

Request for Proposals
Employee Benefits Consulting, Third-Party
Administration (TPA), and Managed Benefits Services
Questions and Answers

Q1. Is ARC intending to procure both advisory services and TPA/carrier services through this single RFP?

Yes. This RFP is structured to solicit proposals for an integrated, full-service benefits partnership encompassing all three service categories identified in Exhibit A: Task 1 (Strategic Benefits Consulting), Task 2 (Third-Party Administration), and Task 3 (Managed Benefits Services). ARC expressly prefers respondents capable of delivering all three categories as a unified solution, and evaluation criteria reflect that preference. However, consistent with Section 1.1 and Exhibit A, respondents are not precluded from proposing one or more service categories. Proposals must clearly identify which service categories are being proposed.

Q2. Or is ARC intending to engage an advisor, with the expectation that the advisor will lead a separate TPA procurement process following award?

No separate TPA procurement is contemplated at this time. ARC's intent is to select a qualified partner or team of partners capable of delivering the full scope described herein through this single procurement. To the extent a respondent proposes to subcontract TPA services, the proposal must clearly identify the subcontracting arrangement, identify the TPA partner, when available, and describe the nature and management of that relationship, consistent with Sections 3.8 and 6.1. All subcontract arrangements are subject to ARC's approval.

Q3. With respect to the preference for "in-house TPA capability," is this intended to refer to full medical TPA functions as described in Task 2?

Yes. The preference for "in-house TPA capability" referenced in Section 2.2 is intended to encompass the full scope of medical TPA functions described in Task 2 and Exhibit E, including but not limited to claims adjudication, network administration, utilization management, PBM oversight, and stop-loss administration. Respondents that subcontract these functions to a third-party TPA will not be disqualified.

Q4. The RFP includes detailed questions regarding compensation and fee structure. Will ARC be providing current compensation and fee arrangements for its existing advisor and related vendors as part of the response process?

No. ARC will not disclose the compensation or fee arrangements of its incumbent advisor or vendors as part of this solicitation. As stated in Section 1.3, detailed census and plan data will be made available to shortlisted respondents under a Non-Disclosure Agreement (NDA) following initial evaluation. Respondents should develop their fee proposals based on the information provided in the RFP, including the benefits profile in Section 1.3 and the fee structure requirements of Exhibit B.

Q5. The RFP references the submission of financial statements, including audited financials. Please confirm whether this requirement applies to all respondents, and whether alternative disclosures (e.g., summarized financial information) are acceptable for privately held firms.

The requirement to provide audited financial statements or evidence of financial stability, as set forth in Section 2.1.3, applies to all respondents. ARC acknowledges that audited financial statements may not be available from all privately held firms. In such cases, respondents may submit alternative documentation demonstrating financial stability, including but not limited to reviewed financial statements, bank references, a letter from a certified public accountant attesting to the firm's financial condition, or other comparable evidence of organizational viability. ARC reserves the right to request additional financial documentation from any respondent during the evaluation process.

Q6. The RFP is seeking a bundled solution that includes multiple aspects of benefit plan management – strategic and technical advisory services, TPA platform for medical and pharmacy plan administration and claims processing. Is the primary objective of this RFP to outsource all benefit management functions or will consideration be given to a partner who does not perform or subcontract TPA services for medical and pharmacy claims processing, but who can expertly help in selecting the best providers for those services?

Proposals that address fewer than all three service categories will be considered; however, as stated in Exhibit A, ARC strongly prefers — and will assign significant evaluation weight to — respondents capable of delivering an integrated, full-service solution. Respondents

that propose consulting and managed services only (Tasks 1 and 3), without TPA capabilities (Task 2) either in-house or through a disclosed subcontracting arrangement, will be evaluated accordingly and may be scored less competitively under the "Breadth and Quality of Proposed Services" criterion, which carries a 30% weight. All proposals must clearly indicate which service categories are being proposed.

Q7. Under the bundled approach, will ARC execute the vendor contract (e.g., FSA, COBRA, TPA) or is it expected that the selected advisor will contract on your behalf ("hold" the contract)?

The contracting structure will vary by vendor and service type. ARC is open to arrangements in which the selected partner holds or manages vendor contracts on ARC's behalf, provided that such arrangements are fully disclosed, do not create undisclosed conflicts of interest, and are consistent with the fiduciary obligations set forth in Section 5.6. Respondents should describe their proposed contracting structure in their proposal, including which vendor relationships they would hold directly versus facilitate on ARC's behalf.

Q8. ARC is currently self-funded using UMR as the TPA. Are there any concerns with UMR's customer service or payment and processing accuracy?

ARC is not in a position to comment on the performance of any incumbent vendor as part of this solicitation. As noted in Section 1.3, detailed plan data will be made available to shortlisted respondents under a Non-Disclosure Agreement.

Q9. For CY2025, how did the self-funded plan perform? Was actual performance (claims + fixed expenses) consistent with the internal budget projection?

Detailed plan data, constitutes confidential plan information that will be made available to shortlisted respondents under a Non-Disclosure Agreement, as referenced in Section 1.3. This information is not available as part of the open solicitation process.

Q10. The RFP timeline indicates a contract effective date of August 17, 2026. The benefit plan year is Jan – Dec. Is there a set timeline for implementing new solutions (bundling) in 2026 vs 2027? Specifically:

- **Changing TPAs from UMR, United Healthcare medical (PPO network), and OptumRx?**
- **Moving benefit enrollment from Plan Source to a new platform?**

The anticipated contract start date is August 17, 2026, as stated in Section 3.5. ARC expects all services to be fully operational by the contract start date, consistent with Section 5.2. ARC acknowledges that a mid-year TPA transition or benefits administration platform migration carries operational complexity given ARC's January 1 – December 31 plan year. Respondents are encouraged to address transition phasing, implementation sequencing, and risk mitigation in their Transition and Implementation Plans as described in Section 5.2. ARC will evaluate proposed transition approaches as part of the overall proposal and reserves the right to negotiate implementation phasing during contract negotiations with the selected firm.

Q11. Confirm ARC's current HRIS/payroll system(s) that will need to integrate with new TPAs (please provide the system/provider names).

ARC's current HRIS and payroll system information will be provided to shortlisted respondents under a Non-Disclosure Agreement, as referenced in Section 1.3. Respondents should describe their integration capabilities with commonly used HRIS and payroll platforms, consistent with the requirements of Section 6.5.