

RFR #ETI0022

Employee Reimbursement Accounts Program and
Commuter Benefits Program

**The State of Wisconsin
Department of Employee Trust Funds**

Due Date: April 28, 2009, 3:00 PM (CT)



FBMC

Premier Benefits Solutions

Cost Proposal

Submitted by:

Fringe Benefits Management Company
3101 Sessions Rd.
Tallahassee, Florida 32303
Phone: (800) 872-0345
www.fbmc.com

FBMC Contact Info:

April Sheffield
Account Manager
Client Services Division
Phone: (800) 872-0345, ext 2180
Fax: (850) 425-6220
E-mail: asheffield@fbmc.com



Quality, Integrity, Longevity

Section D. Cost Proposal

The vendor's response must detail all proposed costs to administer the ERA and Commuter Benefits programs as described in this RFP, as well as any additional services the vendor may elect to offer. If assumptions are necessary, please fully explain the assumptions used. *Tables A & B* must be completed to reflect total vendor's costs for a five-year contract term.

For any of the services requested, the vendor may propose an alternative approach to providing the services other than the approach described in the RFP. Any alternative must be fully described and clearly identified as an alternative. The description must clearly state any exceptions to this document and describe how the alternative would provide better overall services to ERA and Commuter Benefits program participants.

All fees or potential fees for extra or elective services must be disclosed in the vendor's response to the RFP.

Explanation of footnotes on FBMC's Cost Proposal for the ERA and Commuter Benefits Programs (CY2013 and CY2014):

- (1) The maximum percentage increase for a renewal in year four will be limited to the increase, if any, in the U.S. All Items Consumer Price Index (CPI) published on the US Department of Labor website, www.bls.gov/cpi/ for the time period beginning with the effective date of the contract to the effective date of the new contract, or new effective date for the rate increase.
- (2) The maximum percentage increase for a renewal in year five will be limited to the increase, if any, in the U.S. All Items Consumer Price Index (CPI) published on the US Department of Labor website, www.bls.gov/cpi/ for the time period beginning with the effective date of the contract to the effective date of the new contract, or new effective date for the rate increase.

Explanation of Commuter Benefits Elective Service Proposed:

The "4C" Program is a 3-phase "go green" initiative that can decrease carbon output, cut costs, and improve the benefits available to employees. Please see *Exhibit H* in the Technical Proposal. FBMC agrees to absorb up to 25% of the cost of the 4C program if the State chooses to implement this optional service.

Part 1.0 Employee Reimbursement Accounts Program

- 1.1 The administrative fee proposal must include all costs for the annual administration of the ERA program at the current level of services, including all costs associated with the annual enrollment. The vendor will be responsible for conducting the annual enrollment for the ERA program in the fall of 2009 for Plan Year 2010 and for every year thereafter. Enter the projected annual administrative costs in *Table A*. Include a detailed breakdown of all costs associated with providing all services to administer the ERA Program as outlined in this RFP. Also include detail of any additional fees associated with offering debit card technology to participants, if applicable. Indicate whether the administrative costs will be charged on a flat-fee basis or will be based on participation levels. Include detail of the proposed fee schedule if the administrative costs will be based on participation levels.

FBMC's administrative fee proposal includes all costs for the annual administration of the ERA program at the current level of service, including all costs associated with the annual enrollment. Our projected annual administrative costs appear in *Table A*.

The per-participant-per-month (PPPM) fee is inclusive of all services described in our proposal, including the provision and administration of the debit card. Our fees are based on participation levels as opposed to a flat fee.

- 1.2 Provide detail of the costs associated with one-time start-up and transition costs including start-up costs for offering debit card technology. Describe how the vendor intends to recover transition costs, i.e. will costs be added to the total administrative costs proposed for the first year or spread out over the contract period.**

As the incumbent administrator, FBMC will not be charging any start-up or transition fees.

- 1.3 Provide costs of any proposed additional elective services other than those described in the RFP. Clearly mark each elective service and indicate the cost for each on a separate line on *Table A*. A detailed description of each elective service offered should be included in the vendor's response to *Section C*.**

There are no additional fees for any of the services described in *Section C* of our proposal. Our PPPM fee is all inclusive.

Part 2.0 Commuter Benefits Program

- 2.1 The administrative fee proposal must include all costs for the annual administration of the Commuter Benefits program at the current level of service. Enter the proposed annual administrative costs in *Table B*. Include a detailed breakdown of all costs associated with providing all services to administer the Commuter Benefits Program as outlined in this RFP. Indicate whether the administrative costs will be charged on a flat-fee basis or will be based on participation levels. Include detail of the proposed fee schedule if the administrative costs will be based on participation levels.**

FBMC's administrative fee proposal includes all costs for the annual administration of the Commuter Benefits program at the current level of service. Our projected annual administrative costs appear in *Table B*.

The per-participant-per-month (PPPM) fee is inclusive of all services described in our proposal. Our fees are based on participation levels as opposed to a flat fee.

- 2.2 Provide detail of the costs associated with one-time start-up and transition. Describe how the vendor intends to recover transition costs, i.e. will costs be added to the total administrative costs proposed for the first year or spread out over the contract period.**

As the incumbent administrator, FBMC will not be charging any start-up or transition fees.

- 2.3 Provide costs of any proposed additional elective services other than those described in the RFP. Clearly mark each elective service and indicate the cost for**

each on a separate line on *Table B*. A detailed description of each elective service offered should be included in the vendor's response to *Section C*.

There are no additional fees for any of the services described in *Section C* of our proposal. Our PPPM fee is all inclusive.

Vendor FRINGE BENEFITS MANAGEMENT COMPANY						
TABLE A – ERA Program						
		CY 2010	CY2011	CY2012	CY 2013	CY 2014
	Projected Number of Participants*	12,475	12,725	12,980	13,240	13,505
1.	Administration Cost Detail (Provide detailed breakdown of costs for annual administration including annual enrollment.)					
	PER PARTICIPANT PER MONTH	4.77	4.77	4.77	(1)	(2)
	INCLUDES:					
	ADMINISTRATION FEE					
	ENROLLMENT FEE					
	PARTICIPANT FEE					
1.a	Total	714,069	728,379	742,975	(1)	(2)
2.	One Time Start-up and Transition Cost (Provide detail of all one-time start-up costs.)					
		-0-	-0-	-0-	-0-	-0-
2.a	Total	-0-	-0-	-0-	-0-	-0-
	Grand Total (line 1a + 2a)	714,069	728,379	742,975	(1)	(2)
3.	Elective Services Proposed by Vendor (Describe each on a separate page attached to Section C and cross reference to this document.)					
	PAYMENT CARD (ISSUED TO ALL MFSA)	-0-	-0-	-0-	-0-	-0-

*Projected participation is based on an increase of 2% each plan year. Actual participation may be more or less.

Authorized Signature Terry A. Hume Date 04/23/2009
(TERRY A. HUME)

Vendor FRINGE BENEFITS MANAGEMENT COMPANY					
TABLE B – Commuter Benefits Program					
	CY 2010	CY2011	CY2012	CY 2013	CY 2014
Projected Number of Participants*	1,300	1,300	1,300	1,300	1,300
1. Administration Cost Detail (Provide detailed breakdown of costs for annual administration.)					
PER PARTICIPANT PER MONTH	5.10	5.10	5.10	(1)	(2)
INCLUDES:					
ADMINISTRATION FEE					
PARTICIPANT FEE					
1.a Total	79,560	79,560	79,560	(1)	(2)
2. One Time Start-up and Transition Cost (Provide detail of all one-time start-up costs.)					
	-0-	-0-	-0-	-0-	-0-
2.a Total	-0-	-0-	-0-	-0-	-0-
Grand Total (line 1a + 2a)	79,560	79,560	79,560	(1)	(2)
3. Elective Services Proposed by Vendor (Describe each on a separate page attached to Section C and cross reference to this document.)					
4C PROGRAM	***** TO BE DETERMINED *****				

*Participation fluctuates from month to month. This assumes a monthly average of 1,300.

Authorized Signature  Date **04/23/2009**
(TERRY A. HUME)