



SAN FRANCISCO HEALTH SERVICE SYSTEM

Affordable, Quality Benefits & Well-Being

REQUEST FOR PROPOSALS (RFP) FOR Flexible Spending Account, COBRA, and AB528 Administration for Plan Year 2027

RFPQHSS2025.B1

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michael.visconti@sfgov.org

Purpose of this RFP: SFHSS seeks one (1) vendor to serve as the Third-Party Administrator (TPA) for eligible employees from the four (4) participating employers (see RFP Section 1.2.5.) of the San Francisco Health Service System (SFHSS) for the following:

- Healthcare Flexible Spending Account (HCFSA) and Dependent Care Spending Account (DCFSA) (also referred to collectively as “FSA”),
- Continuation of Health Coverage (COBRA),¹ and
- California Assembly Bill 528 Continuation Coverage (AB528).²

The City seeks proposals from experienced and qualified administrators of FSA, COBRA and AB528 services for large (15,000 or more employees) public sector employers.

<u>Est. Eligible Population (as of 8/1/2025):</u>	<u>FSA Enrolled Population (as of 9/9/2025):</u>
<ul style="list-style-type: none">▪ FSA: 36,100▪ COBRA: 80,400▪ AB528: 4,200	<ul style="list-style-type: none">▪ HCFSA: 9,637▪ DCFSA: 1,815

¹ <https://www.dol.gov/general/topic/health-plans/cobra>

² California Education Code §§ 7000–7008; see http://www.leginfo.ca.gov/pub/97-98/bill/asm/ab_0501-0550/ab_528_bill_19980630_chaptered.html

Effective Dates of Services:

- COBRA Administrative Services: July 1, 2026
- AB528 Administrative Services: July 1, 2026
- Flexible Spending Account (FSA) Administrative Services: January 1, 2027

Anticipated Initial Term of Agreement: July 1, 2026 – December 31, 2031, with options to extend the agreement up to a maximum term of ten (10) years.

Implementation COBRA/AB528: March – October 2026 (July 1, 2026 go-live)

Implementation HCFSA/DCFSA: March 2026 – March 2027 (January 1, 2027 go-live)

RFP Questions and Communications: To ensure fair and equal access to RFP information, all communications must be communicated to SFHSS via email to patrick.chang@sfgov.org; cc: william.kudenov@sfgov.org and michael.visconti@sfgov.org.

Unauthorized communications may result in disqualification and rejection of Proposal. Questions must be emailed by the Deadline for RFP Questions. No questions will be accepted after the Deadline for RFP Questions with the exception of questions regarding Approved City Supplier status or as determined by SFHSS in writing by an addendum to this RFP.

Requirement to be an Approved Supplier: All Respondents to this RFP must certify to become an Approved Supplier by January 31, 2026 or within ten (10) days of award or selection by SFHSS, whichever is later. This includes completing an Equal Benefits Declaration.³

Respondents to this RFP **are strongly recommended** to review the Approved Supplier and Equal Benefits Program prior to bidding, as this process may take several weeks: <https://sfcitypartner.sfgov.org/pages/index.aspx>.

³ More information on the City's Equal Benefits Program is available at <https://www.sf.gov/equal-benefits-program>.

Schedule – Key Dates and Deadlines

▪ RFP Announced	August 14, 2025 ⁴
▪ RFP Issued	September 16, 2025
▪ Deadline for Intent to Bid (Sec. 3.3)	October 3, 2025 (12:00PM PT)
▪ Deadline for RFP Questions	October 30, 2025 (12:00PM PT)
▪ Responses to Questions Posted ⁵	November 14, 2025
▪ Deadline for Proposals (Sec. 3.4)	December 2, 2025 (12:00PM PT)
▪ Minimum Qualifications Review	December 2 – 5, 2025
▪ Requests for Clarification	December 3 – 12, 2025
▪ Notification of Oral Interviews	December 15-19, 2025
▪ Oral Interviews ⁶ (<i>Virtual</i>)	January 12-16, 2026
▪ Health Service Board Meeting Announcement	February – March 2026
▪ COBRA/AB528 Implementation Period	March – December 2026
○ COBRA/AB528 Go-live	January 1, 2026
▪ FSA Implementation Period	March 2026 – March 2027
○ FSA Go-Live/Transition	January 1, 2027
▪ Open Enrollment (est.)	October 2026
▪ HCFSFA Rollover	December 31, 2026 → January 1, 2027

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⁴ Blackout Notice through June 2026, August 14, 2025 HSB Regular Board Meeting, available at <https://sfhss.org/board-meeting/2025-08-14t200000>

⁵ Questions will be answered and posted on a rolling basis to <https://sfhss.org/RFPs>. Submitters will be notified via email at the time of posting.

⁶ Oral Interviews may be conducted in person at the SFHSS Offices located at 1145 Market Street, San Francisco, California 94103 (see Section 4.3 below).

1. INTRODUCTION

1.1 Overview.

The San Francisco Health Service System (SFHSS) seeks proposals from qualified firms with demonstrated experience in healthcare (HCFSA) and dependent care flexible spending account (DCFSA) (collectively “FSA”), COBRA and AB528 administration (collectively “the Services”) for large (15,000+ eligible employees) public sector employers. COBRA and AB528 services would begin effective July 1, 2026, following a successful transition period from the incumbent provider, P&A Group. FSA services must begin January 1, 2027, following a successful transition period from P&A Group and a successful Open Enrollment period (October 2026, exact dates TBD by HSS by July 1, 2026 but routinely cover four consecutive weeks in October or the full month). The selected vendor is expected to have experience working with large (15,000+ eligible employees) public sector employers with diverse employee populations.^{7,8}

Benefits administration for the City will include all facets of FSA, COBRA and AB528 administration, including but not limited to eligibility, compliance, regulatory and legislative monitoring, customer service, employee-facing communications, account management, and both regular and *ad hoc* reporting to SFHSS.

1.2 The San Francisco Health Service System (SFHSS).

1.2.1 The San Francisco Health Service System. SFHSS executes all process phases related to benefit operations and administration of non-pension benefits (including health, dental and vision) for over 139,000 individuals pursuant to the City and County of San Francisco Charter sections 12.200-12.203 and A8.420-A8.432, and San Francisco Administrative Code sections 16.700-16.703. These individuals include both eligible active and retired employees from the Health Service System’s four participating employer groups – City and County of San Francisco, San Francisco Unified School District, San Francisco Community College District, and San Francisco Superior Court – and their eligible dependents (collectively, “Members”).

SFHSS is dedicated to providing outstanding high-quality and sustainable employee benefits to preserve and enhance the well-being of our Members, while adhering to the highest standards of service and support. For additional information, please reference the SFHSS Strategic Plan for 2023-2025 at <https://sfhss.org/resource/sfhss-strategic-plan->

⁷ The current “SFHSS Demographics Report” is available at <https://data.sfgov.org/stories/s/ppyt-2mqw>.

⁸The 2024 SFHSS Demographics Report is available at <https://sfhss.org/resource/february-8-2024-sfhss-2024-demographic-report/download>.

[2023-2025](#). Please be advised that SFHSS is the process of drafting an interim strategic plan for calendar year (CY) 2026 and a new strategic plan for 2027-2029.

1.2.2 SFHSS Health Service Board. The Health Service Board (HSB) is the governing and policy-making body of the San Francisco Health Service System (SFHSS). The HSB supports SFHSS's mission to preserve and improve sustainable, quality health benefits and to enhance the well-being of members and their families. HSB duties and responsibilities are detailed on the SFHSS website at <https://sfhss.org/health-service-board>.

Throughout the year, SFHSS reports to the HSB on the status of benefits and contracts under SFHSS' jurisdiction. At the Regular Meeting of the HSB on August 14, 2025, SFHSS presented for discussion its intent to issue a competitive bid for a FSA, COBRA, and AB528 third-party administrator. The agenda, presentation materials, transcript and video recording of this meeting are available at <https://sfhss.org/board-meeting/2025-08-14t200000>.

1.2.3 City And County of San Francisco. SFHSS is one of approximately 130 departments, commissions and other miscellaneous agencies within the City. The City is organized as a mayor-council system with an executive mayor, elected by the voting public, and a separately elected legislative city council, the San Francisco Board of Supervisors (BoS). Certain department heads are elected by the voters, e.g., City Attorney, and Treasurer/Tax Collector; others are appointed by the Mayor, and then confirmed by the Board of Supervisors, e.g., Controller; while others, including the Executive Director of the San Francisco Health Service System, are appointed by the HSB which is the commission assigned with the authority and oversight of that department and its functions.

1.2.4 SFHSS Annual Renewal Process. Each year, SFHSS conducts an annual renewal process for all benefit contracts under the Board's purview (see Board Policies and Reference Documents, *available at* <https://sfhss.org/board-policies-and-reference-documents>). This process creates consistency in how SFHSS and the HSB communicate and validate our expectations from our plan partners and plan administrators for the upcoming plan year (beginning January 1st) and the Open Enrollment period (a fixed annual enrollment period held in October of the prior year). The annual renewal process also allows SFHSS to adjust benefits in response to new regulatory requirements, prior year(s) plan experience, City policies, benefit design strategies developed by SFHSS and our partners, Health Service Board policies, and legislative changes.

The Selected Respondent, as a result of this RFP, agrees to be an active participant in the SFHSS annual renewal process each year, including timely delivery of renewal responses, materials and follow-ups to requests, and well-prepared meetings and materials for SFHSS, the Health Service Board, the SFHSS actuary and consultants, and City/employee stakeholders (<https://sfhss.org/board-annual-rates-and-benefits-cycle>). See Section 3.2.1 (Minimum Qualifications), subsection V.

1.2.5 SFHSS Member Population. The SFHSS Member population includes over 139,000 individuals, including both active and retired employees of the City and County of San Francisco (or “City”), the San Francisco Unified School District (SFUSD), the Community College of San Francisco (CCD), and the Superior Court of California, County of San Francisco (or “Courts”), and their covered dependents (collectively, “Members”).⁹ These four groups are often referred to as the four SFHSS ‘participating employers’.

1.2.6 SFHSS Health Plans. The City and County of San Francisco offers eligible employees the opportunity to enroll themselves and eligible family members in the following medical, dental, vision (collectively “Coverage Providers”) and Flexible Spending Account (FSA) benefits:

A. Self-Funded plans include (in alphabetical order):

- i. Blue Shield HMO Access Plus¹⁰
- ii. Blue Shield Trio HMO¹⁰
- iii. Blue Shield PPO¹⁰
- iv. Delta Dental PPO
- v. Health Net Canopy Care HMO¹⁰

B. Fully-Insured plans include (in alphabetical order):

- i. Blue Shield Medicare Advantage PPO¹⁰
- ii. DeltaCare DMO
- iii. Kaiser Permanente Traditional plan¹⁰
- iv. Kaiser Permanente Senior Advantage (MAPD)¹⁰
- v. UnitedHealthcare Dental DMHO
- vi. VSP Basic plan
- vii. VSP Premier plan

C. City-Administered (San Francisco Department of Human Resources (SFDHR)) plans include (in alphabetical order):

- i. San Francisco Health Plan¹¹

1.3 Appendix A (Standard Agreement).

1.3.1 Appendix A (Standard Agreement) contains the general form and content of the contract SFHSS anticipates using for the agreement with the Respondent selected as a result of this RFP. SFHSS will request a redline copy of the Standard

⁹ More information on the demographics of the Member population served by SFHSS can be found at <https://sfhss.org/demographics-report>.

¹⁰ City administrative fee applicable.

¹¹ The Healthy Workers HMO plan is offered to providers of In-Home Support Services (IHSS), IHSS Public Authority or temporary exempt employees of the City and County of San Francisco.

Agreement as a requirement prior to the Oral Interview or Request for Clarification from the top (3) Respondents (see RFP Section 4.3) and/or all Respondents invited to the Oral Interview. **See Section 3.2.1 (Minimum Qualifications), subsection D.** Please be advised that SFHSS requires approval from either the San Francisco City Attorney and/or the City's Risk Management Division for material modification to Appendix A (Standard Agreement).

1.3.2 A Respondent's Proposal will serve as the basis for negotiations with a Selected Respondent. If Respondent fails to identify an objection to any particular term or condition, the term or condition will be deemed agreed to by Respondent. SFHSS reserves the right to discuss any Respondent-proposed change to terms or conditions and to clarify and supplement such proposal. Proposed changes to any particular term or condition of the Standard Agreement will be used to determine the responsiveness of Respondent's Proposal (Minimum Qualifications (Section 3.2)).

Proposals that are contingent upon SFHSS and the City making substantial changes to the material terms and specifications published in the RFP may be disqualified. SFHSS will consider the number and nature of the terms and conditions Respondent is objecting to in determining the likelihood of completing an agreement with Respondent if selected. SFHSS reserves the right to add or delete language from Appendix A (Standard Agreement) when preparing the final form of the agreement with a Selected Respondent(s).

1.3.3 Responses which do not either indicate acceptance or redline proposed changes, or if a Respondent rejects most or all Standard Agreement provisions outright, may be deemed non-responsive.

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2. SCOPE OF SERVICES

This scope of work is a guide to the benefits and services SFHSS expects to be provided by the Respondent selected as a result of this RFP. It is not a complete listing of all services that may be required. Prospective Respondents must respond to the RFP Questionnaire for the full scope of required services, benefits and benefit structures (Section 3.4).

The Questionnaire, as well as any relevant data, will be provided following execution of a Mutual Confidentiality and Non-Disclosure Agreement (Section 3.1).

2.1 **Current (Incumbent) Administrator.**

Since March 1st, 2014, SFHSS's administrator for the services in this RFP has been P&A Group (P&A). Under Section 9.118(b) of the City's Charter, Board of Supervisors' approval by Resolution is required of any contract which extends over ten (10) years. On March 11th, 2025, the San Francisco Board of Supervisors approved the Resolution for SFHSS to execute a 10th and final Amendment to the original agreement, set to expire on December 31, 2026.¹²

2.2 **In-Scope Benefits, Populations, and Enrollment.**

The City and County of San Francisco offers benefits to eligible employees ("Participant") permitted under Internal Revenue Code Sections 125 and 129.¹³ Employees participating in the SFHSS 125 Cafeteria Plan (the "Plan") are individuals eligible under the Health Service System Rules¹⁴ and/or as specified by a properly adopted Ordinance of the Board of Supervisors of the City and County of San Francisco. Most eligible employees are covered by various collective bargaining agreements.

The plan year runs from January 1st to December 31st ("Plan Year" or "PY"), and Open Enrollment (OE) occurs during the month of October each year.

2.2.1 Flexible Spending Account (FSA). SFHSS offers the following two (2) types of flexible spending accounts (FSA). A member must make HCFSAs and DCFSAs elections during the annual Open Enrollment to participate in these programs for the following plan year. More information on FSA administration under the SFHSS 125 Cafeteria Plan is available at <https://sfhss.org/san-francisco-health-service-system-member-rules>.

A. Healthcare Flexible Spending Account (HCFSAs). The HCFSAs cover common medical expenses for members and their dependents, such as, co-payments,

¹² Resolution No. 250108 available at <https://sfbos.org/sites/default/files/r0103-25.pdf>.

¹³ Participants also include certain groups who may not meet the IRC Section 125 and 129 definitions.

¹⁴ The San Francisco Health Service System (SFHSS) Rules are available at <https://sfhss.org/sfhss-member-rules>.

prescription drugs and certain over-the counter products. HCFSA is designed to allow members to pay for medical expenses not covered by health insurance on a pre-tax basis and in compliance with the requirements of IRS Code Sections 105 and 106. Those who elect this benefit are issued a debit card by P&A to spend the funds on eligible expenses.

For PY2025, members who elected an HCFSA may set aside up to \$3,200 on a pre-tax basis, and the full annual amount is available after the first contribution has been deducted. Deductions are taken biweekly from an employee's paycheck.

SFHSS members are eligible to carryover a set amount of unused funds to the next PY based on limits established by the IRS. Currently, the carryover amount is a minimum of \$10 and a maximum of \$640 into PY2026. Any unclaimed funds of less than \$10 and more than \$640 will be forfeited without exception.

Beginning January 1, 2026, members who elect an HCFSA can set aside up to \$3,300 on a pre-tax basis. The new carryover amount for 2026 funds will be a minimum of \$10 and a maximum of \$660 into the 2027 plan year.

- B. Dependent Care Spending Account (DCFSA).** The Dependent Care FSA (DCFSA) covers childcare and care for elderly family members who are incapable of self-care. DCFSA is designed to allow members to pay for childcare or adult dependent care expenses on a pre-tax basis and in compliance with the requirements of IRS Code Section 129.

For PY2025, the maximum contribution for DCFSA is set at \$5,000 – as determined by SFHSS in accordance with federal non-discrimination testing requirements – with no carryover to the following year. DCFSA is a "pay as you go" account where the employee must have enough funds in their account before they can submit a claim for reimbursement.

Beginning January 1, 2026, the maximum contribution for DCFSA will be based on the eligible employee's gross annual salary and in accordance with IRS requirements:

- The minimum Dependent Care FSA contribution is \$250 for all eligible employees.
- Employees who gross more than \$160,000 annually are deemed to be highly compensated employees (HCEs). The maximum contribution will be \$3,000 – as determined by SFHSS in accordance with federal non-discrimination testing requirements.
- For employees who gross less than or equal to \$160,000 annually, the maximum contribution will be \$7,500 – as determined by SFHSS in accordance with federal non-discrimination testing requirements.

C. FSA Population (2020 to 2025).

Benefit	2020	2021	2022	2023	2024	2025
<i>HCFSA (enrolled)</i>	6,327	5,927	6,548	7,408	7,669	8,850
<i>DCFSA (enrolled)</i>	1,483	887	1,278	1,510	1,549	1,640
<i>Est. Total Eligible to Enroll</i>	37,700	34,100	33,700	33,600	35,000	36,100

2.2.2 Continuation of Health Benefits Coverage (COBRA). Pursuant to the federally mandated Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), and any subsequent federal legislation regarding COBRA, SFHSS members and dependents who have lost coverage for specific reasons shall be entitled to elect COBRA continuation coverage under SFHSS; in addition, SFHSS is to offer Non-Medicare Retiree COBRA to eligible individuals.

If a person ceases to be an eligible employee and agrees to pay the premium for COBRA continuation coverage, the person shall be treated as a Participant to the extent required by law, and coverage under the HCFSA shall continue for as long as such premiums are paid, if applicable, but not beyond the Plan Year in which the COBRA qualifying event occurs, subject to the terms and conditions of the Plan.

More information on SFHSS's COBRA administration is available in the SFHSS Member Rules¹⁵ and Cafeteria Plan documents.¹⁶

- A. Number of Participants Served.** The following table shows the number of Participants who received COBRA qualifying event and initial notices from 2018 to January 31, 2025.

Year	Qualifying Event Notices (COBRA)	Initial Notices (COBRA)
2018	1,412	3,947
2019	1,613	4,197
2020	3,519	2,627
2021	4,418	3,395
2022	4,889	4,514
2023	4,124	5,598
2024	4,680	5,088
2025 (as of January 31)	336	292

¹⁵ The 2025 San Francisco Health Service System Member Rules are available at https://sfhss.org/sfhss_rules_2025

¹⁶ The San Francisco Health Service System Section 125 Cafeteria Plan is available at https://sfhss.org/cafeteria_plan/py2025.

2.2.3 California Assembly Bill 528 (AB528) Continuation Coverage.

Under California Education Code 7000, California schools and community college districts are required to allow certificated employees who lose their benefits eligibility to continue their health care coverage upon retirement to enroll in health or dental benefit plans currently provided for their current certificated employees. Retiree faculty and adjunct faculty from the City College of San Francisco (CCD) and the San Francisco Unified School District (SFUSD), including their spouses, have the right to purchase City medical benefits once retired from the public retirement system. The scope of AB528 Continuation services through this RFP shall be limited to health benefit plans offered through SFHSS, only. Dental benefits plans are out-of-scope for AB528 Continuation services through this RFP.

- A. Number of Participants Served. The following table shows the number of Participants who received AB528 notices from 2018 to January 31, 2025.

Year	AB528 Notices
2018	60
2019	72
2020	97
2021	108
2022	96
2023	108
2024	87
2025 (as of January 31)	17

2.3 Account Management

2.3.1 Staff Resources.

Respondents agree to:

- A. Provide a dedicated Account Manager and Account Executive that are fully responsive to SFHSS concerns, including immediately reporting to SFHSS any situation or circumstance that could potentially impact the administration of the account. SFHSS reserves the right to change the contact(s) upon request by City.
- B. Provide ongoing operational updates and troubleshooting support to City as-needed.
- C. Provide a dedicated claims issue and eligibility contact. SFHSS reserves the right to change the contact(s) upon request by City.
- D. Ongoing monthly check-in meetings shall be pre-scheduled, on a routine basis, no less than once every thirty (30) days. Meetings may be conducted through any

reasonable means as determined by City, including remotely via Microsoft Teams, and may consist of consultation and advisory services on technical, policy, legal, or administrative topics during the course of operations.

- E.** Upon request, attend various employee, labor, and management meetings relating to Flexible Spending Accounts, COBRA, and AB528 administration.
- F.** Participate in the City's annual Open Enrollment period which may include, but not be limited to, in-person events and/or online webinars at no cost to the City.¹⁷
- G.** Management and support for a transition of all services from the incumbent vendor, if applicable.

2.3.2 Legislation Monitoring.

Respondents agree to:

- A.** Comply with all federal, state, and local laws regarding Plan administration.
- B.** Monitor federal and state legislation affecting the delivery of plan benefits to participants and to report to City on those issues in a timely fashion, prior to the effective date of any mandated plan changes.
- C.** Provide all necessary non-discrimination testing for FSA programs and provide guidance to the City regarding how to keep the City's Plan in compliance. Testing and reporting must be completed annually in order for the City to remain in compliance with all federal and state requirements.
- D.** Advise the City on pending legislation affecting administration of the Plan.
- E.** Once legislation is enacted, provide analysis and guidelines for assisting the City with the compliance requirements.
- F.** Provide monthly written updates regarding pending legislation and regulatory implementation associated with any aspect of Plan administration.

2.3.3 Data and Reporting.

Respondents agree to:

- A.** Ensure that all information sharing is in full compliance with HIPAA and other applicable regulations.

¹⁷ Benefit vendors support on-site, off-site and virtual Open Enrollment events by providing representatives, presentations and collateral to Members. This real-time support by vendors for Open Enrollment, coupled with benefit materials, online resources, and the Member Services Division, allow SFHSS to inform Members of the all the benefit options available to them for the upcoming plan year.

- B.** Provide the City with monthly reports regarding enrollment and invoice reporting, account reporting, account balances that may be subject to forfeit, COBRA notifications and elections, and service levels. After initial Open Enrollment, reports must be made available on a monthly basis, no more than fifteen (15) days after the end of each month.
- C.** Provide annual run-out reconciliation, carryover, and forfeiture reporting.
- D.** Provide ad hoc reports as part of the normal services, with additional or customized reports available at no additional cost.
- E.** Provide monthly plan utilization reporting, quarterly lag reporting, and annual plan utilization reporting.
- F.** Provide statistical plan reports of participant activity, including, but not limited to: utilization data, enrollee distribution reports, status reports and analysis (monthly, periodically, and annually), monthly notifications or letter mailed and returned by the US Postal Services, and other data as determined by the City.
- G.** Maintain a website for City to run real-time reports and view COBRA continuant information.
- H.** Report on returned mail and NCOA results.
- I.** Provide notice workflows.

2.4 Administration Services

2.4.1 Customer Service.

Respondents agree to:

- A.** Provide an electronic payment card to each Participant who elects one or more FSA options that may be used to pay for eligible expenses. See Appendix C (Payment Card Compliance and Features).
- B.** Clearly explain all instances when the card may be used (e.g., pharmacy, doctor's office, vision provider, etc.).
- C.** Provide a fully operational customer service call center with customer service staff that are knowledgeable, responsive, and deliver high quality service to all Participants.
- D.** Provide customer service support to Participants that is accessible to SFHSS's diverse population and be able to comply with the City's Digital Accessibility and

Inclusion Standard (DAIS).¹⁸ In addition, as applicable, ensure World Wide Web Consortium's (W3C) conformance for web portals and PDFs.¹⁹

- E.** Provide customer service support in languages other than English.
- F.** Ensure that the plan design, plan documents, implementation, communication, and reports are in compliance with all current applicable laws and regulations.
- G.** Provide access for employees to be able to track claim and account balance status online, via mobile application or via telephone.
- H.** Maintain a website for COBRA continuants to access account information.
- I.** Provide a secure, ADA compliant online self-service portal that will allow Participants to submit COBRA enrollment forms. This portal should be available twenty-four (24) hours a day, seven (7) days a week.
- J.** Provide a secure, ADA compliant online self-service portal that will allow Participants to have easy and accurate access to information regarding the status of their FSA deductions, reimbursements and outstanding claims through a website. This portal should be available twenty-four (24) hours a day, seven (7) days a week.
- K.** Make customer service staff available to answer calls (on a toll-free basis) between 7:00 a.m. and 7:00 p.m. PST at a minimum.
- L.** Process ongoing employee enrollment, terminations, and changes in a timely manner.
- M.** Provide City-approved training and marketing material in an editable electronic format. The electronic format must be printer-friendly so that it can be reproduced and distributed to City employees via mail, email, or at new-hire orientation.

2.4.2 Enrollment, Eligibility, and Participant Contributions.

Respondents agree to:

- A.** Process ongoing enrollment and eligibility files within two (2) business days of receiving, and, upon request by SFHSS, implement changes to the file format.

¹⁸ Information on the City's Digital Accessibility and Inclusion Standard (DAIS) is available at <https://www.sf.gov/reports--november-2021--digital-accessibility-and-inclusion-standard>.

¹⁹ See Nondiscrimination on the Basis of Disability; Accessibility of Web Information and Services of State and Local Government Entities, available at <https://www.ada.gov/assets/pdfs/web-rule.pdf>

- B.** Not debit (draw from) City-controlled bank accounts [Respondents are required to describe their alternative disbursement/funding model].
- C.** Eliminate terminated employees from the program and payroll deduction cycle.
- D.** Accept the City's standard eligibility file format and layout.

2.4.3 FSA Claims, Payment, and Reimbursement Processing.

Respondents agree to:

- A.** Maintain a fully automated and real-time claims adjudication system in compliance with electronic transmission standards and security requirements and all other regulations as required by the Health Insurance Portability and Accountability Act (HIPAA).
- B.** Process claims based on available account balances, considering both carryover and runout periods, as applicable.
- C.** Implement regular eligibility file monitoring.
- D.** Implement best practices and internal controls to prevent access to funds in excess of actual contributions, including, but not limited to when an enrollee is identified as neither earning income nor making payroll contributions.
- E.** Have a documented process to place an FSA account into a closed or suspended status at SFHSS' request with clear service level agreements (SLAs) for turnaround times for such requests.
- F.** Accept the City's standard claims payment frequency and invoicing process.
- G.** Accept the City's disallowance of the use of an imprest account for claims payment in addition to not debiting (drawing from) City-controlled bank accounts [Respondents are required to describe their alternative disbursement/funding model].
- H.** Ensure compliance with IIAS (Interactive Health Benefits Card) "90% rule".
- I.** Carryover. Implement best practices to manage the carryover of unused HCFA funds for each Plan year to the following Plan year in accordance with SFHSS Member Rules²⁰ and the Section 125 Cafeteria Plan.²¹

²⁰ 2025 San Francisco Health Service System Member Rules available at https://sfhss.org/sfhss_rules_2025.

²¹ 2025 San Francisco Health Service System Section 125 Cafeteria Plan available at https://sfhss.org/cafeteria_plan/py2025.

- J. Advise SFHSS on best practices for minimizing forfeiture losses.
- K. Run-out Period. Implement best practices to manage the Run-out period after the close of the Plan Year in which claims may be submitted by a Participant in accordance with SFHSS Member Rules and the Section 125 Cafeteria Plan.
- L. Appeals Process. Provide for an appeals process for denied claims.

2.4.4 COBRA and AB528 Premium Reporting, Remitting, Reconciliation, and Invoicing.

Respondents agree to:

- A. Remit 100% of the applicable premium to the applicable Coverage Provider or City, accompanied by information that identifies the COBRA/AB528 Continuant, the amount of his or her premium and the coverage period to which the premium payment relates.
- B. Remit the applicable City administrative fee to the City for the City's plans that contain a City administrative fee (*see Sec. 1.2.6 above*).
- C. Send a monthly premium payment report by member, plan, tier (EE, E+1, E+2), and coverage months for the plans, which have a City administrative fee.
- D. Segregated COBRA billing and data between the San Francisco Department of Human Resources (SFDHR) and the San Francisco Health Service System (City).
- E. Reconcile premium/eligibility discrepancies with the applicable Coverage Provider or City and invoice the City for the fees associated with the services once monthly for the prior month's services.

2.4.5 COBRA and AB528 Initial / Qualifying Event / Election Notices and Premium Collection.

Respondents agree to:

- A. Provide as-needed COBRA services for Initial / Qualifying Event / Election Notices and premium collection as required under all applicable laws, rules, and regulations and in a timely manner, including but not limited to General Notices (29 C.F.R. Section 2590.606-1), Qualifying Event Notices (29 C.F.R. Section 54.4980B-6; 29 C.F.R. Section 2590.606-6), Election Notices (29 C.F.R. Section 2590.606-4), Notices of Unavailability of COBRA (29 C.F.R. Section 2590.606-4(d) "as soon as practicable").
- B. Provide to City detailed workflow(s) and or timelines for as-needed notifications and notices.

- C. Provide as-needed AB528 services for Election Notices and premium collection as required under applicable laws, rules, and regulations in a timely manner.
- D. Mail applicable materials, notices, forms, and/or bills to COBRA or AB528-eligible individuals in a timely manner.
- E. Facilitate the receipt, processing, and/or transfer of submitted forms, responses, and other information to the appropriate City department in a timely manner.
- F. Not apply any surcharge, service fee, or any other fee associated with an individual's method of payment toward their COBRA or AB528 premium.
- G. Archive all COBRA and AB528 documents electronically for a period of eight (8) years. Upon City request, provide all documents and their associated mailing dates of COBRA and AB528 notices.
- H. Provide AB528 workflows that align with applicable education code and standard payment rules.
- I. Manage transitions from COBRA to AB528.

2.5 Technical Systems and Capabilities.

2.5.1 Respondents agree to:

- A. Interface with the City's payroll system and eligibility feeds and with the billing and eligibility programs of the City's participating insurance carriers.
- B. Accept the City's eligibility and contribution data in the City's file format and layout.
- C. Accept the plan enrollment elections via electronic file transmission and post those elections to participant recordkeeping accounts. Participant contributions are payroll deducted over twenty-six (26) pay periods.
- D. Accept both electronic and paper enrollments for all benefits enrollments and changes.
- E. Link Respondent's system to the City's system, if required by City, to facilitate easy access for City personnel, employee and dependents. The Selected Contractor's system could then be accessed through a single sign-on basis so that multiple password entry is not required to access an FSA account.

2.6 Communications.

2.6.1 Communications with Employees.

Respondents agree to:

- A.** Refrain from issuing any external communications material to eligible employees without prior written approval from SFHSS in accordance with Appendix A (Standard Agreement), Section 12.1 (Communication with Members).
- B.** Assist the City with the preparation of Plan materials, including customized communication materials, account statements, educational material, claim processes, and other documentation upon request. All materials are subject to approval by City staff.
- C.** Provide custom brochures, marketing materials, forms, guides, and training to City staff regarding administration of the plan.
- D.** Prepare and distribute all Plan materials, including plan information for new employee orientations, initial and qualifying event notices, and Open Enrollment materials.
- E.** Deliver end-of-year notices to employees of remaining balances.
- F.** Obtain City approval for all communications and/or Open Enrollment materials.
- G.** Provide protocols and timeframe for returned-mail events that may include, but not be limited to: National Change of Address (NCOA), skip tracing, email/SMS outreach, and terminations.

2.7 Performance Guarantees.

2.7.1 Respondents must propose performance guarantees, including, but not limited to:

- A.** Performance Guarantees (to be negotiated) based on minimum levels of satisfaction, as well as other performance metrics; and
- B.** Method of determining Customer Satisfaction; and
- C.** Maximum premium percentage willing to put at risk.
- D.** Sample Performance Guarantee subject areas may include, but are not limited to, the following:
 - i. Compliance and regulatory accuracy (e.g., COBRA and AB 528 Notices, Nondiscrimination testing accuracy and timeliness)
 - ii. Processing timeliness (e.g., COBRA elections/payments, HCFSA, DCFSA claims adjudications and reimbursement, mailing of standard letters and requires notices)

- iii. Accuracy Targets (e.g., >99% accuracy in enrollment and claims processing, >99% accuracy in contribution, reimbursement and remittance handling, monthly error reconciliation reporting)
- iv. Employee/Member Support
 - 1. Call Center Availability Hours (please note that HSS internal call center and standard work hours are 8am to 5pm, Monday – Friday)
 - 2. Call abandonment rate (e.g., <3%)
 - 3. Average speed to live answer (e.g., <30 seconds)
 - 4. First-call resolution: (e.g., >85%)
 - 5. Email Support (e.g., response to inquiries within two (2) business days)
- v. Reporting and Transparency (e.g., standard monthly reports of COBRA activity, FSA utilization, call center statistics, other SLAs/performance metrics; ad hoc reporting within five (5) business days)
- vi. And associated fees-at-risk for unmet performance guarantees as well as measurement period (e.g., quarterly, annually).

2.8 Implementation.

2.8.1 Implementation Plan. Respondents agree to provide a comprehensive implementation plan that addresses all key operational areas necessary, including a possible transition if applicable. Please see RFP Appendix B (Sample Implementation Schedule) to reference a sample implementation schedule for FSA, COBRA, and AB528 services based on the City’s prior experiences.

2.8.2 Post-Award Deadlines. The following table highlights key SFHSS deadlines post-award.

Date	Description
<ul style="list-style-type: none"> ▪ March 2026 	<ul style="list-style-type: none"> ▪ Implementation Period Start Date (in accordance with required implementation plan from selected Respondent) ▪ COBRA, and AB528 implementation process begins ▪ FSA implementation process begins
<ul style="list-style-type: none"> ▪ August 1, 2026 	<ul style="list-style-type: none"> ▪ Benefits materials due for Open Enrollment for Plan Year 2027 ²²

²² SFHSS vendors prepare and submit benefit materials to SFHSS for review and approval by the third Monday in August. During the following six to seven weeks, SFHSS works in close collaboration with all benefit vendors to ensure all plan materials are finalized prior to Open Enrollment (October). The process of creating, editing, reviewing and obtaining vendor feedback, and ultimately releasing Open Enrollment communication materials (both in print and electronic form)

Date	Description
▪ October 2026	▪ Open Enrollment for Plan Year 2027
▪ January 1, 2027	▪ Services begin

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to Members begins in April for Open Enrollment and the following plan year. Design, proofing, printing and mailing is a collaborative process with defined deadlines.

3. RESPONSE REQUIREMENTS

3.1 **Mutual Confidentiality and Non-Disclosure Agreement.**

3.1.1 Respondents must execute a Mutual Confidentiality and Non-Disclosure Agreement (or “MCA”) to gain access to the Questionnaire and any relevant documents and data. The MCA is available at <https://sfhss.org/RFPs> under the heading for this RFP.

3.1.2 Each MCA designates a single Authorized Representative to speak on behalf of the Respondent for all matters relating to the RFP. SFHSS will not recognize any other persons as representing Respondent during the RFP unless written directions, from an authorized legal representative for Respondent, is received twenty-four (24) hours in advance via email to patrick.chang@sfgov.org; cc: william.kudenov@sfgov.org and michael.visconti@sfgov.org.

3.1.3 Upon review of the MCA by counsel, Respondent must provide the Authorized Representative’s full name, title, and e-mail to patrick.chang@sfgov.org; cc: william.kudenov@sfgov.org and michael.visconti@sfgov.org.

3.1.4 The MCA will then be executed through DocuSign (issued by SFHSS through the City and County of San Francisco DocuSign account). If the signature of Respondent’s counsel or another authorized representative is required for the MCA, Respondent should include that individuals’ information via email to patrick.chang@sfgov.org; cc: william.kudenov@sfgov.org and michael.visconti@sfgov.org.

3.2 **Minimum Qualifications**

3.2.1 Respondent must meet the below Minimum Qualifications set forth here and in the Questionnaire at the time of proposal submission:

- A.** Respondent has submitted a complete Questionnaire with all required services. Responses which do not include all services as defined within the RFP (RFP Section 2, Scope of Services), shall be deemed non-responsive.
- B.** Respondent possesses a financial rating equivalent to A3 or better (Moody's) or A- or better (S&P, Fitch, AM Best) at the time of proposal submission.
- C.** Respondent is in good standing with the State of California (and the State in which it is organized to do business) and qualified to provide the benefits and services in this RFP to clients within the State of California, including, but not limited to, licensing with the California Department of Insurance, for the benefits within the scope of this RFP.

- D.** Should Respondent be selected for Oral Interviews (RFP Section 4.3), Respondent shall in good faith commit to submitting a redline of the Standard Agreement, including, but not limited to City-required data and confidentiality provisions, as set forth in Appendix A, Article 13 (Data and Security), subject to, and limited by, applicable laws and regulations. In the redline to the Standard Agreement, Respondent will clearly explain any instance where Respondent is unable to comply.
- E.** Respondent will become an Approved City Supplier by 2026 or within ten (10) days of award or selection by SFHSS, whichever is later.²³
- F.** Respondent will maintain compliance with all applicable federal and state regulations that apply to the plans quoted in accordance with the Standard Agreement, Section 11.10 (Compliance with Laws).
- G.** The Respondent will maintain the levels of insurance set forth in Appendix A (Standard Agreement), Section 5 (Insurance and Indemnity) to cover the services provided.
- H.** Respondent will require any and all subcontractors to maintain sufficient levels of corporate/general liability insurance to cover the services provided to the Plan including as required under Section 5.1 in Appendix A (Standard Agreement).
- I.** Respondent has five (5) or more clients, each in excess of 10,000 enrollees, for FSA administration within the past five (5) years (2022-2026).
- J.** Respondent has five (5) or more clients, each in excess of 2,000 enrollees, for DCFSA administration within the past five (5) years (2022-2026).
- K.** Respondent has at least two (2) HCFSA and/or DCFSA administration clients being public sector entities within the past five (5) years (2022-2026).
- L.** Respondent has five (5) or more clients for COBRA administration within the past five (5) years.
- M.** Respondent has at least two (2) COBRA administration clients being public sector entities within the past five (5) years (2022-2026).
- N.** Respondent has two (2) or more clients for AB528 administration within the last three (3) years.

²³ Respondents are not required to have an SF City Supplier ID at the time of bid. Find out how to become a SF City Supplier at: <https://sfgov.org/oca/Qualify-Do-Business>.

- O.** Respondent agrees that SFHSS shall be the sole system-of-record for all employees and dependents.
- P.** Respondent agrees to SFHSS's requirement of not requiring an imprest account for the payment of FSA claims.
- Q.** Respondent agrees that, if selected, all costs associated with implementation and/or transition services prior to the go-live date mutually agreed upon between parties will be at the Respondent's expense.
- R.** Respondent agrees to complete the City's Cybersecurity Risk Assessment and submit materials required by the City's Department of Technology, which may include, but not be limited to a SOC 2 and/or other documentation.
- S.** Respondent agrees and will commit to maintaining all services onshore, including subcontractors with access to financial and/or claimant information, and list the location (city and state) where onshore services being provided are based.
- T.** Respondent agrees to monitor federal and state legislation affecting COBRA, AB528, HCFSA and DCFSA plans and administration and to report to SFHSS on those issues in a timely fashion, prior to the effective date of any mandated plan changes.
- U.** Respondent agrees to be an active participant in the SFHSS annual renewal process, including timely delivery of renewal responses, materials and follow-ups to requests, and well-prepared meetings and materials for SFHSS, the Health Service Board, the SFHSS actuary and consultants, and City/employee stakeholders.

SFHSS reserves the right to request documentation to verify any minimum qualification(s). Any response that does not demonstrate that the Respondent meets these minimum qualifications by the Deadline for Proposals (Section 3.4) will be considered non-responsive and will not be evaluated or eligible for award of any subsequent contract(s).

3.3 Notice of Intent to Bid

3.3.1 Respondents must submit a signed Notice of Intent to Bid by or before **October 3, 2025 at 12:00PM (PT)** via e-mail to patrick.chang@sfgov.org; cc: william.kudenov@sfgov.org and michael.visconti@sfgov.org. The template is available at <https://sfhss.org/RFPs> under the heading for this RFP.

3.4 Submission of Proposals

3.4.1 Proposals [Questionnaire and Implementation / Transition Plans] must be received no later than **December 2, 2025 at 12:00 PM (PT)** ("**Deadline for**

Proposals”) via email to patrick.chang@sfgov.org; cc: william.kudenov@sfgov.org and michael.visconti@sfgov.org.

Submission of a Proposal shall be considered an electronic signature of the person authorized to obligate your company to the scope, terms, specifications, and pricing contained in the Proposal (RFP Section 3.1.2 "Authorized Representative").

Late submissions will not be considered.

3.4.2 No supplemental bid, revised financial proposal and/or Best and Final Offer (BAFO) will be considered by SFHSS or the RFP Evaluation Panel from any Respondent after the Deadline for Proposals.

3.4.3 SFHSS recommends emailing your proposal at least two (2) hours prior to the deadline and/or sending a second email requesting confirmation of receipt without any attachments.

3.4.4 Electronic submissions which exceed 20MB will be rejected by City email servers. If your submission is close to or may exceed 20MB, notify SFHSS by email at patrick.chang@sfgov.org, cc: william.kudenov@sfgov.org and michael.visconti@sfgov.org by or before **8:00 AM (PT) on December 1, 2025**. Upon timely notification, SFHSS will provide an alternative submission method.

3.5 RFP Questions and Requests for Clarification

3.5.1 Respondents shall submit any questions regarding the RFP in writing by **October 30, 2025, at 12:00 PM (PT)** (Deadline for RFP Questions). Questions must be delivered by e-mail to patrick.chang@sfgov.org; cc: william.kudenov@sfgov.org and michael.visconti@sfgov.org.

Respondents must provide specific information to enable SFHSS to identify and respond to each question. At its discretion, SFHSS may contact a Respondent to seek clarification regarding a question.

3.5.2 SFHSS will publish answers to all submitted questions on a rolling basis and by or before **5:00 PM (PT) on November 7, 2025** on the SFHSS RFP webpage: <https://sfhss.org/RFPs>.

3.5.3 SFHSS reserves the right to extend and/or offer additional question and answer periods and make such opportunities available to all Respondents.

3.5.4 Any Respondent that fails to report a known or suspected problem with the RFP or fails to seek clarification or correction of the RFP, shall submit a proposal at its own risk.

3.6 Proposal Structure

3.6.1 Each Proposal shall contain only the following attached to a single email by or before the Deadline for Proposals (Section 3.4):

- A.** The Questionnaire must be in Microsoft Excel format (.xlsx).
- B.** COBRA and AB528 Implementation Plans (Section 2.8).
- C.** HCFSA and DCFSA Transition Plans (Section 2.8)

3.6.2 Each proposal shall contain only relevant information that is specific to this RFP and the specific questions and requests contained herein and in the Questionnaire. While there is no intent to limit the content of any Proposal, a Respondent must emphasize simple, straightforward and concise statements that satisfy the requirements of the RFP and clearly identify applicable subsection or question. Respondents accept that superfluous information may be disregarded.

3.6.3 SFHSS may contact references listed for verification purposes only and only if deemed necessary by SFHSS prior to selection of the highest ranked respondent. References will not be contacted by the RFP Evaluation Panel.

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4. EVALUATION CRITERIA

This section describes the guidelines used for analyzing and evaluating Responses. SFHSS intends to select a Respondent that provides the best overall qualifications, inclusive of fees, rates and/or premium considerations.

4.1 Proposal Deadline and Review of Minimum Qualifications

SFHSS will determine, upon receipt of Proposals, in its sole discretion, whether Respondents have met the Minimum Qualifications (Sec. 3.2). Should SFHSS require additional information from any Respondent to confirm Minimum Qualifications, SFHSS will notify Respondent within five (5) working days of receipt of Proposal. Respondent will then have five (5) working days to submit additional information to SFHSS.

If it is determined that Respondent does not meet the Minimum Qualifications, Respondent's Proposal will be deemed non-responsive and there will be no further review, either by SFHSS or the Evaluation Panel. However, SFHSS reserves the right, in its sole discretion, to waive minor administrative irregularities.

4.2 Evaluation Panel

If Respondent meets all deadlines (Section 3), and meets the Minimum Qualifications (Sec. 3.2), as determined by SFHSS, SFHSS will submit the Questionnaires to an SFHSS-selected panel for evaluation (the "Evaluation Panel").

The Evaluation Panel will review each minimally qualified and responsive Proposal. Collaborative evaluation of Proposals will only be permitted so long as all members of the Evaluation Panel are present in person, by phone, by video conference, or a combination thereof ("Evaluation Panel Discussions").

Financial components of the Proposals shall be reviewed and scored by the SFHSS lead actuary and subject-matter experts and provided to the Evaluation Panel.

The evaluation criteria will be as follows:

Section(s)	Points
1. Non-Financial Questionnaire and Oral Interview	75
2. Fees	70
3. Appendix A – Redline Form and Specifications	5

The identities of the Evaluation Panel, participating members SFHSS, and any subject-matter experts (SMEs) will remain confidential throughout the RFP process, with the exception of Oral Interviews whereby members of the Evaluation Panel and any observers to the RFP process may be identified in person, via telephone, Webex or video conference,

or upon conclusion of the RFP, whereby the names of the members of the Evaluation Panel will be available with their submitted scores.

4.3 Oral Interviews.

4.3.1 At SFHSS's sole discretion, following the review, evaluation and scoring of the Questionnaires, SFHSS may invite at minimum the top three (3) Respondents to an oral interview before the Evaluation Panel (Oral Interviews). SFHSS reserves the right to invite more than the top (3) respondents.

- A.** If conducted by SFHSS, Oral Interviews will be held via Microsoft Teams video web conferencing platform and will be recorded by SFHSS. Recordings will be subject to the San Francisco Sunshine Ordinance (San Francisco Administrative Code Sec. 67.249 (e)).
- B.** SFHSS will not provide questions to Respondents in advance of the Oral Interviews.
- C.** SFHSS will notify Respondents of the roles and total numbers of personnel that will be allowed to participate in the Oral Interviews.
- D.** If conducted, Oral Interviews will take place on or about **January 12 – January 16, 2026 between the hours of 8:00 AM and 5:00 PM (PT)**. Dates may be subject to change.
- E.** **SFHSS strongly recommends that all prospective respondents hold the dates above for Oral Interview should Respondent be selected in the top (3) respondents following the questionnaire review and scoring. Prospective attendees will include proposed account management lead, executive account lead and subject-matter experts for the member-facing portal.**
- F.** SFHSS reserves the right to select and recommend the highest-ranking Respondent(s) without conducting Oral Interviews.
- G.** In lieu of or in addition to Oral Interviews, SFHSS may conduct a written request for clarifications.

4.4 Final Ranking and Scoring Announcement

SFHSS will announce its final ranking and scoring following review by the Evaluation Panel and/or following the Oral Interviews via email to each Respondent's Authorized Representative and publicly to the HSB on **February 12, 2026** (date subject to change).

4.5 Proposal Provisions, Terms and Conditions of Proposal Submission and Reservation of Rights by City

4.5.1 Disposition of Proposals, Public Disclosure and Confidentiality.

Upon opening, all Proposals in response to the RFP shall become the exclusive property of SFHSS and may be subject to public disclosure pursuant to the San Francisco Sunshine Ordinance (San Francisco Administrative Code Sec. 67.24(e)). In accordance with San Francisco Sunshine Ordinance, contracts, bids, responses to requests for proposals, Proposals, and all other records of communications between the Health Service Board, the officers and employees of SFHSS, members of the Evaluation Panel, and persons or firms seeking contracts, including but not limited to respondents, prospective bidders, and incumbent providers of in-scope services, shall be open to inspection immediately after a contract has been awarded. Nothing in this Request for Proposals requires the disclosure of the net worth of a private person or organization or other proprietary financial data submitted for qualification for a contract or other benefit until, and unless, that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

4.5.2 Confidentiality. If a Respondent believes that any portion of its Proposal is exempt from public disclosure under the San Francisco Sunshine Ordinance or applicable California Public Records law, such portion may be marked “CONFIDENTIAL”. SFHSS and the Health Service Board may deny public disclosure of any portions so designated and will work with Respondent to preserve the confidentiality of documents. The submittal of a Proposal with portions marked CONFIDENTIAL shall constitute the Respondent’s agreement, in consideration for SFHSS’ willingness to receive such response, to reimburse SFHSS for, and to indemnify, defend, and hold harmless SFHSS, the Health Service Board, the City and County of San Francisco, its officers, fiduciaries, employees, and agents from and against:

- A.** Any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs and expenses including, without limitation, attorneys’ fees, expenses and court costs of any nature whatsoever (collectively, “Claims”) arising from or relating to SFHSS’ nondisclosure of any such designated portions of a Proposal; and
- B.** Any and all Claims arising from or relating to SFHSS’ public disclosure of any such designated portions of a Proposal if disclosure is deemed required by law or by court order.

4.5.3 Contract Negotiation. Following the announcement of the final ranking and approval by the HSB and BoS, SFHSS will commence contract negotiations with the highest-ranked Respondent. If SFHSS is unable to negotiate a satisfactory contract with the highest-ranked Respondent within a reasonable time, as determined by SFHSS, or if the highest-ranked Respondent deviates materially from the terms of the RFP or its Proposal, SFHSS, in its sole discretion, may terminate negotiations with the highest-ranked Respondent and begin contract negotiations with the next highest ranked Respondent.

4.5.4 Other Terms and Conditions.

The selection of a Respondent for contract negotiations shall not imply acceptance by SFHSS of all terms of the response, which may be subject to further negotiation and approvals before SFHSS may be legally bound thereby.

4.5.5 Approved City Supplier. The selected Respondent agrees to become an approved city supplier by or before January 31, 2026 or within (10) days of award, whichever is later. Respondent can submit a Proposal without having a SF City Supplier ID (<https://sfgov.org/oca/Qualify-Do-Business>).

4.5.6 Appendix A (Standard Agreement). Respondents agree to meet the applicable terms of the City-approved service agreement (Appendix A). If a satisfactory contract cannot be negotiated in a reasonable time with the selected Respondent, then the City/SFHSS may, in its sole discretion, terminate negotiations and begin contract negotiations with any other remaining Respondents, or reissue a subsequent RFP, a Request for Quote, a Request for Qualifications, or present the Back-up Renewal Process for Life and Disability Benefits to the HSB.

4.5.7 Conflict of Interest. SFHSS cautions Respondents that the California Government Code Section 1090 conflict of interest prohibition pertaining to public officials and government employees has been interpreted to prohibit Contractors (including RFP Respondents, vendors and suppliers) from being financially interested in any contract that they help create. It is the sole responsibility of each Respondent, and their employees / contractors, to determine whether such a conflict of interest exists or may exist.

- A.** Respondent, and Respondent's employees and contractors, will be required to agree to comply fully with and be bound by the applicable provisions of state and local laws related to conflicts of interest, including Section 15.103 of the City's Charter, Article III (Conduct of Government Officials and Employees), Chapter 2 (Conflict of Interest and Other Prohibited Activities) of City's Campaign and Governmental Conduct Code, including the amendments as a result of Proposition D (<https://sfethics.org/ethics/2024/06/what-will-proposition-d-do.html>), Section 1.126 of the San Francisco Campaign and Governmental Conduct Code (Behest Payments) and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California.
- B.** Respondent, and Respondent's employees and contractors will be required to acknowledge that it is familiar with these laws; certify that it does not know of any facts that constitute a violation of said provisions; and agree to immediately notify the City if it becomes aware of any such potential conflicts during the term of the Agreement. Individuals who will perform work for SFHSS on behalf of Respondent might be deemed Contractors under state and local conflict of interest laws. If so, such individuals will be required to submit a Statement of Economic Interests, California Fair Political Practices Commission Form 700, to the City within ten calendar days of the City notifying the successful Respondent that the City has selected Respondent.

4.5.8 Requests for Clarification. At any time during the Proposal evaluation process, SFHSS may require a Respondent to provide a written clarification regarding its Proposal. Nonetheless, SFHSS reserves the right to make an award without further clarifications of Proposals received.

4.5.9 Contract Delay Contingency. In the event the implementation date under an agreement resulting from this RFP is delayed until a later year for any reason, the parties shall make a good-faith effort to maintain the contractual relationship and to amend the applicable agreement as necessary to address the delay. In this event, SFHSS also reserves the right to terminate the applicable agreement at its sole discretion.

4.5.10 Cancellation. Should Respondent wish to cancel, revise, or rescind its Proposal, a written letter so stating must be received by SFHSS via email (patrick.chang@sfgov.org, cc: michael.visconti@sfgov.org and william.kudenov@sfgov.org) before the Deadline for Proposals (Section 3.4).

Should respondent wish to revise a Proposal, the revised Proposal must be received before the Deadline for Proposals. In no case will a statement of intent to submit a revised Proposal, or commencement of a revision process, extend the Deadline for Proposals for any Respondent.

4.5.11 Validity of Response. Any Proposal must remain valid for a period of not less than one hundred and twenty (120) days from the date of submission. This includes services, rates/premiums/fees/other pricing, as well as the proposed Account Management and Account Executive.

4.5.12 Expenses. There is no expressed or implied obligation for SFHSS to reimburse any Respondent for expenses incurred in responding to the RFP. SFHSS reserves the right to retain all submitted questions and responses to the RFP and use any information or ideas contained therein.

4.5.13 Authorized Communications. Respondents will direct all communications, in writing, via email, to michael.visconti@sfgov.org, and cc: patrick.chang@sfgov.org.

4.5.14 Unauthorized Communications. Respondents are precluded from contacting other SFHSS staff, members of the Health Service Board, members of the Evaluation Panel, or any partners or consultants of SFHSS, including but not limited to other City employees, representatives, or officials, regarding the RFP.

Respondents are precluded from issuing news releases, social media postings, media releases, or other similar public releases of information regarding the RFP or the contents herein without prior written approval from SFHSS are prohibited.

Failure to adhere to the prohibition on unapproved communications may result in disqualification from the RFP and/or rejection of Proposal.

4.5.15 Rejection of Proposal. SFHSS reserves the right to consider as acceptable only those Proposals submitted in compliance with all the requirements set forth in this RFP and the Questionnaire, and which demonstrate an understanding of the Scope of Services (Section 2). At its sole discretion, SFHSS reserves the right to reject any Response for reasons including, but not limited to:

- A. Collusion among two or more Respondents (including, but not limited to, Respondent's employees, consultants, officers, partners or subcontractors)
- B. Conflicts of interest;
- C. Submission of a conditional or incomplete Proposal;
- D. Failure to respond in the format required, both in content and sequence;
- E. Failure to submit the response by the specified deadline;
- F. Failure to answer any question in this RFP;
- G. Failure to meet a qualification or requirement;
- H. False or misleading statements;
- I. Non-responsive Proposal(s);
- J. Proposals submitted by a non-responsible Proposer; and/or
- K. Any other reason which, in SFHSS' opinion, the response or Proposal fails to meet the conditions and requirements of this RFP.

4.5.16 No Offer to Contract. Issuance of this RFP in no way constitutes a commitment by SFHSS, the HSB, or the City, to award a contract. Acceptance of a Proposal neither commits SFHSS to award a contract to any Respondent, even if all requirements stated in this RFP are met, nor limits our right to negotiate in our best interest. SFHSS reserves the right to contract with a Respondent for reasons other than lowest price.

4.5.17 Reserved (Commissions).

4.5.18 Consent to Reassign Personnel. If selected by SFHSS, Respondent shall not reassign personnel assigned to the contract during the term of the contract without prior notification to SFHSS, including Account Executive, Account Manager and key staff identified by Respondent in its Proposal. If personnel are unable to perform duties due to illness, resignation, or other factors beyond Respondent's control, Respondent shall make every reasonable effort to provide suitable Substitute Personnel for review and approval by SFHSS.

4.5.19 Substitute Personnel. If selected by SFHSS, Respondent shall coordinate with SFHSS regarding the selection of Substitute Personnel including from the personnel identified within the Respondent's RFP response, but not limited to in-person or remote interviews with proposed Substitute Personnel.

4.5.20 Removal of Personnel. SFHSS reserves the right to request personnel be removed from performing any services upon written notice from SFHSS including, but not limited to, for actual or perceived conflict(s) of interest. If any personnel are removed, Substitute Personnel shall be assigned.

4.5.21 Objections to the RFP Terms. Should Respondent object on any ground to any provision or legal requirement set forth in this RFP, Respondent must, at least ten (10) calendar days before the Deadline for Proposals (Section 3.4), provide written notice to SFHSS setting forth with specificity the grounds for the objection(s). The failure of a Respondent to object within the time allowed, and in the manner set forth in this paragraph, shall constitute a complete and irrevocable waiver of any such objection(s).

4.5.22 Reservations of Rights by the City. The issuance of this RFP does not constitute an agreement by SFHSS, the HSB, the BOS, or the City to enter into any contract. SFHSS expressly reserves the right at any time to:

- A. Waive or correct any defect or informality in any response, proposal, or proposal procedure;
- B. Reject any or all Proposals;
- C. Reissue a Request for Proposals, Request for Qualifications or similar procurement;
- D. Prior to submission Deadline for Proposals (Section 3.4), modify all or any portion of the selection procedures, including deadlines for accepting responses, the specifications or requirements for any materials, equipment or services to be provided under this RFP, or the requirements for contents or format of the Proposals;
- E. Procure any services specified in this RFP by any other means; or
- F. Determine that no contract will be pursued.

4.5.23 Local Business Enterprise. The requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance") shall apply to this RFP. For more information, please go to the Contract Monitoring Division (CMD) webpage at <http://sfgov.org/cmd/>. The 10% Micro-LBE and Small-LBE rating bonus provisions applies to this project because the

anticipated Agreement amount is less than \$10 Million. Micro-LBEs and Small-LBEs that apply for the rating bonus must be certified by the proposal due date. If they are not certified by the bid due date, the rating bonus will not be granted. The 2% SBA-LBE rating bonus provisions applies to this project because the anticipated Agreement amount is less than \$20 Million. However, the 2% rating bonus for SBA-LBEs shall not be applied if it would adversely affect a Micro-LBE or Small-LBE. SBA-LBEs that apply for the rating bonus must be certified by the proposal due date. If they are not certified by the bid due date, the rating bonus will not be granted. LBE firms must submit Form 2A with their proposal to be considered for the ratings bonus. See <http://sfgov.org/cmd/file/371> (pages 10 and 11).

4.6 Protest Procedures

4.6.1 Protest of Non-Responsiveness Determination or Failure to Meet Minimum Qualifications. Within five (5) working days of SFHSS' issuance of a notice of non-responsiveness, any Respondent that has submitted a Proposal and believes that SFHSS has incorrectly determined that its Proposal is non-responsive may submit a written notice of protest. Such notice of protest must be received by SFHSS on or before the fifth (5th) working day following SFHSS' issuance of the notice of non-responsiveness. The notice of protest must include a written statement specifying in detail each and every ground asserted for the protest. The protest must be signed by Respondent's Authorized Representative or another individual authorized to represent Respondent, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the protestor must specify all facts and evidence that would support and/or justify the protest.

4.6.2 Protest of Ranking, Scoring, Awarding of Oral Interview, Recommendation to HSB, or Contract Award. Within five (5) working days of notice of final ranking, including awarding of an Oral Interview, any Respondent that has submitted a responsive Proposal and believes that SFHSS has incorrectly ranked the Respondents, may submit a written notice of protest. Such notice of protest must be received by SFHSS on or before the fifth (5th) working day after notice of final ranking. The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent Respondent, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the protestor must specify all facts and evidence that would support and/or justify the protest.

4.6.3 Delivery of Protests. Respondents are responsible for delivery to, and confirm receipt by, SFHSS of any protest by the deadlines specified in Section 4.6 (Protest Procedures). If a protest is mailed, the protesting Respondent bears the risk of non-delivery within the deadlines specified herein.

Protests must be delivered via email with delivery receipt requested to:

Michael Visconti

*Contracts Administration Manager
San Francisco Health Service System
michael.visconti@sfgov.org*

With mandatory copies sent to (cc:): rey.guillen@sfgov.org,
jennifer.donnellan@sfcityatty.org, and gustin.guibert@sfcityatty.org.

Protests or notice of protests made orally, by U.S. Postal Service or common carrier, by messenger or by any other means than via email as required above, will not be considered or accepted by SFHSS.

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RFP Appendix A – Standard Agreement

See SFHSS Requests for Bids, Quotes, Proposals and Qualifications (<https://sfhss.org/RFPs>) under **Flexible Spending Account, COBRA, and AB528 Administration.**

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RFP Appendix B – Business Associate Agreement

See SFHSS Requests for Bids, Quotes, Proposals and Qualifications (<https://sfhss.org/RFPs>) under **Flexible Spending Account, COBRA, and AB528 Administration.**

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