tax clearance certificates shall be current within six (6) months of the issuance date.
- c. The CONTRACTOR shall provide an original approved DOTAX “Tax Clearance Application”, Form A-6, for contract execution and for final payment, and shall be subject to the STATE’s general excise tax and income tax requirements. Forms and additional information are available from the DOTAX as follows:

DOTAX website: <https://tax.hawaii.gov/>  
DOTAX forms by fax or mail: (808) 587-4242  
1-800-222-3229 (toll-free)

2. Certificate of Compliance

- a. In accordance with HRS section 103D-310(c) and HAR section 3-122-112, the CONTRACTOR shall, prior to award, provide a valid “Certificate of Compliance”, Form LIR # 27, issued by the State Department of Labor and Industrial Relations (“**DLIR**”).

- b. The "Certificate of Compliance" shall be current within six (6) months of the issuance date.
- c. The CONTRACTOR shall provide an original approved "Application for Certificate of Compliance with Section 3-122-112, HAR", Form LIR #27, for contract execution, and shall be subject to the STATE's unemployment insurance, workers' compensation, temporary disability insurance, and prepaid health care requirements. Forms and additional information are available from the DLIR as follows:

DLIR website: <https://labor.hawaii.gov/forms/>

3. Certificate of Good Standing

- a. In accordance with HRS section 103D-310 and HAR section 3-122-112, the CONTRACTOR shall, prior to award, provide a valid "Certificate of Good Standing" from the Business Registration Division ("**BREG**") of the STATE's Department of Commerce and Consumer Affairs.
- b. The "Certificate of Good Standing" shall be current within six (6) months of the issuance date.
- c. To obtain a "Certificate of Good Standing", the CONTRACTOR must first be registered with BREG. However, a sole proprietorship is not required to register with BREG and is therefore not required to submit a "Certificate of Good Standing."
- d. The CONTRACTOR shall provide an original approved "Certificate of Good Standing" for contract execution, and shall be subject to the STATE's business registration requirements. Forms and additional information are available from BREG as follows:

BREG's website: <https://cca.hawaii.gov/breg>  
BREG forms by fax/mail: (808) 586-2727

4. Certificate of Vendor Compliance

- a. As an alternative to separately applying for the above certificates, the CONTRACTOR may use the STATE's Hawai'i Compliance Express ("**HCE**"), which provides an electronic proof of compliance registration process allowing those doing business with the STATE to collectively obtain a tax clearance from the DOTAX, Certificate of Compliance from the DLIR, and a Certificate of Good Standing from

BREG. Thus, one certificate, a “Certificate of Vendor Compliance,” may be obtained.

- b. The HCE provides current compliance status as of the issuance date, and shall be accepted for both contracting and final payment purposes. If OFFEROR is not compliant at time of award, the OFFEROR will not receive the award.
- c. The “Certificate of Vendor Compliance” is available at the HCE website: <https://vendors.ehawaii.gov>.

5. Certificate Costs

- a. All costs, fees, and expenses of obtaining the above certificates shall be the sole responsibility of the CONTRACTOR, and shall not be reimbursed by the STATE whatsoever.

N. Insurance

- 1. An OFFEROR shall have and maintain, and comply with, the following insurance requirements:
  - a. STATE requirements for workers’ compensation, temporary disability, unemployment, and prepaid health care insurance coverage;
  - b. Commercial General Liability insurance coverage – minimum of \$1,000,000 per occurrence for bodily injury and property damage; \$1,000,000 per occurrence for personal injury; and an aggregate limit of \$2,000,000;
  - c. Automobile Liability insurance covering owned, non-owned, leased, and hired vehicles with a minimum of \$1,000,000 for bodily injury for each person; \$1,000,000 for bodily injury for each accident; and \$1,000,000 property damage for each accident;
  - d. Professional Liability insurance coverage covering the CONTRACTOR against claims that may arise as a consequence of errors and omissions in providing services with a minimum of \$1,000,000 per occurrence/claim; and an aggregate limit of \$2,000,000;
  - e. Professional/Cyber Liability insurance coverage with a combined single limit of not less than \$5,000,000 each claim and \$10,000,000 in the aggregate, which shall, at a minimum, cover any and all errors, omissions, or negligent acts in the development, design, and

delivery of products, services, and licensed programs under this intended contract; and

- f. Crime Coverage, including third party coverage, of not less than \$5,000,000 single limit per occurrence and \$10,000,000 in the aggregate, which shall, at a minimum, cover occurrences falling in the following categories: EFT, computer and electronic transmission fraud and theft; Forgery; Money and Securities; and Employee Dishonestly.
  - g. The Commercial General Liability and Automobile Liability insurance policies required of the CONTRACTOR shall contain the following clause or similar clauses with the same effect:
    - 1. "The State of Hawai'i is added as an additional insured with respect to operations performed for the State of Hawai'i ."
    - 2. "It is agreed that any insurance maintained by the State of Hawai'i shall only apply in excess of, and not contribute with, the insurance provided by this policy."
  - h. A Waiver of Subrogation in favor of the State of Hawai'i shall apply to the Commercial General Liability, Automobile Liability, and Workers' Compensation policies. If applicable, CONTRACTOR shall obtain Cyber and Crime Insurance with Waiver of Subrogation.
  - i. The insurance required shall be in full compliance with the Hawai'i Insurance Code throughout the entire selection term, including all extended periods if exercised.
- 2. The CONTRACTOR agrees to deposit with the STATE, on or before the effective date of the Contract, certificate(s) of insurance necessary to satisfy the STATE that the provisions of the Contract have been complied with, and to keep such insurance in effect and provide the certificate(s) of insurance to the STATE during the entire term of the Contract. Upon request by the STATE, the CONTRACTOR shall furnish a copy of the policy or policies.
  - 3. Failure of the CONTRACTOR to provide and keep in force such insurance shall constitute a material default under the Contract, entitling the STATE to exercise any or all of the remedies provided in the Contract (including without limitation terminating the Contract).

4. The procuring of any required policy or policies of insurance shall not be construed to limit the CONTRACTOR's liability hereunder, or to fulfill the indemnification provisions of the Contract.
5. Notwithstanding said policy or policies of insurance, the CONTRACTOR shall be responsible for the full and total amount of any damage, injury, or loss caused by the CONTRACTOR's negligence or neglect in the provision of services under the Contract.
6. The provisions of paragraph N1 shall survive the expiration or earlier termination of the Contract for a period of ten years.

O. American with Disabilities Act of 1990

1. The CONTRACTOR shall comply with the American with Disabilities Act of 1990, as amended ("**ADA**"), in the provision of services under this RFP and the Contract, at no cost to the STATE.

P. Health Insurance Portability and Accountability Act of 1996

1. The CONTRACTOR shall comply with the Health Insurance Portability and Accountability Act of 1996, as amended ("**HIPAA**"), in the provision of services under this RFP and the Contract, at no cost to the STATE.
2. The CONTRACTOR shall defend and indemnify the STATE from all inquiries, claims, actions, proceedings, damages, penalties, attorney fees, costs, and expenses that arise from the CONTRACTOR's failure to implement all applicable HIPAA provisions on behalf of the STATE.

Q. Confidentiality of Information

1. The CONTRACTOR shall agree that all information, records and data collected in accordance with this Contract shall be protected from unauthorized disclosure. Subject to applicable laws, the CONTRACTOR shall guard the confidentiality of participant information, including but not limited to social security numbers.
2. Access to participant identifying information shall be restricted by the CONTRACTOR to persons or agencies who require the information in order to perform their duties in accordance with the Contract.

R. Social Security Numbers

1. Section 7 of the Federal Privacy Act, P.L. 93-579, 88 Stat. 1909 (December 31, 1974), provides that it shall be unlawful for any federal, state, or local government agency to deny to any individual any right,



benefit or privilege provided by law because of such individual's refusal to disclose his or her social security number.

2. The CONTRACTOR shall be prepared to perform all of its obligations under the Contract with respect to any person eligible to participate in the Plan that refuses to disclose his or her social security number.

S. Quiet Period

1. OFFERORS or their agents, officers, principals, and employees shall not engage in any written or verbal communication with the STATE, except for the Issuing Officer, during the procurement and selection process. The process ends at the time the Contract is executed, unless otherwise requested by the STATE.
2. OFFERORS shall not engage in any lobbying efforts, or other attempts to influence the STATE in an effort to be selected.
3. Any violation of this paragraph S. may constitute grounds to reject a proposal.

## **VII. PROPOSAL SUBMISSION AND REQUIREMENTS**

### **A. Letter of Intent to Submit a Proposal**

1. An OFFEROR interested in submitting a proposal is requested to submit a non-binding "Letter of Intent to Submit a Proposal" (see, Appendix "A") to the Issuing Officer on the date and time identified in the "Procurement Timetable."
  - a. The "Letter of Intent to Submit a Proposal" may be sent to the Issuing Officer by mail or email.
  - b. Although the "Letter of Intent to Submit a Proposal" is not mandatory (and the failure to submit it will not preclude an OFFEROR from submitting a proposal), only those OFFERORS who have submitted a "Letter of Intent to Submit a Proposal" shall receive official communications from the STATE.

### **B. Submission of Proposals**

1. To be considered responsive, an OFFEROR's proposal and supporting documentation must be for all items specified in this RFP (and any subsequent Addendum). Any proposal offering any other set of terms and conditions contradictory to those included herein (or in any subsequent Addendum) may be rejected without further consideration.
2. An OFFEROR must complete the "Standard Proposal Letter" in Appendix "B," and identify the name and telephone number of a person who may be contacted during the evaluation process to discuss the proposal.
  - a. By signing the "Standard Proposal Letter," the OFFEROR agrees to comply with the requirements of this RFP, and all applicable federal and STATE laws.
  - b. The "Standard Proposal Letter" must be signed by an officer (an original signature is required) who has authority to bind the OFFEROR, and evidence of that authority must be attached and the corporate seal, if any, affixed to the "Standard Proposal Letter."
3. An OFFEROR shall prepare and submit a proposal that fully describes the services, time frame, and fees that the OFFEROR proposes in response to this RFP. An OFFEROR shall describe how its proposal meets the STATE's requirements on a point-by-point basis as itemized in Part III "SCOPE OF WORK" and Part IV "OFFEROR'S QUALIFICATIONS," and other applicable provisions in this RFP. The description shall be in sufficient detail to enable the STATE to evaluate the services offered.

This is in addition to any brochures or printed materials that may be submitted with this RFP.

- a. The following format shall be used when responding to requirements of this RFP:
    1. Identify the relevant section number and heading;
    2. Repeat the relevant request, condition, or term; and
    3. Provide the response to the matter as appropriate.
  - b. Any supplemental information thought to be relevant, but not applicable to the specified categories, should be provided as an appendix to the proposal.
  - c. All proposal responses must be in accordance with the terms and conditions stated herein. Descriptions may be submitted on additional sheets not provided for in this RFP.
  - d. The OFFEROR shall submit a written proposal in a method as described in this section, Paragraph 9 (below). In addition, the OFFEROR shall submit separate written and electronic (i.e., Microsoft Word on a flash drive) proposals that include the OFFEROR's Executive Summary described below and all exhibits and forms in the proposal.
4. An OFFEROR shall complete the "WAGE CERTIFICATION" form in Appendix "C" and submit it with its proposal.
  5. An OFFEROR is required to submit its proposal using the OFFEROR's exact legal name, as registered in the state in which it is incorporated. Failure to do so may delay proper execution of the Contract. The original proposal response must also contain original signatures, and facsimiles shall not be accepted.
  6. All materials submitted shall become the property of the STATE, unless otherwise noted, and shall not be returned.
  7. The STATE reserves the right to hold all proposals received for a period of ninety (90) days from the date of the proposal opening, during which time they shall be irrevocable, unless otherwise required by law.
  8. Proposals shall be mailed or delivered to the Issuing Officer at the address specified in this RFP. Proposals must be received and time-stamped by the Issuing Officer **no later than 4:00 p.m. (HST), July 29, 2025.**

- a. Any proposal received after that date and time shall be rejected. E-mailed proposals shall not be accepted or considered for award.
  - b. The outside cover of the package containing the proposal shall be marked:  
  
“Proposal Submitted in Response to DHRD RFP NO. 25-5-EAO for a Third Party Administrator for the State of Hawai‘i’s Flexible Spending Accounts and Commuter Benefits (Name, address, and fax number of Offeror)”
  - c. All proposals shall be typewritten or mechanically printed on 8-1/2” x 11” paper and in electronic format (i.e., on a flash drive).
9. Each qualified OFFEROR shall submit:
  - a. One (1) single-sided unbound original of the proposal and four (4) copies (for a total of five (5)) concurrently. Proposals shall be time-stamped upon receipt and shall not be opened publicly.
  - b. Five (5) copies of the proposal (including all exhibits, attachments and Executive Summary) in electronic format (i.e., on a flash drive).
  - c. A total of ten (10) proposals that consist of five (5) proposals in paper format and five (5) proposals in electronic format.
  - d. Ten (10) copies of the Executive Summary as specified in IV.A.1 (OFFEROR’s Qualifications section).
10. An OFFEROR may modify or withdraw their proposal by making a request in writing before the proposal submittal deadline indicated in the “Procurement Timetable” (i.e., prior to 4:00 p.m. (HST) July 29, 2025).
11. Trade Secrets/Proprietary Data
  - a. The entire proposal CANNOT be considered confidential. If an OFFEROR considers any part of a proposal a trade secret or proprietary data, the OFFEROR must clearly designate that portion as confidential in order to obtain any protection from disclosure that may be available under HAR section 3-122-58, and HRS chapter 92F. Simply marking a section “confidential” shall not ensure protection. Each sheet of such information must be marked with the following: “This data constitutes a trade secret or proprietary data under HAR section 3-122-58, and/or HRS chapter 92F.” Materials shall be readily separable from the proposal in order to

facilitate inspection of the non-confidential portion of the proposal. In addition, an index of confidential information with page number must be included with the RFP.

- b. An OFFEROR shall submit reasons why the marked material constitutes a trade secret or proprietary data under the applicable section or chapter, and attach such justification with the proposal; provided that the OFFEROR's pricing information for this RFP shall be open to public inspection and shall not be regarded as confidential.
- c. In accordance with Section 3-122-58, HAR, if a person requests to inspect the portion of an OFFEROR's proposal designated as confidential, the head of the purchasing agency or designee shall consult with the Attorney General, who shall make a written determination as to confidentiality. If the request for confidentiality is denied, such information shall be disclosed as public information, unless the person appeals the denial to the Office of Information Practices in accordance with Section 92F-42(12), HRS.

12. Cost of Proposal Preparation

- a. Any and all costs incurred by an OFFEROR in preparing or submitting a proposal, or making a presentation to the STATE shall be the OFFEROR's sole responsibility, and shall not be reimbursed by the STATE or Plan whatsoever.

## VIII. PROPOSAL EVALUATION AND SELECTION

### A. Introduction

1. Only those proposals that substantially meet all of the terms, conditions, and requirements specified in this RFP shall be considered. All other proposals shall be considered non-responsive and shall be eliminated from the evaluation and selection process.
2. The STATE is committed to a fair and impartial evaluation of all proposals received.

### B. Evaluation Criteria

<u>Criteria</u>		<u>Maximum Points</u>
1.	OFFEROR's Experience/Performance History and Customer References <ol style="list-style-type: none"><li>a. OFFEROR's current and previous experience administering FSA and Commuter Benefits similar to that being proposed in this RFP.</li><li>b. Number and size (in terms of total number of participants eligible to participate in FSA and Commuter Benefits) of current clients.</li><li>c. Clients' satisfaction with OFFEROR's services.</li></ol>	40
2.	Administrative Capability and Service <ol style="list-style-type: none"><li>a. The knowledge, ability, and willingness of the OFFEROR to substantially fulfill all requirements of the RFP for the duration of the Contract.</li><li>b. Accounting/recordkeeping/reporting – Capability of the OFFEROR to maintain accurate participant records, provide participants with detailed statements, promptly/accurately process reimbursement checks, and promptly correct errors.</li></ol>	30

c.	Expertise and qualifications of OFFEROR's personnel.	
d.	The ability of the OFFEROR to effectively service participants.	
3.	Proposed Monthly Fee	25
a.	The monthly fee(s) which will be charged to each participant.	
4.	Interest-Bearing Account/Investment Product and Rate of Return	5
a.	Type of interest-bearing account/ investment product in which OFFEROR proposes to deposit participants' money, proposed provider, risk involved, past performance, and rate of return.	
TOTAL		100

C. Evaluation Committee

1. An Evaluation Committee comprised of up to three (3) members designated by the Procurement Officer shall review and evaluate all proposals submitted by the deadline specified in this RFP. The evaluation shall be based solely on the evaluation criteria set out in this RFP.

D. Evaluation Process

The evaluation of proposals shall be conducted in six (6) phases:

1. Phase 1 – Initial Classification of Proposals

Proposals shall be classified initially as “acceptable,” “potentially acceptable,” or “unacceptable.” All responsive, responsible OFFERORS who submit “acceptable” or “potentially acceptable” proposals shall be eligible for the priority list in Phase 2.

The purpose of this phase is to determine whether an OFFEROR's proposal is sufficiently responsive to the RFP to permit a complete evaluation. OFFERORS must submit the “Standard Proposal Letter,” and a proposal that addresses all of the requirements specified in this RFP and is in the format specified in this RFP. Failure to meet these requirements shall be grounds to deem the proposal “unacceptable.” (See, Appendix “B.”)

2. Phase 2 – Establishment of Priority-Listed Offerors

If there are more than three (3) “acceptable” or “potentially acceptable” proposals, the Evaluation Committee shall evaluate the proposals under the evaluation criteria above, rank the proposals, and limit the priority list to at least three (3) responsive, responsible OFFERORS who submitted the highest-ranked proposals. Those responsive, responsible OFFERORS who are selected for the priority list shall be referred to as the “Priority-Listed Offerors.”

3. Phase 3 – Interviews with Priority-Listed Offerors

During this phase, the STATE may (in its sole discretion) conduct interviews only with Priority-Listed Offerors during the time period designated in the “Procurement Timetable” (i.e., September 2 – September 8, 2025)

The STATE may require oral presentations from the Priority-Listed Offerors to ensure a thorough, mutual understanding of each proposal. The STATE shall schedule the time and location for these presentations during the time frame in the “Procurement Timetable” or as required by the Evaluation Committee. Any Priority-Listed Offeror who is requested to make a presentation but fails to make the presentation on the scheduled date to the Evaluation Committee shall not be considered for the final award. Any and all costs incurred by an OFFEROR in making the presentation shall be the OFFEROR’s sole responsibility and shall not be reimbursed by the STATE whatsoever.

4. Phase 4 – Submission of Best and Final Offers

To the extent that there is flexibility in pricing for the administrative fees proposed, Priority-Listed Offerors shall submit their best and final offers by 4:00 p.m. (HST), September 15, 2025 by mail or email. Best and final offers shall be submitted only once unless it is determined in writing by the Procurement Officer to be in the best interest of the STATE to conduct additional discussions, or change the STATE’s requirements by an addendum distributed only to Priority-Listed Offerors, and require another submission of best and final offers.

Priority-Listed Offerors that do not submit a best and final offer shall have their immediate previous proposal considered their best and final offer.

5. Phase 5 – Final Evaluation of Proposals



During this phase, the Evaluation Committee may conduct final evaluations of the Priority-Listed Offeror's best and final offers submitted by the OFFERORS. If best and final offers are not required, the Evaluation Committee shall conduct final evaluations of the proposals received. Final evaluations may include interviews with the finalists to clarify any further information on each proposal. The STATE may schedule the interviews by telephone or other electronic method during the time frame in the "Procurement Timetable" or as required by the Evaluation Committee.

6. Phase 6 – Recommendation for Award

The Evaluation Committee shall prepare a short report summarizing its findings and rankings, and shall make the final selection of the CONTRACTOR.

E. Contract Period

1. The successful OFFEROR shall enter into a Contract for a period commencing on or about July 1, 2026 and ending on or about June 30, 2031 (i.e., for approximately five (5) years).
  - a. The effective date for the provision of services under this RFP shall be July 1, 2026. The successful OFFEROR should be aware that the STATE shall require services under the Contract prior to July 1, 2026 (i.e. Transition Period) to ensure the proper transition of FSA operations from the current TPA to the successful OFFEROR (e.g., conducting Open Enrollment activities). The successful OFFEROR would also need to develop procedures and or program guidelines to expand the Commuter Benefits Program.
  - b. The end date of June 30, 2031, shall include services to be provided until the end of the ninety (90) day run-out period (i.e., to September 28, 2031).
2. Thereafter, the Contract may be extended for up to five (5) twelve-month extensions, by written mutual consent.
3. Either party may elect not to extend the Contract on the expiration or extension date of the Contract; provided that the party electing not to extend must notify the other party in writing at least one hundred and eighty (180) days prior to the expiration or extension date. No fees, charges, penalties, costs, etc. shall be assessed against the STATE or its employees in the event the Contract expires, is terminated, or is not extended/renewed.

F. Contract Execution

1. The successful OFFEROR shall be required to enter into a formal written Contract in accordance with the laws, rules and regulations of the STATE. It is anticipated that the Contract will be executed within ninety (90) calendar days from the date of notification of the award. The CONTRACTOR is only to begin work upon receipt of the written notice to proceed from the STATE thereafter.
2. The Contractor must agree, at a minimum, in its Contract with the STATE to represent, covenant, and warrant, among other things, the following:
  - a. Litigation. The CONTRACTOR, its officers, directors, stockholders, agents, or employees are not subject to any present litigation or administrative proceeding before any court or administrative body that would have a material adverse effect on the CONTRACTOR's ability to perform under the Contract. To the best knowledge of the CONTRACTOR, no such litigation or proceeding is presently threatened against it or any of the foregoing persons.
  - b. No Conflicts. The CONTRACTOR, its officers, directors, stockholders, agents, employees, or subcontractors have no conflict of interest that impairs the CONTRACTOR's ability to fully perform the duties and responsibilities under the Contract.
  - c. Indemnification. The CONTRACTOR shall indemnify and hold harmless the STATE and its employees from any and all claims, demands, lawsuits, actions, damages, costs, and expenses, including attorney fees, arising out of or in connection with the performance of the CONTRACTOR's services under the Contract, including acts or omissions of the CONTRACTOR, its officers, directors, stockholders, agents, or employees.
  - d. In no event shall the CONTRACTOR at any time and on any basis assert a claim or claims against the STATE or any of its staff members. To that end, the CONTRACTOR shall release the individual staff members from any claims or causes of action arising from or related in any manner to the relationship between the STATE and the CONTRACTOR created under the Contract.
  - e. Prohibited Solicitation. The CONTRACTOR shall not at any time contact any employee for the purpose of soliciting business unrelated to the Plan or use or permit the use of information in its possession for solicitation of any business with employees unrelated to the Plan, except as specified in this RFP.

- f. Prohibited Ownership. The Contract shall not permit any employee or officer of the STATE to gain a share of this Contract or to benefit directly therefrom because of substantial financial interest in the Contract or CONTRACTOR, including its affiliates and subcontractors.
- g. Contractor as Employer. The CONTRACTOR shall comply with all applicable federal and State laws governing employment and shall require all subcontractors to comply with such laws.
  - 1. All services offered shall be in conformance with the parameters of the Plan. Any work that extends beyond the scope of this RFP must be approved by the STATE.
  - 2. The CONTRACTOR, its officers, directors, stockholders, agents, employees, and subcontractors, shall not act or be considered as employees of the STATE nor be entitled to any benefits or privileges accorded to public employees. The status of the CONTRACTOR with respect to the Contract shall be one of an independent contractor.
  - 3. Discrimination. The CONTRACTOR shall not discriminate against any employee who is employed in the work covered by the Contract, or against any applicant for such employment, because of race, religion, color, sex, age, marital status, sexual orientation, or national origin, or any other category protected by State and federal laws. This provision shall include, but not be limited to the following: employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rate of pay or other forms of compensation, and selection for training, including apprenticeship. The CONTRACTOR must insert similar provisions in all subcontracts for services covered by the Contract.
  - 4. The CONTRACTOR shall remove persons from work relating to the Plan if they are incompetent, careless, insubordinate, unsuitable, or otherwise unacceptable or if their continued employment is contrary to the best interest of the STATE and its employees.
  - 5. The CONTRACTOR shall inform the STATE of changes in its key personnel or those of a subcontractor involved in the administration of the Plan.

- h. Subcontracting and assignment. The CONTRACTOR shall not subcontract any of the work to be performed under the Contract nor shall the CONTRACTOR assign the Contract to any other person or firm without prior written approval from the STATE and no subcontract or assignment made without such approval will be recognized.
    - 1. No subcontract or assignment shall, under any circumstances, relieve the CONTRACTOR of CONTRACTOR's obligation and liability under the Contract with the STATE. All persons engaged in performing the work covered by the Contract shall be considered as employees of the CONTRACTOR and the CONTRACTOR shall be responsible for any acts or omissions of its subcontractors or assignees.
- 3. The STATE intends to use the "State of Hawai'i Contract for Goods or Services Based Upon Competitive Sealed Proposals," and the "General Conditions" in Appendix "D"; provided that the following termination provisions shall also apply:
  - a. "The STATE may terminate the Contract immediately, if:
    - 1. The CONTRACTOR fails to comply with any applicable State or federal licensing requirement(s) necessary to provide the services under the Contract;
    - 2. The Plan is discontinued by the STATE, or is disallowed by operation of any STATE or federal law or court order;
    - 3. The award of the Contract to the CONTRACTOR or the Contract itself is deemed invalid by any court or administrative tribunal;
  - b. Except as otherwise provided in the Contract, if the STATE is dissatisfied with the performance of the CONTRACTOR (or any of its subcontractors), the CONTRACTOR fails to perform its obligations under this Agreement, or the CONTRACTOR otherwise breaches the provisions of the Contract:
    - 1. The STATE shall immediately notify the CONTRACTOR in writing of the STATE's dissatisfaction, or that the CONTRACTOR has failed to perform or is in breach;

2. The CONTRACTOR shall have thirty (30) calendar days from receipt of the notification to cure the problem to the satisfaction of the STATE;
  3. During the thirty (30) day period, the CONTRACTOR shall continue to comply with the requirements of the Contract;
  4. If the CONTRACTOR fails to cure the problem within the thirty (30) day period, the STATE may terminate the Contract immediately thereafter; and
  5. If at any time after notification, the CONTRACTOR refuses to cure the problem, the STATE may terminate this Agreement within thirty (30) calendar days after such refusal.
- c. Upon termination, expiration, or non-renewal of the Contract:
1. The STATE, Plan, and Plan participants shall not be liable to the CONTRACTOR (or its approved subcontractors) for any costs, expenses, loss of profits, or damages whatsoever incurred by the CONTRACTOR (or its approved subcontractors) in the performance of services required under the Contract;
  2. The STATE shall have the right to secure services in the open market, or from the next OFFEROR whose proposal is deemed most advantageous to the STATE; and
  3. The CONTRACTOR shall be required to assist with and fully cooperate with the STATE in transitioning the Plan to another company at no cost to the STATE, the Plan, or the Plan's participants.
- d. Additional rights and remedies
1. The rights and remedies provided in this section are in addition to any other rights and remedies provided by law or under the Contract.

**APPENDIX "A"****LETTER OF INTENT TO SUBMIT A PROPOSAL**

Mr. Marc Togashi, Administrative Services Officer  
Department of Human Resources Development  
c/o Employee Relations Division  
Employee Assistance Office  
235 S. Beretania Street, #1004  
Honolulu, HI 96813

Dear Mr. Togashi:

Re: DHRD Request for Proposal No. 25-5-EAO: Competitive Sealed  
Proposals for a Third Party Administrator for the State of Hawai'i's Flexible  
Spending Accounts and Commuter Benefits

This is to acknowledge that we have reviewed the above-referenced Request for Proposal and intend to submit a proposal.

Name of Company: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Contact Person: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

The undersigned understands and agrees that:

1. The State of Hawai'i ("State") reserves the right to cancel the RFP when, in the STATE's opinion, such cancellation is in the best interest of the State.
2. The State may reject Proposals, in whole or in part, and waive any defects, when in the State's opinion, such rejection or waiver will be in the best interest of the State.

3. The State shall not be liable for any costs, expenses, loss of profits, or damages whatsoever incurred by the Offerors in the event this RFP is canceled or a proposal is rejected.

Very truly yours,

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**APPENDIX “B”****STANDARD PROPOSAL LETTER**

Mr. Marc Togashi, Administrative Services Officer  
Department of Human Resources Development  
c/o Employee Relations Division  
Employee Assistance Office  
235 S. Beretania Street, #1004  
Honolulu, HI 96813

Dear Mr. Togashi:

RE: DHRD Request for Proposal No. 25-5-EAO: Competitive Sealed  
Proposals for a Third Party Administrator for the State of Hawai'i's Flexible  
Spending Accounts and Commuter Benefits

The undersigned Offeror hereby submits a proposal in response to DHRD RFP No. 25-5-EAO for a Third Party Administrator for the State of Hawai'i's ("State") Flexible Spending Accounts and Commuter Benefits.

The undersigned Offeror understands and agrees that:

1. All services shall be provided in accordance with the RFP, and applicable federal and State laws and rules.
2. The State reserves the right to cancel the RFP when, in the STATE's opinion, such cancellation is in the best interest of the State.
3. The State may reject Proposals, in whole or in part, and waive any defects, when in the STATE's opinion, such rejection or waiver will be in the best interest of the State.
4. The State shall not be liable for any costs, expenses, loss of profits, or damages whatsoever incurred by the Offerors in the event this RFP is canceled or a proposal is rejected.

The undersigned Offeror shall answer the following with a "YES" or "NO":

1. The Offeror has read, understands, and agrees to comply with all specified requirements of the RFP. \_\_\_\_\_



2. The Offeror has read, understands, and agrees to comply with all applicable federal and State laws in the provision of services under the RFP. \_\_\_\_\_
3. The Offeror is authorized to transact business in the State of Hawai'i. \_\_\_\_\_

This "Standard Proposal Letter" must be (a) signed by an individual or individuals authorized to legally bind the Offeror, (b) dated, and (c) affixed with the corporate seal, if any. If the Offeror is a corporation, evidence in the form of a certified copy of a corporate resolution, or certified copy of articles of incorporation or bylaws, shall be submitted showing the individual's authority to bind the corporation. If the Offeror is a partnership or joint venture, each member of the partnership or joint venture must sign this letter, or evidence (in the form of a partnership contractor joint venture agreement) must be submitted showing that the individuals signing the proposal letter have the authority to bind the partnership or the joint venture.

Very truly yours,

\_\_\_\_\_  
Authorized Officer\*

\_\_\_\_\_  
Date

Name of Company: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Offeror is:

☐ Sole Proprietor ☐ Partnership ☐ Corporation ☐ Joint Venture ☐ LLC  
☐ Other \_\_\_\_\_

Federal Tax I.D. No.: \_\_\_\_\_

Hawai'i General Excise Tax Number: \_\_\_\_\_

\* Please attach to this page notarized evidence of the authority of this officer to submit this proposal.

(affix Corporate Seal here)

**APPENDIX "C"****WAGE CERTIFICATION****PROPOSAL FOR A "THIRD PARTY ADMINISTRATOR FOR THE STATE OF HAWAII'S FLEXIBLE SPENDING ACCOUNTS AND COMMUTER BENEFITS"**

To the extent that Hawai'i Revised Statutes section 103-55 applies, I hereby certify that if awarded the Contract, the services to be rendered shall be performed under the following conditions:

1. The services to be rendered shall be performed by employees paid at wages or salaries not less than wages paid to public officers and employees for similar work, if similar positions are listed in the classification plan of the State of Hawai'i ("State") government.
2. All applicable laws of the federal and State governments, including but not limited to workers' compensation, unemployment insurance, payment of wages, and safety, shall be fully complied with.

I understand that all payments required by federal and State laws to be made by employers for the benefit of their employees are to be paid in addition to the base wages required by Hawai'i Revised Statutes §103-55.

Name of Company: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX “D”**

**STATE OF HAWAI‘I GENERAL CONDITIONS**

SEE GENERAL CONDITIONS