

Exhibit A

Fringe Benefits Management Company (FBMC)

Scope of Services

1. FBMC shall provide “turn-key” HRA administration and investment services as follows:
 - Administer HRA Plan according to plan rules (per the Plan Document);
 - Maintain participant information including all necessary data elements to ensure proper plan administration;
 - Provide claims procedures information to enrolled employees;
 - Process participant requests for reimbursement according to plan and IRS rules;
 - Maintain records of the County’s contributions, investment income, benefit payments and other administrative fee deductions, and resulting account balances of County participants and report the same to the County in a format and frequency acceptable to the County;
 - Prepare and mail to participating employees quarterly and year end reports of the contributions made by the County and the benefits paid to, or on behalf of participating employees under the plan;
 - Maintain records of all transactions under the Agreement during the term of the Agreement and subsequent periods in compliance with applicable Local, State and Federal requirements;
 - Provide debit card(s) and manage all debit card transactions (optional);
 - Provide online access to investment options and account balance information via a secure Internet portal both to plan participants and the County;
 - Create, print, and stock all necessary forms to carry out plan operations; and
 - Stay current on legal and regulatory changes affecting HRA plans and debit cards, and conduct internal audits of operations to assure compliance with policies and procedures.

2. FBMC shall provide the County with the information in its custody for use in preparing all returns and reports that are required by the Internal Revenue Service, the Department of Labor and any other federal or state agency. In addition FBMC shall assist in the preparation of such returns and reports whenever called upon to do so by the County.

3. FBMC shall provide the following additional services:
 - Provide employee communications material in ready-to-print format such as benefit booklets, newsletters or similar informational materials, web-access to interactive information, new participant letters and informational packets, etc.;
 - Stay current on legal and regulatory changes affecting HRA plans and advise the County of any regulatory, legal, or procedural change; and
 - Handle the intake and review of all customer service inquiries and appeals.

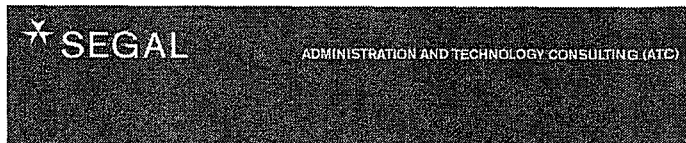
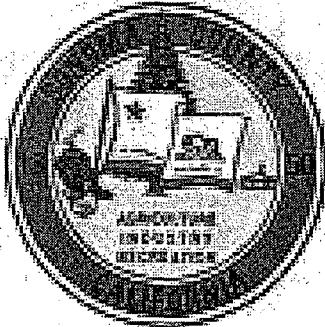
4. FBMC shall deduct appropriate administrative fees solely from HRA investment earnings. The County (or HRA participants) will not be responsible for any excess fees. Out of scope work for programming customization will be billed per the rates outlined in Exhibit B (fee schedule).

5. The proposal documents referenced below are incorporated into this agreement and form part of this Exhibit A:
 - a. County of Sonoma HRA RFP
 - b. County of Sonoma HRA RFP - Amendment #1
 - c. County of Sonoma HRA RFP - Amendment #2
 - d. County of Sonoma HRA RFP - Response to Additional Vendor Questions
 - e. County of Sonoma HRA Plan Document
 - f. County of Sonoma HRA Plan Document Amendment
 - g. FBMC's Response to the County of Sonoma's Investment HRA RFP Final
 - h. FBMC's Pre-Finalist Response to Follow-up Questions from Segal - Sonoma
 - i. FBMC's Sonoma Presentation Final
 - j. FBMC's BAFO for the County of Sonoma's Investment HRA RFP

FBMC

Premier Benefits Solutions

***BEST AND FINAL OFFER
(BAFO) FOR:***



**TABLE 1
SUMMARY OF FEES**



SERVICE ¹	MONTHLY FEE ²		
	Year 1	Year 2	Year 3
1. HRA Administration and Investment Services	Inactive Participant - \$1.56 ppm Active Participant - \$4.00 ppm	Inactive Participant - \$1.56 ppm Active Participant - \$4.00 ppm	Inactive Participant - \$1.56 ppm Active Participant - \$4.00 ppm
2. Debit Cards:	<ul style="list-style-type: none"> Initial Card: \$ <u>included</u> Add'l Card: \$ <u>included</u> Dup Card: \$ <u>replacement</u> Cards – no charge 	<ul style="list-style-type: none"> Initial Card: \$ <u>included</u> Add'l Card: \$ <u>included</u> Dup Card: \$ <u>replacement</u> Cards – no charge 	<ul style="list-style-type: none"> Initial Card: \$ <u>included</u> Add'l Card: \$ <u>included</u> Dup Card: \$ <u>replacement</u> Cards – no charge
1. Other Administrative Fees: • Communication Materials	Included at no additional charge	Included at no additional charge	Included at no additional charge
2. Other Fees • 800 Number (Specify shared or dedicated) • Postage • Printing of Forms • Other (Specify)	Included at no additional charge Dedicated 800 number	Included at no additional charge Dedicated 800 number	Included at no additional charge Dedicated 800 number
5. Total Monthly Fees	The summation of the inactive and active ppm for a month.	The summation of the inactive and active ppm for a month.	The summation of the inactive and active ppm for a month.
6. Total Annual Fees	The summation of the total monthly fees from January 1 – December 31.	The summation of the total monthly fees from January 1 – December 31.	The summation of the total monthly fees from January 1 – December 31.

FBMC note - We guarantee our rates for the initial three 36 months of contact term. Percentage increases, if any, in subsequent years after the initial guarantee, will be capped from the U. S. All Items Consumer Price Index (CPI) published on the U.S. Department of Labor (DOL) website, www.bls.gov/cpi/ determined from the prior year, starting with the first year post the initial term. Renewal rates for additional years will be capped and guaranteed not to exceed the CPI increase (if any) or 5% (whichever is lower).

DECLINING ACTIVE PARTICIPANT PRICE BASED ON PARTICIPATION INCREASES IN THE ACTIVE PARTICIPANT POPULATION	
The number of Participants	Per Participant Per Month
500 0 – 999 (we waived our minimum)	\$4.00
1000 – 2,499	\$3.90
2,500 – 4,999	\$3.75
5,000 – 9,999	\$3.60
10,000 and above	\$3.50

¹ Monthly fees should include all administration services outlined in this request for proposal. If you are proposing fees on a bundled basis, which may differ from the suggested breakdown above, please ensure that all services are accounted for and indicate "Included" in the appropriate fee box. Please list in Table 3 any services that you would not provide or that are not included in your fees.

² For capitated quotes, please specify which participant population the fee should apply to (i.e., actives, retirees, per account, etc.).

TABLE 2

FIRST YEAR SET-UP FEES, IF ANY

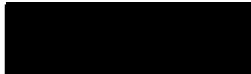
Service	Set-up Fees (Year 1 Only)
1. Initial Set-up Charge	none
2. Development of Communication Materials (e.g., transition announcement letters, etc.)	included
3. Other (Specify)	none
Total Set-up Fees	none

TABLE 3
FEES AND SERVICES

List of services included in fees
As displayed throughout our proposal.
Any special fees, charges or expenses of any kind not included in fees
Out of Scope Customization for programming is a one-time fee of \$100.00 per hour.
List of services not included in fees, along with associated fees
We have fully disclosed our complete services and accompanying fees in Table 1.

To make this offer a binding agreement, I have included the signature of FBMC's Bid Compliance Officer, *Terry Hume*. Thank you for your time.

Sincerely,



Terry Hume
Bid Compliance Officer

QUALITY ▪ INTEGRITY ▪ LONGEVITY