



November 13, 2009

Qualified Vendor

**EMPLOYEES
RETIREMENT
SYSTEM OF TEXAS**

Ann S. Fuelberg
Executive Director

RE: Request for Proposal ("RFP") to Provide an Employee Discount Products and Services Program to the state and certain higher education employees, retirees, and their qualified dependents ("Participants")

I. Craig Hester
Chair

To Whom It May Concern:

Cydney C. Donnell
Vice Chair

The Employees Retirement System of Texas ("ERS") will be soliciting a Request for Proposal ("RFP") from qualified firms/organizations to provide an Employee Discount Products and Services Program to the state and certain higher education employees, retirees, and their qualified dependents ("Participants") beginning September 1, 2010 through August 31, 2013. Qualified Vendors shall provide the level of discount products and services required in the RFP and meet other requirements that are in the best interest of the Participants and ERS.

Board of Trustees
Yolanda Griego
Cheryl MacBride
Owen Whitworth
Donald E. Wood

A Texas Register Notice has been published at:

<http://www.sos.state.tx.us/texreg/index.shtml> with additional RFP information. Your firm has been identified as offering one or more products or services and ERS encourages you to review the posting and request access to the secured bid materials when they become available on the ERS website.

ERS anticipates receiving high quality proposals and we encourage your organization to give full consideration to the development of a competitive response.

If you have any questions regarding this process, please submit your inquiry directly to the IVendor Mailbox at: ivendorquestions@ers.state.tx.us.

Thank you for your interest in doing business with the GBP.

Sincerely,

ROBERT P. KUKLA
Director of Benefit Contracts

**THE
EMPLOYEES RETIREMENT SYSTEM OF TEXAS**

REQUEST FOR PROPOSAL

**TO PROVIDE AN EMPLOYEE DISCOUNT PRODUCTS AND SERVICES PROGRAM TO
THE STATE AND CERTAIN HIGHER EDUCATION EMPLOYEES, RETIREES, AND THEIR
QUALIFIED DEPENDENTS**

NOVEMBER 13, 2009

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Employee Discount Products and Services RFP Deliverables CHECK LIST

Order of Return: The Vendor is required to submit a total of four (4) sets of the Vendor's Proposal in the following formats: One (1) printed "Original" and two (2) additional printed copies. The "Original" should contain the fully executed Contractual Agreement, signed in blue ink and without amendment or revision with all the required and completed exhibits attached. The two (2) printed copies referenced above, should be exact replicas of the materials submitted in the "Original" binder, to include all required exhibits. The remaining complete copy shall be submitted on a separate Response CD-ROM in Excel or Word format. No PDF documents may be reflected on the CD-ROM.

All binders must contain:

<u>PAPER FORMAT</u>	<u>RFP REFERENCE</u>
RFP FEEDBACK FORM	Located on top of Table of Contents
TAB I Instructions	I.
<input type="checkbox"/> Executed RFP Signature Pages signed in <i>blue ink</i> (Appendix A)	I.B.6.a., I.B.8.- I.B.8.b.
<input type="checkbox"/> Executed Contractual Agreement signed in <i>blue ink</i> (Appendix B)	I.A.1. & I.B.13.
<input type="checkbox"/> Detailed Implementation Plan	I.B.16.
<input type="checkbox"/> Contract Deliverable Index	I.B.17.
<input type="checkbox"/> Confidential and Proprietary schedule	I.B.20.
<input type="checkbox"/> HUB Designation Confirmation	I.B.21.
TAB II Proposal Evaluation Criteria	II.
<input type="checkbox"/> Minimum Requirements (<i>evidence of Vendor's satisfaction of Requirements</i>)	II.B.
<input type="checkbox"/> Preferred Criteria (<i>evidence of Vendor's satisfaction of Criteria</i>)	II.C.
TAB IV Communication Requirements	IV.
<input type="checkbox"/> Provide samples of communication materials to include but not be limited to Summer Enrollment materials (Summer Enrollment or Welcome Letter) and brochures, retail outlet directory with applicable discounts, complaint forms, power point presentations with scripting, member communication and general information pieces consumer-targeted educational materials, along with draft copies of the website screenshots and enrollment forms.	IV.C.1., and IV.C.3.a.
<input type="checkbox"/> Provide a format of Vendor's proposed website to include ALL screen shots	IV.C.5-IV.C.5.c.
TAB V Vendor Organizational Information	V.
<input type="checkbox"/> Organizational Information Responses and Requested Materials	V.A. – V.D.8.b.
TAB VI Deviations	VI.
<input type="checkbox"/> Deviation Responses	VI.A.1. – VI.A.7.
TAB VII Interrogatories	VII.
<input type="checkbox"/> Interrogatory Responses and Requested Materials	VII.A. – VII.B.
<u>CD FORMAT</u>	<u>REFERENCE</u>
<input type="checkbox"/> All materials described above shall be received in CD-ROM Format. The separate Response CD-ROM shall be in either Word or Excel format.	I.B.4.c.

NOTE: Keep this Check List for your records. Do not return with your submission.

Request for Feedback

Employees Retirement System of Texas

The Employees Retirement System of Texas, Benefit Contracts Division, periodically publishes requests for proposals, applications or information and is interested in your organization's feedback regarding our request. To assist the Benefit Contracts Division in creating future requests, we would be interested in knowing what we could do differently or how we could make our request more user-friendly. Please take a moment to answer the following questions and return it at your earliest convenience with your Response materials or using the IVendor mailbox at: IVendorquestions@es.state.tx.us.

1. Did your organization submit a bid?
 Yes
 No

2. If No, why did your organization elect not to bid? (Check all that apply)
 Timing, not enough time to complete bid
 Contract Provisions/Parts of the Contract
 Complexity of RFP
 Other:

3. Please elaborate on question #2 or provide other reasons for not submitting a bid.

4. Please provide any suggestions that might improve the bid process.

Additional Comments

About Your Organization

Name _____	Contact E-mail _____
Address _____	Phone _____
City, State, ZIP Code _____	

An ERS representative may, if necessary, contact you by email or telephone for further clarification of your responses.

Thank you for your consideration and participation!

I. Instructions

A. Request for Proposal (“RFP”) Summary

A.1. **Introduction:** The state of Texas, through the Board of Trustees (“Board”) of the Employees Retirement System of Texas (“ERS”) is issuing a Request for Proposal (“RFP”) for qualified firms/organizations (hereinafter called “Vendor”) to provide an Employee Discount Products and Services Program (“Discount Program”) that offers discounted products and/or services to state employees and certain higher education employees, retirees and their qualified dependents (“Participants”) throughout Texas beginning September 1, 2010 through August 31, 2013. Vendors submitting a Response (“Response” or “Proposal”) to this RFP shall provide the level of discount products and/or services required in the RFP and meet other requirements that are in the best interest of the Participants and ERS. Vendor shall be required to sign a Contractual Agreement (“Contract”) with ERS relating to the services described in this RFP.

A.1.a. A Vendor wishing to respond to this request shall:

- Meet all of the minimum requirements as referenced in Section II of the RFP.
- Meet the Proposal content and statement requirements; and
- Adhere to all RFP and terms of the Contractual Agreement.

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A.2. **Schedule of RFP Process:** The RFP process and Contract awards shall be conducted in accordance with the following schedule, unless notified otherwise by ERS:

On or After Mid-November, 2009		RFP is available on ERS' website. To access the RFP, Vendor shall email their request to: Ivendorquestions@ers.state.tx.us A USERID and Password will be provided only to those qualified bidders requesting access to the secured sections of the RFP. All Vendors are prohibited from contacting agency employees or officials throughout the bid process other than as directed by ERS.
December 2, 2009	4:00 p.m. (CT)	Submission deadline for All RFP questions. RFP questions should be submitted to: Ivendorquestions@ers.state.tx.us
December 30, 2009	12:00 Noon (CT)	The Vendor is required to submit all bid materials in the formats reflected below in one (1) sealed container: one (1) fully executed and labeled "Original"; two (2) identical hard copies; and one (1) identical copy provided on a CD-ROM. No PDF documents may be reflected on the CD-ROM. Submit Bid Materials to: Ann S. Fuelberg, Executive Director Employees Retirement System of Texas 200 E. 18th Streets; Post Office Box 13207 Austin, Texas 78711-3207 RE: Vendor Employee Discount Products and Services Response
February 2010		ERS Board selects the qualified Vendor to provide Employee Discount Products and Services as reflected herein.
On or After April 1, 2010		Contract Begins

ERS RESERVES THE RIGHT TO EXTEND ANY AND ALL DEADLINES ABOVE, TO REJECT ANY AND ALL RESPONSES, TO CONTRACT WITH ONE OR MORE FIRMS, OR TO ISSUE A NEW RFP AT ANY TIME, IN ITS SOLE DISCRETION. FAILURE TO PROVIDE RESPONSES IN THE FORMAT REQUESTED MAY RESULT IN RESPONDENT BEING ELIMINATED FROM FURTHER CONSIDERATION. ALL RESPONSES SHALL BE VALID THROUGHOUT THE ENTIRE RFP PROCESS AND ANY RESULTING CONTRACT TERM, INCLUDING EXTENSIONS. ERS WILL NOT NOTIFY RESPONDENTS UNLESS THEY ARE SELECTED FOR INTERVIEWS OR ENGAGEMENT.

A.3. The Vendor is responsible for reviewing and responding to the RFP materials available on the ERS website (http://www.ers.state.tx.us/vendorbid/employee_benefits/contracts/default.aspx). ERS' website provides interested parties with background information regarding the Health & Welfare benefits offered to the Texas Employees Group Benefits Program ("GBP") participants, and an electronic version of the RFP. The information contained in this offering provides instructions for the Vendor to submit a Response

to ERS' RFP and specifies a deadline for the submission of questions as reflected in the table provided above and B.4. below.

B. General Information

B.1. **Agent of Record:** ERS shall not designate an Agent of Record or any other such company employee or commissioned representative to act on behalf of either ERS or the Vendor. Any requests for ERS to provide such designation shall be rejected. Vendors are specifically instructed to submit Proposals directly to ERS as specified in Paragraph A.2. above, and Paragraph B.4. below.

B.2. **News Release:** Prior written approval by ERS shall be required for any news releases regarding a Contract awarded to a Vendor.

B.3. **Inquiries:** Questions regarding ERS and/or the RFP shall be submitted via email, no later than 4:00 p.m., CT on December 2, 2009. In its sole discretion, ERS shall post the question and response that it deems appropriate on ERS' website in a timely manner. Such inquiries should be directed to:

Robert P. Kukla
Director of Benefit Contracts
Email: ivendorquestions@ers.state.tx.us

B.4. **Response Submission:** All bid materials shall be packaged collectively in sealed containers and submitted to ERS as noted below. ERS may not consider a Proposal unless one (1) "Original" and two (2) copies are received by ERS at the appropriate address no later than 12:00 Noon, CT on December 30, 2009.

B.4.a. The mailing label for the Proposal shall be clearly marked as: "*Vendor Response to Employee Discount Products and Services RFP*", and addressed as follows:

Ann S. Fuelberg
Executive Director
Employees Retirement System of Texas
200 E. 18th Street; Post Office Box 13207
Austin, Texas 78711-3207

B.4.b. The one (1) printed "Original" (which shall be labeled as such) and two (2) additional printed copies shall be submitted with all requested supporting documentation, including, but not limited to, the fully executed Contractual Agreement, (see Article I.B.13.), and Signature Pages, (see Article I.B.8-I.B.8.b.) in printed formats.

B.4.c. The remaining copy shall be submitted via CD-ROM in Excel or Word format and labeled *Discount Program Response Duplicate 2010-2013*. **No PDF documents may be reflected on the CD-ROM.**

B.4.d. ERS is not responsible for receipt of any Response that is not labeled, packaged or delivered properly. All bid materials shall include complete, properly executed, and detailed supporting documentation as required.

B.5. **Retention of Responses:** All Proposals submitted become the sole property of ERS.

- B.6. **Public Information Act:** As reflected in greater detail below at I.B.20-I.B.20.d., ERS is required to provide access to certain records in accordance with the provisions of Chapter 552, Tex. Gov't Code, and the Texas Public Information Act ("PIA"), formerly known as the Open Records Act.
- B.6.a. During the evaluation process, ERS shall make reasonable efforts as allowed by law to maintain Proposals in confidence, and shall release Proposals only to personnel involved with the evaluation of the Proposals and implementation of the Contract unless otherwise required by law, however, ERS cannot prevent the disclosure of public documents. By execution of the Signature Pages, as further referenced in I.B.8 - I.B.8.b., Vendor's Privacy Officer warrants and represents that all public information in Response to this RFP may be fully disclosed by ERS without liability and without prior notice or consent to the Vendor or any of the Vendor's subcontractors.
- B.7. **Order of Response Materials:** The Vendor shall submit its Proposal with executed Signature Pages, as well as all Response materials in the order prescribed in the *RFP Deliverables Check List* located behind the *Table of Contents* contained in this RFP.
- B.8. **Signature Requirements:** The Chief Executive Officer or other authorized officer who is at a Vice President or higher level of the Vendor shall execute, in **blue ink**, the Signature Pages referenced as Appendix A, which is a part of this RFP. The individual executing the Signature Pages should be the same authorized person reflected in Article V.A.3., and shall have full legal authority, on behalf of the Vendor, to execute a Contract that constitutes a valid, binding and legally enforceable agreement.
- B.8.a. Vendor's Privacy Officer and Security Compliance Officer shall execute the portion of the Signature Pages, **in blue ink**, that confirms that all information identified in the schedule reflected in I.B.20-I.B.20.d. below, as being either *Confidential & Proprietary* or *Public Information*. By executing this portion of the Signature Pages, Vendor's Privacy Officer warrants and represents that all such Public Information may be fully disclosed by ERS without liability and without prior notice or consent to the Vendor or any of the Vendor's subcontractors.
- B.8.b. The person executing this portion of the Signature Pages, should be the same authorized entity reflected in Article V.D.1. and V.D.3., and shall have full legal authority on behalf of Vendor to execute such constituting a valid, binding and legally enforceable agreement. Additional requirements regarding the management of Vendor's RFP bid materials are outlined below in I.B.20-I.B.20.d.
- B.9. **Supplements to RFP:** In the event that it becomes necessary, at ERS' discretion^{*}, to revise any part of this RFP, or if ERS determines that any additional information is needed to clarify the provisions of this RFP, supplemental information shall be provided to each Vendor that has indicated interest in this RFP. However, ERS shall not be bound by any deviations from or to this RFP unless ERS specifically agrees in writing to the specific deviation.

* All references in this RFP to matters within ERS' discretion mean ERS' sole discretion.

- B.10. **Reserved Rights:** ERS may determine that other factors may be considered important based on ERS' review of Vendor's Responses to the RFP. ERS also reserves the right to reject any Proposal submitted that does not fully comply with the RFP's instructions and criteria, including minimum requirements as reflected herein at Article II.B.1. - B.3. Evaluation criteria are described elsewhere in this document.
- B.10.a. The Contract may be awarded to the Vendor that in the opinion of ERS is best qualified on the basis of offering products and specified services at best value to ERS, and based upon the Vendor's demonstrated competence and qualifications as indicated in its Response to this RFP.
- B.10.b. ERS also reserves the right to make multiple awards and to divide the work among one, two, or more qualified Vendors.
- B.10.c. This RFP does not commit ERS to pay any costs incurred prior to execution of a Contract. Issuance of this RFP in no way obligates ERS to award a Contract or to pay any costs incurred in the preparation of an offer or Response. ERS specifically reserves the right to vary all provisions set forth at any time prior to execution of a Contract where ERS deems it to be in the best interest of the participants and ERS. Furthermore, the selected Vendor agrees to act in good faith and to cooperate with ERS in the execution of any document necessary to effect a change to the RFP or Contract, following execution of the Contract by ERS, if ERS deems it to be in the best interest of the participants and ERS.
- B.10.d. ERS and the selected Vendor shall enter into a Contract acceptable to ERS and which shall include, but is not limited to, the Contractual Agreement identified in Appendix B.
- B.10.e. ERS reserves the right to reject any Response submitted that does not fully comply with the RFP's instructions and criteria, including minimum requirements as reflected herein at Article II. ERS is under no legal requirement to execute a Contract on the basis of this notice. Evaluation criteria are described elsewhere in this document.
- B.11. **Prohibited Interest:** Except as a participant in the Employee Discount Products and Services Program, a member, Board member, or employee of ERS may not have a direct interest in the gains or profits of any Contract executed by ERS pursuant to this RFP, and may not receive any payment or emolument for any products or services performed for the Vendor.

In the case where a Board member or employee of ERS receives any payment from the Vendor for any products or services performed for the Vendor or for any gains or profits from any Contract executed by ERS pursuant to this RFP, ERS may terminate its relationship with the Vendor immediately, and ERS reserves the right to seek any legal, equitable or contractual relief to which it may be entitled. Under such circumstances, the Vendor shall complete any outstanding transactions with ERS as soon as possible. In its discretion, ERS may choose not to consider any future Responses from the Vendor for at least two (2) full years thereafter concerning any plan or programs.

By submitting its Response, Vendor warrants and represents that it does not have, nor shall it permit, any conflicts of interest that would impair its ability to perform the services required by the Contract in the best interests of the participants and ERS. The Contract shall have additional requirements in this regard.

- B.12. **Information and Data Security:** Vendor shall comply with the Privacy Act of 1974, Computer Matching and Privacy Protection Act of 1988, Texas Business and Commerce Code (“TBCC”) and information security standards as outlined in Title 1, Texas Administrative Code §202. Further, Vendor shall comply with the forgoing regulations for the handling and use of personal identifying and sensitive personal information to mitigate the risk of identity theft and fraud as more fully outlined in Appendix C, *Data Security and Breach Notification*.
- B.12.a. Vendor shall utilize proven methods of ensuring the control and security of participant and Program information.
- B.13. **Execution of Contract.** The Vendor is hereby notified that the execution of the Contract is a preferred submission requirement of this RFP. ERS prefers that the Contract be signed and returned without amendments or revisions with the Response submission. However, if a Vendor in good faith determines that it does not agree with any provision of the Contract in the form provided by ERS with the RFP, Vendor may elect not to return an executed Contract with its Proposal, and may instead submit deviations to the Contract's terms, which must be provided in accordance with Article VI.6.a. of this RFP. Any such deviations will be considered by ERS, however, ERS shall not be obligated to accept or agree to any such deviations, and ERS may determine in its sole discretion not to proceed with further negotiations with a Vendor based upon such deviations. To prevent any misunderstanding, while Vendor's Proposal will be evaluated if returned with deviations, such deviations may themselves form a basis for ERS to conclude that Vendor's Proposal will not be further considered beyond its initial evaluation. Any Vendor submitting a signed Contract with the Vendor's Proposal should have the Contract executed by the duly authorized officer of the Vendor as reflected in Article V.A.3., in *blue ink*.
- B.14. **Contract Term and Chronology of Responsibility.** The Contract and all its aspects shall be for a term beginning after the Board has accepted the Vendor's Response and has notified the Vendor of its selection and immediately upon the execution of the Contract by ERS, and extending through the 31st day of August 2013, unless terminated, renewed or extended as provided by the Contract.
- B.14.a. Vendor products and services to be provided under the Contract shall occur between September 1, 2010 and August 31, 2013. ERS and the Vendor also agree and acknowledge that there are duties and obligations specified by the Contractual Agreement to be performed prior to September 1, 2010 and following August 31, 2013, and the parties each agree to perform all such duties and obligations, and all damage provisions included herein and in the Contractual Agreement shall thereby be in effect. Such prerequisites, duties and obligations include, but are not limited to the following:
- Selection by the Board of Trustees is anticipated for the February 2010 meeting;
 - Execution of the Contractual Agreement by ERS' Executive Director after all clarifications have been agreed to and accepted or rejected by ERS;
 - The parties each agree to perform all such duties and obligations, and all damage provisions included in the Contractual Agreement shall be in effect;
 - The Contract includes the RFP, the Vendor's Response thereto as accepted by ERS and that does not conflict with terms of the Contractual Agreement executed by the parties;

- ERS reserves the right to renew the Contract for additional periods subject to terms and conditions acceptable to ERS, unless ERS determines that rebidding is in the best interests of the participants and ERS;
- The Vendor shall act in utmost good faith in connection with such Contract renewal process and shall provide all information requested by ERS in order to facilitate such negotiation of an extended agreement;
- Any and all activities required by the Vendor to effectively implement the requirements of this Contract; and
- Coordinate and work cooperatively with other GBP Vendors.

B.15. **Termination of Contract:** In the event that the Vendor fails or refuses to perform any of its duties or obligations as provided by the Contract, which includes this RFP, the Vendor's Response accepted by ERS and the signed Contractual Agreement, ERS, without limiting any other rights or remedies it may have by law, equity or under contract, shall have the right to terminate the Contract immediately. The Vendor understands and acknowledges that, notwithstanding any termination of the Contract, certain obligations of the Vendor shall survive the termination of the Contract. The Contract expands upon this provision.

B.16. **Contract Implementation:** Vendor shall submit with its Response to the RFP, for review and approval by ERS, a detailed proposed Implementation Plan, which shall include, without limitation, the following:

- A detailed compliance list in Excel format reflecting each RFP and Contract requirement and deliverable as specifically identified by document reference as reflected below in I.B.17.
- A detailed description and manner in which all work is to be performed;
- A detailed outline containing a description of all activities Vendor expects ERS to perform related to the Implementation Plan;
- Schedules of meetings between Vendor and ERS; and
- Scheduled updates and/or amendments to the Implementation Plan, at least weekly, to reflect mutually agreed-upon changes as additional work is defined.

B.16.a. Following selection of Vendor by the Board and upon ERS' execution of the Contract, Vendor shall immediately staff an implementation team and name an implementation manager. The names, positions and qualifications of the implementation team shall be immediately communicated to ERS and in any event not more than fifteen (15) business days from the award of the Contract. Implementation shall begin no later than March 1, 2010. The implementation manager shall serve as ERS' primary contact throughout the implementation period ("Implementation Period"), and shall have the authority to make binding decisions for the Vendor, and shall be accessible to ERS during the Implementation Period. The Implementation Plan shall be attached to the Contract as an exhibit in the form most up-to-date at the time of Contract execution and may be modified thereafter by agreement of the parties.

B.16.b. During the Implementation Period, Vendor warrants, represents, and agrees to the following:

- That Vendor shall maintain sufficient, qualified staff, with technical capabilities and resources that are fully devoted to the Discount Product Implementation;
- That Vendor shall not permit any current or prospective business, projects or other matters to interfere in any manner with the smooth and timely implementation of the Discount Product Implementation; and
- That Vendor shall manage all aspects identified during the Implementation Period and through the completion of the Discount Product Implementation in a timely manner and with ERS' approval.

B.17. **Contract Deliverable Index:** The Vendor shall document in Excel format, a Project Plan for implementation. The document should contain the following column headings:

- Row Number;
- Contract Deliverable;
- Performance Guarantee or Performance Assessment (Y/N);
- Contract Reference (some deliverables may be referenced in multiple documents);
- RFP Reference;
- Appendix/Exhibit Reference;
- Due Date;
- Target Date (If no contract due date); and
- Responsible Party.

The document shall contain the following major sections with individual Contract Deliverables listed in chronological order (if applicable) within each major section:

- I. Contract Award/Implementation Activities
- II. Communication Material Development
- III. CSR-Training-Staffing
- IV. IT Activities
- V. Report Activities
- VI. Subcontractor Activities

B.18. **Implementation Plan:** Vendor shall develop and include in its Proposal, timelines for the discount products and services as specified in Article III of this RFP. ERS shall require Vendor to exclusively utilize only those Implementation materials approved by ERS to guide and manage all Implementation activities and as deemed necessary by ERS.

B.18.a. ERS and Vendor shall work collaboratively to agree to timelines for periodic status reviews of the project plan(s). Unless such timelines are subsequently modified in writing by ERS and Vendor, failure by Vendor to adhere to such timelines may subject Vendor to *Performance Assessments* as specified in Appendix D.

B.19. **Finalist Interview:** Following ERS' initial review of the RFP Proposals, if Vendor is selected as a finalist in the Vendor selection process, ERS may request that personnel from the Vendor, at the Vendor's expense, attend a meeting at an ERS-designated location to clarify responses and to answer questions regarding Vendor's Proposal. If ERS deems necessary, a site visit to the Vendor may be conducted during the RFP review period at ERS' expense.

- B.20. **Disclosure of Information:** ERS is required to provide access to certain records in accordance with the provisions of Chapter 552, Tex. Gov't Code, (the PIA). In order to protect and prevent inadvertent access to confidential information submitted in support of its Response, the Vendor is required to supply a separate schedule of all pages, in good faith, and with legally sufficient due diligence, considered to contain any confidential and/or proprietary information.
- B.20.a. By submitting a Response, the Vendor acknowledges and agrees that ERS shall have no liability to the Vendor or to any other person or entity for disclosing information in accordance with the PIA. ERS shall not have any obligation or duty to advocate the confidentiality of Vendor's material to the Texas Attorney General or to any other person or entity.
- B.20.b. Vendor further understands and agrees that upon ERS' receipt of a PIA request for a copy of the Vendor's contract, including the Response and any exhibits to the Contract and Response, the only documents that ERS shall treat as Vendor's confidential and proprietary information shall be the documents Vendor identifies as required above.
- B.20.c. It is the Vendor's sole obligation to advocate in good faith the confidential or proprietary nature of any information it provides in its Response, and the Vendor understands that the Texas Attorney General may nonetheless determine that all or part of the claimed confidential or proprietary information shall be publicly disclosed.
- B.20.d. In addition, the Vendor specifically agrees that ERS may release the Vendor's entire Response, including alleged confidential or proprietary information, upon request from individual members, agencies or committees of the Texas Legislature where needed for legislative purposes, as provided for in the PIA or to any other person or entity as otherwise required by law.
- B.21. **Historically Underutilized Businesses ("HUB"):** ERS makes a good faith effort to assist HUBs in receiving agency contract awards. As appropriate, Vendor shall provide the following information in the submitted Proposal materials:
- (a) If Respondent is certified as a Texas HUB, please provide the TBPC VID/Certification Number.
 - (b) If an engagement is awarded and Respondent plans to engage a subcontractor for all or any of the contract services, Vendor shall identify all proposed HUB subcontractors. The required forms with video instructions can be found at the following website:

<http://www.window.state.tx.us/procurement/prog/hub/hub-forms/>
- B.22. **Subcontractors:** Any planned or proposed use of subcontractors by Vendor related to the management, or access to participant data shall be clearly disclosed and documented in the Vendor's Response and shall not be accepted until agreed to in writing prior to bid award by ERS. The Vendor shall be completely responsible for all services performed and for fulfillment of its obligations under the Contract, even if such services are delegated to a subcontractor.

- B.23. **Board Rules:** The Board has sole rulemaking authority in connection with the GBP pursuant to Chapter 1551, TIC, except where the Board Rules may conflict with state laws or administrative rules of the Texas Department of Insurance. The Board Rules, located at Title 34, Part IV, Tex. Admin. Code, and any amendments adopted by the Board to said Board Rules, are a part of any Contract executed in accordance with this RFP process for all purposes as if they were contained verbatim therein. The Vendor should be familiar with all such Board Rules.
- B.24. **No Solicitation:** An approved Vendor shall not use, or otherwise disseminate, copy, or make available to any person or entity, lists of participants or employees, or any other participant data to solicit any other insurance coverage, annuity products, or any other services or products, unless specifically approved in writing by ERS' authorized representatives in advance. This requirement shall survive the termination of the Contract. The Contract has additional requirements in this regard.
- B.25. **Vendor's Personnel Changes:** Substitutions or other changes in Vendor's key personnel assigned during the term of this Contract shall be approved in advance by ERS. In any event, ERS may, at any time, request the removal or reassignment of Vendor's staff in connection with Vendor's performance under this Contract.
- B.26. **Fiscal Year:** The Fiscal/Plan Year ("FY" or "PY") begins September 1st and ends August 31st. Fiscal Year shall be determinative for all Contract reporting requirements. The Contract expands upon this provision.

II. Proposal Evaluation Criteria

A. General Evaluation Information

A.1. **Introduction:** Proposals submitted in response to this RFP shall be evaluated on the basis of the criteria listed below. The criteria are not listed in order of importance. While the criteria shall provide the basis for an objective evaluation of each Proposal, the experience and judgment of ERS' staff and advisors shall also be important in the selection process. The goal of the process will be to determine a Vendor that will provide the best value of the products and services offered, product discounts, the ease at which a participant can obtain a discount, reporting capabilities, and customized communication material as requested by ERS. The criteria include:

- Compliance with and adherence to the RFP and Contractual Agreement;
- Minimum requirements as reflected below;
- References; and
- Other factors, as determined during the evaluation review process.

A.2. ERS reserves the right to reject any and/or all Proposals and/or call for new Proposals if ERS deems it to be in the best interests of the participants and ERS. ERS also reserves the right to reject any Proposal submitted that does not fully comply with the RFP's instructions and criteria. ERS is under no legal requirement to execute a Contract on the basis of this notice or upon issuance of the RFP or receipt of a Proposal.

B. Minimum Requirements

For each item identified below, indicate how your firm meets the following minimum requirements:

- B.1. Vendor shall document its experience in providing a discount products and services program to employees for a minimum of the previous two (2) years.
- B.2. Vendor's firm shall maintain its principal place of business in the United States of America and shall have a current valid certificate of authority to transact business in the state of Texas from the Secretary of State.
- B.3. Vendor shall have experience working with and/or extensive knowledge of public and/or governmental programs.

C. Preferred Criteria

For each item identified below, indicate how your firm meets the following preferred criteria:

- C.1. Vendor should have provided discount and products and services to a public employee benefit program with a minimum of 125,000 employees.
- C.2. Vendor should also have experience working with and/or extensive knowledge of applicable Texas laws and Federal regulations affecting the discount products and services program.

III. Scope of Services

A. General Information: The Vendor shall provide ERS with a discount products and services program to state of Texas and certain higher education participants (excluding the University of Texas and Texas A&M Systems) who wish to purchase products and services through various outlets to meet their personal needs. Products and services may include, but are not be limited to:

- Gym memberships;
- Jewelry;
- Furniture;
- Computers;
- Automobiles;
- Travel;
- Electronic equipment;
- Banking services;
- Cell phones or other communication services;
- Prescription Eyewear;
- Weight Management; and
- Smoking Cessation programs.

A.1. ERS will not consider any insurance products or any other products or services as part of the program offerings that in ERS' sole determination compete with the GBP products and services. Prior to the onset of each plan year, Vendor shall confirm to ERS that all businesses offering discount products and services. All discount products and services offered to participants require ERS' prior approval.

A.2. Vendor shall require that all discount products and services offered to GBP participants at the onset of the plan year continue to be offered throughout the plan year.

A.3. Vendor may be required to fund an operational account ("OA") in an amount satisfactory to ERS prior to inception of the Discount Program. Any funds remaining in the operational account at termination of the Contract will be returned to Vendor. Funds in the OA will not earn interest while in the OA. The Vendor may be requested to maintain the account at all times in an amount sufficient to pay all costs and expenses incurred by ERS prior to ERS' incurring such costs.

A.3.a. Costs associated with, but not limited to, the production of the RFP, evaluation and implementation of the Discount Program shall be the responsibility of the selected Discount Vendor. The Discount Vendor selected shall be required to reimburse ERS, based on an itemized cost statement for the expenses associated with establishing a Discount Program.

A.3.b. Post contract award, Vendor may be required to post a performance bond or provide a financial guarantee in an amount to be deemed sufficient to ERS.

A.4. Vendor shall agree to accept the following administrative requirements:

- No fees shall be charged to participants or ERS for administration or participation of the program;

- Vendor may require the employee to present a valid employee identification card or other reasonable evidence of state of Texas or certain higher education employment when the employee purchases the product or service;
- Vendor shall reimburse ERS for any and all costs and expenses incurred by ERS in establishing and operating the program;
- Vendor shall provide a customer service unit to manage all complaints and disputes generated from the Program;
- Vendor shall maintain data security for all participants; and
- Vendor shall agree to work cooperatively with other GBP and ERS stakeholders, at ERS' direction.

A.5. All marketing and communication materials/information require ERS' written approval prior to use.

IV. Communication Requirements

This Article describes the Discount Program requirements in communicating with participants and potential participants, agency Benefits Coordinators (“BC”), and ERS staff, as further described in this Article. The Discount Program’s Vendor shall administer the discount products and services program in a manner consistent with applicable state and federal statutory law, regulations and Rules of ERS and the direction of the ERS Board, its Executive Director, and ERS’ staff.

Discount Program Vendor communication materials designed for participants cannot, and Discount Program Vendor represents and warrants that it shall not, advertise or promote coverage, services, products or materials, other than those relating to the Discount Program participation. Prior approval of all communication material design and content shall follow a formal process that requires ERS’ documented authorization. In all cases, Discount Program Vendor is not allowed to disseminate materials or information relating to the Program without prior written ERS approval. The final materials used by Discount Program Vendor must not differ in form or utility from those approved by ERS.

A. General Information

A.1. Costs associated with required communication functions described in this RFP, including start-up costs, shall be the sole responsibility of the Discount Program Vendor. All costs associated with establishing participant promotion codes and mailing expenses for communication to participants, will be paid in advance by the Vendor to ERS.

A.2. **Discount Program Contacts.** No later than the fifteenth (15th) calendar day following Board selection, Discount Program Vendor shall provide to ERS’ Communications Manager and the Benefit Contracts Division, a thorough listing of Discount Program account team contacts assigned to support the Discount Program Contract. The list shall identify an account “key point of contact” responsible for the coordination and maintenance of the business relationship and continuity pertaining to all business matters in support of the Contractual Agreement.

A.2.a. The Discount Program account team contact list should reflect key contact information (office, fax and cell phone numbers, email, and physical mailing addresses) for each Discount Program account team representative. The Discount Program Vendor shall ensure a smooth transition in the event of a change in the employee discount program or complete continuity, without exception, of all ERS communication processes and requirements as follows:

- The Discount Program Vendor shall inform the ERS Communications and Benefit Contracts divisions in advance of any planned periods of unavailability by the account team’s key point of contact.
- In any instance where an account team key point of contact is not available to ERS, Discount Program Vendor shall immediately secure, and provide details of alternate coverage sufficient to meet ERS expectations.

A.3. **Discount Program Training Requirements.** Discount Program account team shall be responsible for providing training to ERS staff. Training related to Discount Program internal operations shall be provided to ERS Customer Benefits and Benefit

Contracts staff upon ERS' request. Staff training shall occur randomly throughout the year based on changes to operations or program design and as ERS determines to be necessary.

A.3.a. The Discount Program Vendor shall participate in a two (2) hour web cast training on an announced date in late August of each year, to cover any topics as deemed relevant by ERS. The Discount Program Vendor is required to have, at a minimum, a client services participant and a supervisory level trainer available for attendance during the web cast.

A.4. **Plain Language Requirement.** ERS is requiring Discount Program Vendor to comply with plain language requirements substantially similar to those as outlined in the Texas Administrative Code, Title 28, Part I, Chapter 3, subchapter G § 3.602, and as it may be amended in the future for all communication materials related to the employee discount products and services program. Communication to participants in the employee discount products and services program shall be clear and understandable, using terminology familiar to participants, customized, as required by ERS, to comport with the program design and approved by ERS prior to dissemination. All printed material shall be available electronically. All Discount Program communication materials shall meet ADA requirements for accessibility.

A.4.a. Communication materials include, but are not limited to:

- Discount Program website;
- Power point presentations to Benefits Coordinators and participants including scripting;
- Scripted responses used by customer service representatives;
- Advertising materials in association with enrollment;
- Summer Enrollment and Welcome Letters;
- Order forms;
- Participant welcome packets;
- Discount Program ID cards, or comparable documents;
- Token giveaways for enrollment fairs, events; and
- News releases, contract award announcements and other related statements.

A.5. **Communication Material Management Protocols.** Prior approval of any and all materials shall follow a formal process, and requires ERS' written approval. The Discount Program Vendor shall provide the material to ERS at least thirty (30) calendar days before approval is required to allow sufficient time for this review and approval process. Discount Program Vendor shall not disseminate material without prior ERS approval or pressure ERS to advance the timeline as provided herein, other than at ERS' discretion.

A.5.a. Discount Program Vendor shall provide to an authorized representative of ERS, for ERS' approval, a template or form letter or other means of standardized communication prior to sending, disseminating or otherwise providing such written or oral communications to any person or entity reasonably connected to or involved in the Discount Program. Discount Program Vendor shall regularly review, revise and update, where necessary, all information contained on its website that relates to or may be utilized by participants.

A.6. **Discount Program Vendor Request for Information.** As the Discount Program Vendor for participants, respondent may receive numerous inquiries from interested third parties relating to Employee Products and Services' program administration.

Discount Program Vendor shall notify the ERS Benefit Contracts Division immediately in writing of any such inquiries.

- A.7. **Quality Control.** The Discount Program Vendor shall ensure that all materials submitted to ERS will reflect quality production, accuracy, timeliness, and thorough review. All approved program and legal documents, required reports (to include all *ad hoc* reports), and dated materials shall at the minimum, but not limited to, reflect the following criteria: appropriate Plan Year, accurate data related exclusively to the Discount Program, unless otherwise specified by ERS. All such materials shall be provided within the required time lines as directed by ERS staff and/or ERS' outside Vendor firms as directed by ERS and may not be released to outside sources without prior ERS consent. The Discount Program Vendor's failure to adhere to quality production standards may result in ERS levying performance assessments.
- A.8. **Dissemination of Communication Materials.** Communication materials may be considered "published" when a final electronic copy is delivered to ERS or is accessible on the Discount Program Vendor's website. However, the Discount Program Vendor shall respond to all participant requests for mailed materials within five (5) business days following a participant's request.

As appropriate, certain materials shall also be available in printed copies including, but not limited to:

- Directory of retail outlets and applicable discounts;
- Enrollment forms;
- Complaint forms; and
- Program description.

- A.8.a. The Discount Program Vendor shall mail, at its expense, printed copies of any of the above materials at the request of an individual participant. The Discount Program Vendor shall mail, at its expense, to agencies and institutions and ERS a supply of materials equal to not less than five (5) percent of the employer's workforce. For example, an institution with five hundred (500) employees would receive a printed supply of at least twenty-five (25) copies. This equals a minimum of 12,500 printed copies in total for all participants.

B. Benefits Coordinator Conference and Summer Enrollment Fairs

- B.1. **Primary Contacts.** The primary contact for actively employed participants is through a Benefit Coordinator ("BC") who is a staff member of an individual agency or higher education institution. There are approximately 226 agencies of the state and institutions of higher education. Currently the BC's primary responsibilities include information, distribution, enrollment and administration of the Texas Employees Group Benefits Program. The Discount Program Vendor will be responsible for administration of the Discount Program and any cost associated with products and services offered.
- B.2. **Benefits Coordinator Conference.** Training for BC shall be provided at an annual conference which may include a presentation by the Discount Program Vendor. The Discount Program Vendor shall staff a booth providing approved communication materials and individualized customer service as necessary. Discount Program Vendor shall provide a minimum of one (1) representative to participate for a five (5) day period during this event, which is generally held in July of each year prior to the SE period. Discount Program Vendor acknowledges and accepts that additional

obligations and enhancements to this requirement may become necessary should program changes warrant and as expressed by ERS. Preparations for the conference and the upcoming SE period will be discussed at an ERS meeting that Discount Program Vendor shall be required to attend.

- B.3. **Summer Enrollment Fairs.** During the annual SE period, ERS hosts approximately fifty (50) enrollment fairs/meetings throughout the state of Texas, the majority of which are located in Austin, Texas. These fairs are voluntary for employees and retirees. Should Discount Program Vendor be awarded this contract, one (1) representative from the Discount Program's organization who have knowledge of the products to be offered to participants shall be required to attend each fair and provide representation at a Discount Program Vendor's booth to offer approved communication materials and individualized customer service as necessary. ERS' Communications Manager shall designate those fairs for which Discount Program Vendor's attendance shall be waived. Discount Program Vendor acknowledges and accepts that additional obligations and enhancements to this requirement may become necessary should program changes warrant and as expressed by ERS.

C. **Communication Materials**

- C.1. **Printed and Web-Accessed Materials.** Sample copies of all proposed communication materials, including the retail outlet directory with applicable discounts, enrollment forms, complaint forms, brochures, power point presentations with scripting, member communication and general information pieces, and consumer-targeted educational materials (in both print and electronic format), along with draft copies of the website screenshots as outlined in Sections C.5.a-c. of this Article; shall be included in one packet of materials in Response to this RFP. Any cost for these forms are the sole responsibility of the Vendor. ERS shall retain the right to change or modify such material to accommodate ERS' specific needs.
- C.1.a. Discount Program Vendor shall provide web-based member support tools. These tools shall include at least the following: retail outlet search capabilities, a cost calculator, how to enroll; and how to contact the Vendor.
- C.2. **Employee Discount Products and Services Book.** The Discount Program Vendor shall provide to the ERS Benefit Contracts Division:
- C.2.a. Language needed for the Employee Discount Products and Services Book shall be provided to ERS within forty-five (45) calendar days following Discount Program Vendor's selection by the ERS Board.
- C.2.b. Information to be included in employee discount products and services materials as needed within fifteen (15) business days of an information request. This information includes explanations of the employee discount program for:
- Employee Discount Products and Services Book;
 - *Ad hoc* publications; and
 - Newsletters.

NOTE: In subsequent years, the Discount Program Vendor is required to provide Employee Discount Products and Services Documents and Book and/or its amendments within thirty (30) calendar days of ERS' request.

- C.3. **Participant Communication Materials.**
- C.3.a. **Selected Discount Program Vendor.** A proposed sample of a Discount Program packet used to identify the selected Discount Program Vendor to participants shall be included in Discount Program Vendor's Response to this RFP. This packet should contain, but not be limited to the following materials:
- Welcome letter;
 - Brochure that provides the employee discount program description;
 - Retail outlet directory and applicable discounts; and
 - Enrollment forms.
- C.4. **Summer Enrollment Welcome Letter.** This communication piece should contain information about the Discount Program Vendor, how to access information and forms through the web, including customer service address, phone numbers, and hours of operation. The Discount Program Vendor's SE Welcome Letter should be available during the BC conference and for use during SE. The letter should specifically contain information explaining to participants the use of an employee discount ID card or identification number, which will include the participant's program information.
- C.5. **Discount Program Vendor Website.** The Discount Program Vendor website shall be in final form and linked as required by ERS no later than the first business day of June 2010.
- C.5.a. The Discount Program Vendor website should provide real-time data related to the retail outlet and applicable discounts. Participants should be able to get the same information using the website as they would if they were to contact a Discount Program Vendor customer service representative. Website information shall be up-to-date regarding prices, products, services and dates discount is being offered.
- C.5.b. Discount Program Vendor shall submit an electronic draft copy of all screen shots on a CD-ROM of the proposed ERS-specific website as described below in Section C.5.c. (PDF documents will not be accepted).
- C.5.c. The website shall provide self-service transactions for participants to include the ability to:
- Easy access the discount program, and research which retail outlets are in the program throughout the entire Plan Year during the Contract term;
 - Locate a retail outlet based on specific geographic requirements;
 - Lodge a service complaint, and escalate unresolved complaints and to request a telephone call back within 24 hours;
 - Communicate with customer service representatives using live chat;
 - Search the full website using a key word and/or phrase; and
 - Each web page should have a "return to home" button, which returns the viewer to the ERS Home page.
- C.6. **Discount Program Vendor Website Technical Specifications.** Providing information to state and higher education employees, retirees and their dependents is ERS' primary focus in its web page design. Discount Program Vendor shall adhere to all website access, format, content, and technical requirements outlined in both the Americans with Disabilities Act ("ADA"), and Section 508 of the Rehabilitation Act in order to accommodate the needs of all individuals accessing information.

- C.6.a. **Accessibility.** Discount Program Vendor shall comply with Section 508 accessibility standards. Section 508 requires that when state agencies develop, procure, maintain, or use electronic and information technology, they shall ensure that its information technology allows state employees and members of the public with disabilities to have access to and use of information and data that is comparable to the access to and use of information and data by state employees and members of the public who are not individuals with disabilities, unless an undue burden would be imposed on the state agency. In other words, all visitors to the ERS website should get a full and complete understanding of the information contained on the site, as well as the full and complete ability to interact with the site. Exceptions to this rule are only acceptable on a case-by-case basis and must be prior approved by ERS.
- C.6.b. In addition to ADA and Section 508 requirements, Discount Program Vendor shall adhere to the following website guidelines:
- Discount Program Vendor’s web page must be compatible with a wide spectrum of web browsers, including, but not limited to: Microsoft Internet Explorer IE 6 SP 1 (“Service Pack”), Netscape 7.0, WebTV, and Mozilla Firefox 2.0, Safari 1.2;
 - If providing a PDF document, assure ADA and Section 508 compliance;
 - Warn user if “cookies” are used; however, do not use permanent “cookies”;
 - When linking to an external file (i.e., PDF, Word, etc...), reflect the file size and type;
 - List security and privacy policies on the Discount Program Vendor’s ERS specific Home page;
 - Reflect the ERS logo or appropriate branding on the Discount Program Vendor’s ERS-specific Home page as specified by ERS for each plan year;
 - Create text for all links used that makes sense when read out of context. For example, avoid “click here”;
 - Each page of the Discount Program Vendor’s website must have a link back to the ERS-specific Home page; and
 - A link to the employee discount program or a process whereby participants can review the employee discount program over the Discount Program Vendor’s website linked through ERS’ website.
- C.6.c. To validate Discount Program Vendor’s Section 508 compliance, Discount Program Vendor shall provide a report in responding to this RFP evidencing its organization’s Section 508, Level 1, compliance.

V. Vendor Organizational Information

A. Information regarding the Organization responding to this RFP:

A.1. Vendor's full legal name, physical/email address(es), and telephone/facsimile numbers.

Full legal name:
Physical address:
Email address:
Telephone number:
Facsimile number:

A.2. Provide the name, title, mailing/email address(es), telephone/facsimile number(s) and biographical summary for ***the primary contact person for this Proposal*** and any subsequent contract which may be awarded.

Name:
Title:
Mailing address:
Email address:
Telephone number:
Facsimile number:
Facsimile number:

A.3. Provide the name, title, mailing/email address(es), telephone/facsimile number(s) and biographical summary for ***the person authorized to execute this Proposal*** and any subsequent contract which may be awarded. **This person shall be a company vice president or higher level in authority.**

Name:
Title:
Mailing address:
Email address:
Telephone number:
Facsimile number:

A.4. Identify the Vendor's type of incorporation:

Publicly owned Privately owned
 For Profit Not-for-Profit / Non-Profit

A.5. In which State was the Vendor's incorporation or formation?

A.6. Is the Vendor required to maintain any other license(s)? If so, describe and confirm the validity of any valid license(s).

A.7. Has the Vendor ever had its certificate of authority or license to conduct business in Texas revoked? Yes No

If yes, explain.

A.8. Provide the date that discount products and services were first provided by Vendor.

A.9. Provide the name(s), title(s), mailing/email address(es), and telephone/facsimile number(s) and biographical summary for *the individual(s)* responsible for the preparation of all materials contained in Vendor's Proposal.

Name:
Title:
Mailing address:
Email address:
Telephone number:
Facsimile number:

A.10. Provide the firm/attorney names, title, mailing/email address(es), and telephone/facsimile number(s) and biographical summary for the person who shall serve as the *Vendor's Legal Counsel* and/or all such information as it relates to any outside law firm retained by the Vendor for purposes of the Vendor's RFP Response or Contract performance.

Firm name:
Attorney name:
Title:
Mailing address:
Email address:
Telephone number:
Facsimile number:

A.11. Provide the name, title, mailing/email address(es), and telephone/facsimile number(s) and biographical summary for the person who shall serve as the *Vendor Account Management Team Lead*.

Name:
Title:
Mailing address:
Email address:
Telephone number:
Facsimile number:

A.12. Provide the name, title, mailing/email address(es), and telephone/facsimile number(s) and biographical summary for the *Vendor's Account Liaison*.

Name:
Title:
Mailing address:
Email address:
Telephone number:
Facsimile number:

A.13. Does the Vendor propose to utilize subcontractors in the performance, delivery and provision of services and products requested hereunder? Yes No

If yes, provide the information requested in A.14. for each subcontractor and specify what services may be performed by each subcontractor.

A.14. If applicable, provide the information below for each subcontractor and specify what services may be performed by each subcontractor. List each in the following format:

Name: 
Mailing address: 
Email address: 
Telephone number: 
Facsimile number: 
Services performed: 

A.15. Confirm Vendor's understanding, acknowledgement and agreement that Vendor shall be fully liable and responsible for the performance, of any subcontractor that Vendor utilizes to perform any of the services, coverages, etc. required under the RFP and Contractual Agreement. Confirm

A.16. Identify the names of the personnel that will be assigned to work with ERS on this project. Include their qualifications and experience.

A.17. Provide an organizational chart reflecting employee name(s) and title(s) for the Vendor and any subcontractor(s) (if applicable) to be utilized in support of this Contract. Chart should also identify those positions open but not yet filled.

Vendor organizational chart:
Subcontractor organizational chart:

A.18. Describe the staff (including numbers of full-time equivalent employees) that the Vendor and any subcontractor shall utilize to perform, deliver and provide the services, benefits, equipment, supplies and products requested herein.

Vendor staff description:
Subcontractor staff description:

A.19. Provide brief resume(s) identifying key personnel for the Vendor's subcontractor who shall be responsible for any administrative and/or managerial functions of the Contract which shall include a listing of the Vendor-related duties and length of time contracted with the Vendor.

Subcontractor personnel resumes:

A.20. Confirm that ALL relevant personnel's licensure(s), including subcontractors if applicable, shall be validated and current throughout the entire term of the Contract. Confirm

B. Financial Reporting Requirements

B.1. Vendor shall provide copies of the Vendor's 2007 and 2008 audited financial statements.

B.1.a. For each year contracted, the Vendor shall submit a copy of its annual audited financial statement, by the last business day of June, beginning June 30, 2010. Affirm that the Vendor will provide financial statements as required.

B.2. Is Vendor's company a subsidiary or affiliate of another company? Yes No

If yes, provide full disclosure of all direct or indirect ownership and include an organization chart depicting the parent company, other companies owned by the parent company, and any subsidiary relationships.

B.3. What is the last date when Vendor's organization had a change in its business structure, whether through an acquisition or divestiture or through an alliance arrangement?

If applicable, how did this change in business affect the recordkeeping division?

B.4. Provide a financial overview of the revenue stream produced by Vendor's business model. Include the source of revenue generated by Vendor's employee discount products and services programs.

B.5. Does the Vendor have a sponsoring or parent company? Yes No

B.5.a. Does the Vendor have any understandings, legal relationships or financial agreements with any other entity? Yes No

B.5.b. If yes, state the name and address of any sponsoring or parent organization, or others who provide financial support to the Vendor and please describe.

Full Legal Name: 
Mailing Address: 
Type of Support: 
Type of Relationship: 

B.5.c. Provide an indication of the type of such support, i.e., guarantees, letters of credit, etc., if applicable.

B.5.d. Provide the maximum limits of additional financial support from other entities or persons, if applicable.

B.5.e. Provide a copy of the sponsoring or parent organization's most current audited financial statement, if applicable.

B.5.f. What steps has the Vendor taken to ensure that such relationships do not constitute a conflict of interest?

B.6. Provide a list reflecting all persons or entities that have a 20% or greater ownership interest in the Vendor.

- B.6.a. Provide a list reflecting all persons or entities that have a 20% or greater ownership interest in the Vendor’s sponsoring or parent company, if applicable.
- B.7. Provide a copy of the Vendor’s current SAS 70, Level 2, report, if applicable.
- B.7.a. Provide a copy of the Vendor’s sponsoring or parent company current SAS 70, Level 2, report, if applicable.
- B.8. Provide copies of ratings and reports on the Vendor issued by all independent rating organizations or similar entities; e.g., Moody’s, Standard & Poor’s, etc. **The Vendor shall not refer ERS to rating resource websites in lieu of providing the requested information.**
- B.9. Vendor shall confirm compliance with the Sarbanes-Oxley Act of 2002, if applicable.
- B.10. Confirm that Vendor and its Agents, to the best of Vendor’s knowledge are presently in compliance with all existing state and federal laws and regulations, a violation of which would or could materially adversely affect its ability to fulfill its obligations and understandings as set forth herein and in the contract.

C. Legal Disclosure Requirements

- C.1. Describe any litigation, regulatory proceedings, investigations, and/or inquiries completed, pending or threatened against the Vendor and/or any of its related affiliates, officers, directors or parent companies subcontractors and any individuals identified by Vendor who will be performing any services and providing coverages required under the RFP and Contractual Agreement during the **past five (5) years** from date of Proposal submission. Identify the case number, date filed, full style of each suit, proceeding or investigation including county and state, regulatory body and/or federal district, and provide a brief summary of the matters in dispute, current status and resolution if any. **Vendor shall not refer ERS to any third party websites or other sources in order for ERS to obtain this information. Vendor must address each aspect of the above paragraph in its Response to this question.**

Case Number: 
 Date filed : 
 County and State: 
 Regulatory Body: 
 Brief summary: 
 Current status: 
 Resolution: 

D. Data and Information Services

D.1. Provide the name, title, mailing/email address(es), and telephone/facsimile number(s) and biographical summary for the **Vendor's Privacy Officer**.

Name: [Redacted]
Title: [Redacted]
Mailing address: [Redacted]
Email address: [Redacted]
Telephone number: [Redacted]
Facsimile number: [Redacted]

D.2. Confirm that the Vendor and its subcontractors can transmit encrypted data from and to its site via secured direct transmission line or other federally approved means of data transmission. Confirm

D.3. Provide the name, title, mailing/email address(es), and telephone/facsimile number(s) and biographical summary for the **Security Compliance Officer**.

Name: [Redacted]
Title: [Redacted]
Mailing address: [Redacted]
Email address: [Redacted]
Telephone number: [Redacted]
Facsimile number: [Redacted]

D.4. Confirm that the Vendor is currently in compliance with requirements of the Privacy Act of 1974, Computer Matching and Privacy Protection Act of 1988, Texas Business and Commerce Code Chapter 48: Unauthorized Use of Identifying Information or the information security standards as specified in Texas Administrative Code § 202.20 – 202.25 & § 202.27. Confirm

D.5. Provide a brief description of any violations alleged against the Vendor on the Privacy Act of 1974, Computer Matching and Privacy Protection Act of 1988, Texas Business and Commerce Code Chapter 48: Unauthorized Use of Identifying Information or the information security standards as specified in Texas Administrative Code § 202.20 – 202.25 & § 202.27.

D.6. Provide the name, title, mailing/email address(es), and telephone/facsimile number(s) and biographical summary for the **Vendor's Technical Consultant ("TC")** contact for SFTP file management and system service concerns.

Name: [Redacted]
Title: [Redacted]
Mailing address: [Redacted]
Email address: [Redacted]
Telephone number: [Redacted]
Facsimile number: [Redacted]

D.7. Related to Vendor's administrative and customer service support functions, what are the Vendor's contingency plans and procedures for providing back-up service in the event of strike, natural disaster, act of God, backlog, or other events that might interrupt, delay or shut-down service?

Disaster Recovery/Business Continuity Plan

- D.8. Provide a copy of the Vendor's disaster recovery plan and/or business resumption plan including the results of the Vendor's most recent successful test of the plans.
- D.8.a. Describe the most severe disaster experienced by Vendor, including when it occurred, what happened, how Vendor dealt with it, and the effect of the established disaster recovery systems Vendor had in place on plan sponsors and its participants.
- D.8.b. Related to Vendor's support functions, what are the Vendor's contingency plans and procedures for providing back-up service in the event of strike, act of God, backlog, or other events that might interrupt, or shut-down service?

VI. Deviations

ERS shall interpret any lack of deviation as the Vendor's full agreement to the provisions of the Contractual Agreement(s) and RFP requirements unless specifically noted. ERS shall interpret the Vendor Responses to match the specifications herein except for deviations specifically noted and described in response to this item. Deviations will not become a part of the final Contract unless expressly agreed to by ERS in writing and accepted by the Board. In all cases, the RFP and all Contractual Agreement terms shall control. In the event of any conflict between the two, the terms of the Contractual Agreement(s) shall prevail.

- A.1. Affirm that the Vendor shall comply with all of the **Instructions** described in **Article I** of this RFP.
 Affirm Affirm with the proposed Deviation

If applicable, enumerate and provide a detailed description of each deviation between the Vendor Proposal and these specifications.
Vendor Requested Deviation Detail:

- A.2. Affirm that the Vendor shall comply with all of the **Scope of Services** described in **Article III** of this RFP.
 Affirm Affirm with the proposed Deviation

If applicable, enumerate and provide a detailed description of each deviation between the Vendor Proposal and these specifications.
Vendor Requested Deviation Detail:

- A.3. Affirm that the Vendor shall comply with all of the **Communication Requirements** described in **Article IV** of this RFP.
 Affirm Affirm with the proposed Deviation

If applicable, enumerate and provide a detailed description of each deviation between the Vendor Proposal and these specifications.
Vendor Requested Deviation Detail:

- A.4. Affirm that the Vendor shall comply with all of the **Vendor Organizational Information** described in **Article V** of this RFP.
 Affirm Affirm with the proposed Deviation

If applicable, enumerate and provide a detailed description of each deviation between the Vendor Proposal and these specifications.
Vendor Requested Deviation Detail:

- A.5. Affirm that the Vendor shall comply with all of the **Interrogatories** described in **Article VII** of this RFP.
 Affirm Affirm with the proposed Deviation

If applicable, enumerate and provide a detailed description of each deviation between the Vendor Proposal and these specifications.
Vendor Requested Deviation Detail:

A.6. While deviations to the Contractual Agreement are strongly discouraged, clearly identify any provisions found in the Contractual Agreement, referenced as Appendix B, to which Vendor is unable to agree. ERS is seeking a Vendor that will agree to, and comply with, all provisions of the Contractual Agreement. ERS shall presume Vendor's agreement to the Contractual Agreement except for items specifically noted and described in response to this confirmation. In any event, ERS shall not be required to accept any deviations to the Contractual Agreement or to the terms of this RFP. Any such deviations must be specifically agreed to in writing by ERS before they shall form a part of the final agreement between ERS and the chosen Vendor.

A.6.a. Affirm that the Vendor shall comply with all of the provisions in the ***Contractual Agreement*** provided in Appendix B of this RFP.

Affirm Affirm with the proposed Deviation.

If applicable, enumerate and provide a detailed description of each Contractual Agreement deviation.

Vendor Requested Deviation Detail:

A.7. Affirm that the Vendor shall comply with all of the provisions provided in ***Appendix C, Data Security and Breach Notification*** of this RFP.

Affirm Affirm with the proposed Deviation

If applicable, enumerate and provide a detailed description of each Appendix C, Data Security and Breach Notification deviation.

Vendor Requested Deviation Detail:

VII. Interrogatories

Instructions: In order for a Vendor's Proposal to be considered and accepted, the Vendor shall provide true and correct answers to all of the questions presented in this article. Each question shall be answered thoroughly, in detail, and preceded by the question to which the Response pertains. References **shall not** be made to a prior response, or to another document, unless the question involved specifically provides such an option. To ensure that the Vendor has a complete understanding of all ERS requirements with respect to the Employee Discount products and services program, **carefully read the earlier articles of this RFP and the attached Contract provisions** before responding to any of the following questions. For purposes of the Contract and the RFP, "Vendor" necessarily includes the Vendor, its officers, directors, employees, representatives, agents, subsidiaries, affiliates and any subcontractors and independent contractors.

Answers to the questions included in this article should be detailed enough to satisfactorily explain Vendor's position on each particular topic. It is the Vendor's responsibility to respond to these questions in such a way that ERS has a full and complete understanding of its intent. **It is important that the Vendor carefully define any key words or phrases used in answering these questions.** Vendor's Proposal shall use the terms defined in the Contract and the RFP only as they are so defined. Certain questions contained herein may require individualized responses to distinguish more than one scope area.

In addition, provide individualized responses to any other questions for which Vendor believes such responses are necessary in order to fully disclose differences in processes or procedures. Each response shall be thorough and preceded by the question to which the response pertains.

A. Administration and Personnel

A.1. How does the Vendor propose to administer discount products and services to the participants? Include responses to the following:

A.1.a. Are all administrative services performed internally? Yes No

A.1.b. Where is the administrative facility located?

A.1.c. List the administrative services performed at this location.

A.2. Provide the name, title, address, telephone number, facsimile number, and e-mail address of a contact person for all current clients with 10,000 or more covered employees and/or retirees (not counting covered dependents) for whom Vendor's organization is providing products or services as described herein. This information should be divided into the following categories: Government and Private.

Name:

Title:

Mailing address:

Email address:

Telephone number:

Facsimile number:

- A.3. Provide a brief summary of the background and history of Vendor’s organization and state why it is best qualified to provide the discounted products and services requested.
- A.3.a. Discuss the process for obtaining discount products and services with the various organizations offered through Vendor’s program.
- A.3.b. What contract arrangements with subcontractors or organizations exist to ensure discount products and services are available through the program? ERS may request a sample contract for review.
- A.4. Describe in detail how Vendor’s organization will fulfill each requested service. Include in Vendor’s discussion the names of the personnel that will be assigned to work with ERS on this project. Include their qualifications and experience.
- A.5. Provide a flowchart that illustrates all phases of the process that a typical enrollee would encounter using the Discount Program from the onset of enrollment through purchase of a product.
- A.6. Provide a flowchart that outlines the complaint process proposed for members utilizing the Discount Program.
- A.6.a. Specifically discuss Vendor’s role between member and subcontractor when complaints arise.
- A.7. Discuss what steps Vendor has established to protect member’s personal information that would mitigate identity theft.
- A.7.a. Discuss what steps Vendor has established to protect member’s personal information from being sold or mismanaged.
- A.8. Provide the last three (3) years of participation in your employee discount program.

	Enrollment	Retail Value	Discount Value
2009			
2008			
2007			

- A.9. What is the experience of a participant that loses eligibility access to the discount program?
- A.10. Describe how your organization differs from your competitors.
- A.11. Discuss how Vendor’s business offerings of the discount products and services are investigated for quality/value, solvency and reliability?

B. Systems and Technology

B.1. Does Vendor warrant and represent that it has a disaster recovery plan in effect for its computer systems and equipment and that of any subcontractor upon whom Vendor relies in performing or providing any services or products to or on behalf of ERS?

Yes No

If yes, describe generally your disaster recovery plan and the date and results of the most recent test of the plan.

B.2. Provide the names and a description of the hardware and software systems that the Vendor is currently using.

B.3. For each system, provide the following information:

B.3.a. When was this system implemented?

B.3.b. When was the system last updated?

B.3.c. Is there a future update being considered?

B.3.d. If so, when is the update anticipated?

VIII. Appendices

- A. Signature Pages
- B. Contractual Agreement (**To Be Published on or after December 1, 2009**)
- C. Data Security and Breach Notification
- D. Performance Assessments

