

**Questions from Vendors for the  
RFP for Third Party Administration of the  
Pre-Tax Transportation Program**

- 1) I'm writing regarding the RFP released today for Third Party Administration. Will the contract which results from this RFP replace the contract which was awarded to Fringe Benefits Management in June 2010 for a duration of Sep 2010 to Dec 2015? If so, could I ask why the RFP has been re-bid before the contract's expiration? I noticed the RFP said the current vendor will be responsible for processing new enrollments, changes, and terminations through Oct 01 2011 and for fulfilling passes through the DEC benefit month. Is that the time at which Fringe Benefits Management's contract will end?

If not, could you please clarify this?

*Answer: The current vendor's contract will expire on December 31, 2011. The term of the contract to be awarded under this procurement will be defined in the Contract Agreement but we anticipate a term that will begin up to five months prior to October 2, 2011 and end on December 31, 2016. The reason behind this procurement is not relevant to a bidders' response to this RFP and is therefore not being provided.*

- 2) I received a notification from Mary regarding the republishing of the RFP for administration of the NYS Ride program, and our only question is as to why it is out to bid again? Is this information public? Thank you.

*Answer: To bid on this RFP, it is not necessary for bidders to know why the RFP is being republished.*

- 3) Please provide a listing of the significant program changes required in this RFP compared to the existing program supported by the current program/vendor. In particular, changes that are intended to increase participation in the program or increase vendor costs because of new requirements not supported under the current program.

*Answer: Although there are no substantive changes to the NYS-Ride program it is important for bidders to note that as stated in the announcement letter to bidders: Bidders should note that although this Request for Proposal (RFP) was issued recently, there are changes; for example: additions to the mandatory requirements, changes in the Benefit Distribution section, changes to the budget form, etc. Therefore, bidders are strongly encouraged to read this RFP in its entirety.*

- 4) The Summary Budget Worksheet requests a total project cost that is unrelated to a particular participation level for the NYS-Ride program. The Worksheet takes the total

project cost and then divides by different participation ranges to derive a monthly cost per participant at different participation levels. A great deal of the costs for administering a commuter benefit program is directly tied to the number of participants with total costs increasing at higher levels of participation. Two of the most significant costs -- transit pass fulfillment and customer service costs are directly linked to the number of participants. It appears that this spreadsheet/process is highly dependent on the estimated participant level assumed by the vendor in the total project cost. In other words, a vendor may have higher total costs for the RFP simply because they assumed a higher level of participation versus a competitor who could have an identical cost structure, but a lower level of participation assumed in the bidder's submission.

- a. Does the State agree that total project costs are likely to vary at different participant levels?

*Answer: No, the total project costs on Line 18 Column E of the Cost Proposal - Budget Form should reflect the bidders' realistic cost to administer the NYS-Ride program based on the information given regarding the current participation levels as indicted in the RFP on page 10 and the bidders' reasonable expectations if the participation increases (or decreases) to ranges indicated in Column F of the Budget Form.*

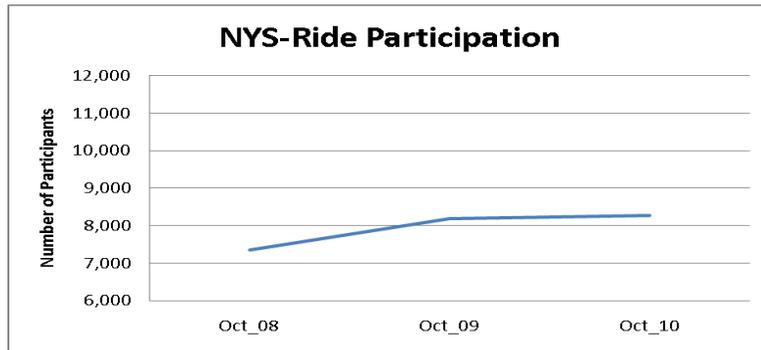
- b. Does the State have a recommended participation level to be used by bidders in their response?

*Answer: No, but bidders' may utilize the current participation levels that are included in the RFP on page 10 to develop the participation level on which they are basing their bid. For the bidders' convenience that chart is provided below.*

NYS-Ride Statistics for October 2010 Benefit Month	
Federal Pre-Tax Transit Limit	\$230
Enrollment	8,394
Number of Passes Ordered	8,780
Total Elections (pre-tax and post-tax)	\$997,388
Typical Monthly Customer Service Calls	646

- c. Are there reasons that the State thinks this program will grow significantly from the current level?

*Answer: Participation has increased slowly but steadily since 2008 when NYS-Ride became available to eligible New York State employees on a statewide basis (see the chart below). The State does not anticipate any significant increase or decrease in participation unless 1) there are significant changes to the IRS regulations affecting participant tax savings; or 2) a parking benefit is added as a result of collective bargaining between the State and its public employee unions.*



- d. Should a bidder's submission be explicit about the participation level assumed? There does not appear to be a place on the budget form to indicate the level of participation assumed.

*Answer: The bidders' may extrapolate participation levels based on the information given regarding the current participation levels as indicted in the RFP on page 10. For the bidders' convenience that chart is provided in the chart below.*

NYS-Ride Statistics for October 2010 Benefit Month	
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- e. Will the State attempt to evaluate all bidders' cost proposals on an equal basis during the evaluation process by normalizing for participation levels assumed in the bid? If yes, please provide additional details.

*Answer: No, the Cost portion of the bidders' proposals will be evaluated on the amount shown on Line 18, Column E (Total Project Cost).*

- f. Cost is stated as 20 percent of selection criteria for this RFP. Please provide a description of how cost proposals are scored during the evaluation process. For example, if the total cost for one bid exceeded the cost of other bids by 1%, 10%, 50%, how would these bidders be scored during the evaluation process?

*Answer: The Cost Criterion s equal to 20 percent of the total bid score. The scoring is based on rank according to cost: the lowest bidder will receive the maximum points; the second lowest bidder will receive the next highest points; each bid will be ranked according to cost from lowest to highest and awarded points based on the formula as follows: each bid will be divided into the lowest bid and multiplied by the maximum number of points.*

- 5) The RFP includes a requirement that bidder's support parking vouchers if the current program is expanded to include parking. The IRS regulations actively encourage voucher programs for transit and vanpool benefits, but it is our understanding that vouchers are not authorized as a means to administer parking benefits under the Internal Revenue Service (IRS) regulations for Commuter Benefits. Has the State received guidance from the IRS that parking vouchers are an authorized means to administer parking benefits or can the State point to the section of the existing guidance that authorizes such parking vouchers?

*Answer: The State has received no guidance from the IRS that vouchers are either an authorized or unauthorized means to administer parking benefits. If the State expands NYS-Ride to include a parking benefit, the selected vendor will be expected to administer the program in accordance with the IRS regulations and guidance in effect at that time.*

- 6) Regarding the proposal submissions, please clarify if separate deliveries are required - one delivery for the technical and one for the cost.

*Answer: Bidders may submit their proposal in one delivery package as long as the technical proposal and the cost proposal are submitted in **separate**, sealed envelopes and marked clearly as the bidder's cost proposal and technical proposal.*