



# Benefits Administration System RFP— Cost Proposal

West Virginia Public Employees Insurance Agency (PEIA)

Solicitation No: CRFP PEI2200000001

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**alight**

**WV PEIA Benefits Administration System**  
**Appendix 2**  
**Cost Proposal Workbook Instructions**

Only dollar and number values will be accepted on the Cost Proposal with the exception of the entry of "Description", "Manufacturer" and "Model" entries or the description of an "Other" fee. Any description other than number value such as, but not limited to: "no cost," "included," "see below," "-", "n/a," etc. will not be accepted. A cost value of \$0.00 shall indicate the deliverable is no cost to the Agency. Costs should only appear in this workbook and not be included in any section of your written proposal.

Fields that are GREYED out should not be used for data entry on the cost schedules.

**Schedule 1 - Implementation and Annual Cost**

Fill in the vendor name. Hardware and Third Party Software costs will be automatically populated based on the vendor entries in Schedules 2 and 3.

This schedule consists of the fixed, total costs to implement the Project Goals and Mandatory Requirements of the proposed solution and yearly costs thereafter.

- Solution Implementation cost must include all costs during the implementation period associated to requirements analysis, software modifications development & testing, hosting environment, third party hardware and software installation and configuration, data conversion, integration(s) with other systems, training, documentation, project management and any other services required to fully implement the proposed solution as noted in section 4.2 of the RFP, Project Goals and Mandatory Requirements.
- Annual Fees must include all recurring fees charged after the implementation is complete and the system is operating in a live, production environment. These fees include the hosting fee, software license and maintenance fees, third party software license and maintenance fees, and support fees. Add a row and a description of the fee for any other recurring fees not specifically listed. Refer to section 4.2.1.10. in the RFP.
- Add the hourly cost per hour for Additional Support Services that may be requested by the Agency after the implementation is complete such as adding additional functional requirements, support ticket consulting services, and additional training, interfaces and reporting. Refer to section 4.2.1.10. in the RFP. Note: All hourly rates quoted must be fully "loaded" to capture all direct and overhead expenses, travel, per diem, and any other travel-related expenses.

**Schedule 2 - Hardware**

This section should only include supplemental hardware required to supplement a vendor hosted solution. PEIA recognizes that not all vendor solutions have all of the required components integrated into the core product and that some items may in fact be 3rd party integrated add-ons. For vendors utilizing 3rd party add-on components, PEIA requests itemized pricing for these components. Enter all hardware components required to effect the mandatory portion of the proposed solution. For each required item, provide the manufacturer, model, a description, the quantity, and the unit cost. Cost extensions and totals will be computed automatically.

**Schedule 3 - Third Party Software**

This section should only include supplemental software required to supplement a vendor hosted solution. PEIA recognizes that not all vendor solutions have all of the required components integrated into the core product and that some items may in fact be 3rd party integrated add-ons. For vendors utilizing 3rd party add-on components, PEIA requests itemized pricing for these components. Enter all third party software products required to effect the mandatory portion of the proposed solution. Include all required products such as operating systems, network software, database management software, software tools, and office suite software. For each required item, provide the manufacturer, model, a description, the number of copies required, and the unit cost. Cost extensions and totals will be computed automatically.

**BAS - Schedule 1**  
**Vendor's Firm Fixed Price Cost Proposal for Goals and Mandatory Requirements**  
**Vendor Hosted Solution Implementation & Annual Cost**

Vendor Name: Alight Solutions

NOTE: All hourly rates quoted must be fully "loaded" to capture all direct and overhead expenses, travel, per diem, and any other travel-related expenses.

Cost Element	Year 0	Year 1			Year 2			Year 3			Year 4			Year 5			Total 5 Year Hours/Units	Total 5 Year Cost
	(Implementation Period)	\$/hr or unit	Estimated Hours/Units	Total	\$/hr or unit	Hours/Units	Total	\$/hr or unit	Hours/Units	Total	\$/hr or unit	Hours/Units	Total	\$/hr or unit	Hours/Units	Total		
<b>Implementation</b>																		
Solution Implementation <sup>1</sup>	\$0.00																	
Hardware	\$0.00																	
Third Party Software	\$0.00																	
<b>Annual Fees</b>																		
Houring Fees				\$1,589,000.00			\$1,589,000.00			\$1,589,000.00			\$1,407,400.00			\$1,407,400.00	\$13,420,000.00	
License/Maintenance Fees (Vendor Software)				\$0.00			\$0.00			\$0.00			\$0.00			\$0.00	\$0.00	
License/Maintenance Fees (Third Party Software)				\$0.00			\$0.00			\$0.00			\$0.00			\$0.00	\$13,420,000.00	
Support Fees (Third Party Software)				\$0.00			\$0.00			\$0.00			\$0.00			\$0.00	\$0.00	
Other (specify):				\$0.00			\$0.00			\$0.00			\$0.00			\$0.00	\$0.00	
<b>Subtotal</b>				\$1,589,000.00			\$1,589,000.00			\$1,589,000.00			\$1,407,400.00			\$1,407,400.00	\$26,840,000.00	
<b>Additional Support Services - Service hour quantities are estimates only. PEBA neither guarantees nor implies that an individual category will be used, nor guarantees the number of hours needed over the course of the contract.</b>																		
Additional Functional Requirement(s)			1000	\$269,000.00		1000	\$269,000.00		1000	\$269,000.00		1000	\$269,000.00		1000	\$269,000.00	\$1,076,000.00	
Support Ticket Consulting Services																	\$1,345,000.00	
Low			250	\$0.00		250	\$0.00		250	\$0.00		250	\$0.00		250	\$0.00	\$1,000.00	
Moderate			250	\$0.00		250	\$0.00		250	\$0.00		250	\$0.00		250	\$0.00	\$1,000.00	
High			250	\$0.00		250	\$0.00		250	\$0.00		250	\$0.00		250	\$0.00	\$1,000.00	
Critical			250	\$0.00		250	\$0.00		250	\$0.00		250	\$0.00		250	\$0.00	\$1,000.00	
Additional Training			500	\$0.00		500	\$0.00		500	\$0.00		500	\$0.00		500	\$0.00	\$2,000.00	
Additional Interfaces			500	\$134,500.00		500	\$134,500.00		500	\$134,500.00		500	\$134,500.00		500	\$134,500.00	\$672,500.00	
Additional Reproving			500	\$134,500.00		500	\$134,500.00		500	\$134,500.00		500	\$134,500.00		500	\$134,500.00	\$672,500.00	
<b>Subtotal</b>			3500	\$538,000.00		3500	\$538,000.00		3500	\$538,000.00		3500	\$538,000.00		3500	\$538,000.00	\$2,890,000.00	
<b>TOTAL</b>	\$0.00		7000	\$2,127,000.00		7000	\$2,127,000.00		7000	\$2,127,000.00		7000	\$1,845,400.00		7000	\$1,845,400.00	\$30,000	

**\* Vendors: If a discounted rate is available for a multi-year long term agreement please provide this information here:**

Questions to Answer:	Yes/No
Multi-Year Discount Available?	Yes
5+ Year Discount?	No
Other Term?	Yes

**If 'YES' was entered for any above question, please provide details in the text box below:**

Multi-Year Discount Available: Years 1-3 would be discounted by 11.42% so the yearly price for years 1-3 would be \$1,407,400. This is based on the Active & Pre-65 enrollment counts being 80,800.

Other Term: The annual costs above include an annual portion of fees being paid by FBMC's broker of record.

Cost Element	Year 6 (Optional)			Year 7 (Optional)			Year 8 (Optional)			Total 8 Year Hours/Units	Total 8 Year Cost
	\$/hr or unit	Hours/Units	Total	\$/hr or unit	Hours/Units	Total	\$/hr or unit	Hours/Units	Total		
<b>Implementation</b>											
Solution Implementation <sup>1</sup>											
Hardware											
Third Party Software											
<b>Annual Fees</b>											
Housing Fees			\$0.00			\$0.00			\$0.00		\$0.00
License/Maintenance Fees (Vendor Software)			\$0.00			\$0.00			\$0.00		\$0.00
License/Maintenance Fees (Third Party Software)			\$0.00			\$0.00			\$0.00		\$0.00
Support Fees (Third Party Software)			\$0.00			\$0.00			\$0.00		\$0.00
Other (specify):			\$0.00			\$0.00			\$0.00		\$0.00
Subtotal			\$0.00			\$0.00			\$0.00		\$0.00
<b>Additional Support Services - Service hour quantile</b>											
Additional Functional Requirement(s)		1000	\$0.00		1000	\$0.00		1000	\$0.00	8000	\$1,345,000.00
<b>Support 1 - In-Kind Consulting Services</b>											
Low		250	\$0.00		250	\$0.00		250	\$0.00	2000	\$0.00
Moderate		250	\$0.00		250	\$0.00		250	\$0.00	2000	\$0.00
High		250	\$0.00		250	\$0.00		250	\$0.00	2000	\$0.00
Critical		250	\$0.00		250	\$0.00		250	\$0.00	2000	\$0.00
Additional Training		500	\$0.00		500	\$0.00		500	\$0.00	4000	\$0.00
Additional Interfaces		500	\$0.00		500	\$0.00		500	\$0.00	4000	\$672,500.00
Additional Reporting		500	\$0.00		500	\$0.00		500	\$0.00	4000	\$672,500.00
Subtotal		3500	\$0.00		3500	\$0.00		3500	\$0.00	28,000	\$2,690,000.00
<b>TOTAL</b>		<b>7900</b>	<b>\$0.00</b>		<b>7900</b>	<b>\$0.00</b>		<b>7000</b>	<b>\$0.00</b>	<b>56000</b>	<b>\$2,690,000.00</b>

**\* Vendors: If a discounted rate is**

**Questions to Answer:**

Multi-Year Discount Available?

5+ Year Discount?

Other Term?

**If 'YES' was entered for any above question, it**

Multi-Year Discount Available. Years 1-3 would be

Other Term: The annual costs above include an an







## State of WV (PEIA)—Alight Financial Terms and Assumptions

*Note: This response contains trade secrets and is exempt from public disclosure pursuant to W.Va. Code §29B-1-4(a)(1).*

05/25/2022

### Section 1. Introduction Overview

- 1.1. This Schedule sets forth the categories of fees, calculation methods and associated invoicing and payment terms in US Dollars (USD).
- 1.2. Offer is based on a 3-year contract term.
- 1.3. Offer is valid for 90 days.

### Section 2. Implementation

#### 2.1. Live Dates

Service Category:	Live Date
Health & Welfare (H&W) Services—annual enrollment	05/29/2023
Health & Welfare (H&W) Services—ongoing	07/01/2023

#### 2.2. Implementation Fees

Service Category	Implementation Fees
Health & Welfare (H&W)	No implementation fees
Single Sign-on	\$2,000 with established provider and \$5,000 for new provider.

### Section 3. Ongoing Fees

#### 3.1. H&W Ongoing Fees

Service Category	Unit of Measure	Frequency	Fees
<b>H&amp;W Co-Sourcing Services</b>	Per H&W Eligible Participant	Annually	<p>\$17.50—3-year deal \$15.50—5-year deal</p> <p>Ongoing fees are based on 90,800 (Actives and Pre-65 retirees) H&amp;W Eligible Participants and subject to a minimum monthly fee based on 90% of the number of H&amp;W Eligible Participants listed above. If the actual number of H&amp;W Eligible Participants drops below such threshold, the Parties agree to renegotiate the ongoing fees in good faith. Until an agreement is reached, the minimum monthly fees shall apply.</p>
<b>Comprehensive COBRA Services</b>	Per COBRA-Eligible Participant	Annually	<p>\$5.00</p> <p>Alight Solutions retains the 2% of monthly COBRA Premiums</p>
<b>Direct Billing Services or non-COBRA enrollees</b>	Per Direct Bill Participant	Monthly	\$5.00
<b>Premium Payment &amp; Standard Reporting Services</b>	Per Carrier	Monthly	\$250
<b>Paper Communications Statements</b>	Per H&W Eligible Participant	Monthly	Included
<b>Single Sign-on</b>	Per Additional Provider	One-time	<p>5 Established Partners and 4 New Partners are included in this proposal</p> <p>For additional single sign-on: \$2,000 with established provider and \$5,000 for new provider</p>
<p><b>Affordable Care Act – Section 6055/6056 Employer Reporting Solutions</b></p> <p><i>Comprehensive Solution (includes code derivation, form delivery, tax filing, and customer service per Services Schedule)</i></p>	Flat Fee	Annually	<p>Optional service in which Alight can provide for a fee. Our Data Only Solution is included in our standard fees.</p> <p>Upon request, Alight will prepare and file State Filings (e.g., New Jersey and District of Columbia) for \$4,500 per State per year assuming Federal 1095-C data is utilized.</p> <p>Service is effective 1/1/2024 for 2024 tax year, coincident with ongoing H&amp;W administration services. If Client requires support for the 2023 calendar year, we would like to schedule a meeting to discuss potential approaches and fees. Implementation and a full 12 months of the annual fee should be paid prior to the first delivery of the tax forms.</p>



Service Category	Unit of Measure	Frequency	Fees
			<p>The entire population requiring reporting is administered on the Alight H&amp;W system and assumes no outside data sources.</p> <p>Ongoing fees are invoiced 40% in October, 40% in November, and 20% in December.</p> <p>Includes 5% annual allocation for corrected forms or paper reprint requests and \$1.25 fee per form above 5%.</p> <p>Postage is a pass-through expense with estimated postage included on the October invoice each year and a true-up to follow with the April invoice.</p>
<p><b>Affordable Care Act – Section 6055/6056 Employer Reporting Solutions</b></p> <p><i>Data Only Solution (raw data file based on Alight Solutions standard data format and annual frequency)</i></p>	Flat Fee	Monthly	Included in standard fees

**3.2. Change Orders**

Service Category	Unit of Measure	Frequency	Fees
<b>Change Orders</b>	n/a	n/a	<p>System configuration changes are included in standard fees at no additional cost, with exception of:</p> <p>New development/changes to third-party/carrier integrations.</p> <p>New development/changes to HR/Payroll system integrations.</p> <p>Merger and Acquisition activity.</p> <p>These changes will be priced based on project size and scope.</p>

## Section 4. Participant Definitions

- 4.1. “H&W Eligible Participant” or “COBRA-Eligible Participant” means individuals with independent eligibility rights for one or more of Client’s health and welfare plans.

## Section 5. Miscellaneous Provisions

### 5.1. Other Terms

- 5.1.1. Ongoing fees include cost efficiencies and productivity gains we plan to achieve during the term of the agreement through re-engineering, global sourcing, and cost reduction initiatives.
- 5.1.2. Fees assume a passive annual enrollment each year, with exception of plans requiring an annual election (e.g., Flexible Spending Accounts, vacation buy sell). The initial annual enrollment will be passive for plans requiring evidence of insurability (e.g., life insurance) and active for all other plans and passive each annual enrollment thereafter.
- 5.1.3. The data provided by Client must be of sufficient quality that processing can be performed without human intervention.
- 5.1.4. Ongoing fees include up to 100 hours each agreement year that can be used at the Client’s discretion for data cleanup, manual processing, or additional audit support.

### 5.2. Disclosures

- 5.2.1. Several of the services involve the temporary deposit of Client or participant funds in an Alight account until the funds are transferred on to another party and/or until a check is cashed. Alight invests the balances in interest bearing accounts or other short-term investments and retain the earnings. To the extent funds are held in demand deposit accounts, they may serve as compensating balances and reduce bank fees otherwise payable by Alight. If checks are not presented for payment, funds will be notionally credited back to the participants account balance and will appear as a credit on the Client’s next funding notice within a reasonable time following the 90-day presentment period. Any participant payments held by Alight that are to be transferred to the Client will be transferred monthly. ACH transaction services are subject to the rules of National Automated Clearinghouse Association (“NACHA Rules”). In accordance with the NACHA Rules, if Client breaches such rules with respect to the ACH services, such services may be suspended until such breach is cured. From time to time, Alight may review certain procedures regarding the ACH services as mandated by the NACHA Rules.

## Section 6. Pass-Through Expenses

- 6.1. Client will reimburse Alight for the following pass-through expenses (“Pass-through Expense”), that are paid by Alight, specific to the Services:
- 6.1.1. Travel-related expenses.
- 6.1.2. Postage, shipping, express mail, and messenger services.
- 6.1.3. Fulfillment, printing, and related supplies. Additional employee communications.

- 6.1.4. Translation and employee location services.
- 6.1.5. Non-electronic records, paper files and outside records management suppliers.
- 6.1.6. Third party invoicing and billing portals.
- 6.1.7. Time and materials expenses incurred responding to requests for litigation support and research.

## **Section 7. Invoicing/Payment Terms**

### **7.1. Invoicing**

- 7.1.1. Alight will invoice Client in the month prior to the service month (i.e., January for February services) for ongoing fees and monthly in arrears for additional services, change order fees and pass-through expenses based on charges through the last day of the month. Adjustments, reconciliations, or credits to the standard fees will be included on the invoice. Ongoing Fees begin on 07/01/2023.
- 7.1.2. Where Client requires a purchase order number, Client will provide Alight (and maintain without lapse or delay) a purchase order number prior to the commencement of Alight's performance of services. Client failure or delay in providing the purchase order number does not preclude Alight from submitting invoices in accordance with the invoice timing set forth above.

### **7.2. Payment Terms**

- 7.2.1. Client will pay Alight all fees within thirty (30) days from date of invoice.
- 7.2.2. Interest at 0.75% per month will accrue on all past due amounts from the corresponding due date until payment is received.
- 7.2.3. Fees for transition out services at the end of the agreement will be paid on or prior to commencement of the corresponding services.

## **Section 8. Inflation Adjustment**

**8.1.** Ongoing fees are subject to an annual increase, beginning on or after 07/01/2024 and each year thereafter. Each increase will be tied to the percentage increase in the Employment Cost Index (Table 9. Employment Cost Index for Wages and Salaries, for Private Industry Workers, Not Seasonally Adjusted, All Workers).

## **Section 9. Termination Fees**

**9.1.** Upon any termination for convenience by Client or any termination for cause by Alight due to a breach by Client of its payment obligations, Client shall pay Alight a termination fee equal to (a) 20% of the average aggregate monthly fee that was due for the terminated Services during the 12 months prior to such termination (or, if shorter, during the period of time since the applicable Live Date) without regard to any credits or other offsets multiplied by the number of months remaining in the term (covers un-recouped investments, severance costs and transition costs including redeployment and wind-down costs).