

JUL 09 2015 #22



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**MEMORANDUM**

**DATE:** JULY 9, 2015

**TO:** MAYOR AND COUNCIL

**THRU:** MARSHA REED, ACTING CITY MANAGER *MR*  
 DEBRA STAPLETON, HUMAN RESOURCES DIRECTOR *DRS*  
 RAE LYNN NIELSEN, BENEFITS AND LABOR RELATIONS ADMINISTRATOR *RN*

**FROM:** LYNNA SOLLER, BENEFITS PROGRAM MANAGER *JS*

**SUBJECT:** RFP HR5-953-3517 FOR FLEXIBLE SPENDING ACCOUNT ADMINISTRATION

**RECOMMENDATION:**

City Council award RFP HR5-053-3517 for Flexible Spending Account Administration to Flexible Benefit Administrators, Inc., and authorize staff to conclude negotiations for the final agreement between the City and Flexible Benefit Administrators, Inc., for Flexible Spending Account Administration to be approved by the City Council.

**BACKGROUND/DISCUSSION:**

A Flexible Spending Account (FSA) enables employees to put aside a portion of their gross income on a pre-tax basis in a FSA to pay for qualified health care and/or dependent care expenses. This benefit is paid by the City.

**EVALUATION:**

On March 23, 2015, City staff issued a Request for Proposal for flexible spending account administration. Notification was sent to all registered vendors. Eight proposals were received from the following offerors:

- |                                    |                                       |
|------------------------------------|---------------------------------------|
| BASIC Corp.                        | Flexible Benefit Administrators, Inc. |
| Chard Snyder                       | PNC Bank                              |
| Payflex Systems (current provider) | Blue Cross Blue Shield                |
| USBA Flex                          | Connect Your Car                      |

The Evaluation Committee reviewed the proposals and recommended award to Flexible Benefit Administrators, Inc. Notable features of the proposal include a 39% reduction in per employee per month fees, a 5 year rate guarantee, no annual set up fee, enhanced employee and employer service portals and expanded reporting capabilities. Staff is currently negotiating the final agreement with Flexible Benefit Administrators, Inc. The final contract will be presented to Council for approval in September as part of the 2016 Employee Benefits renewals.

**PROPOSED MOTION:**

City Council award RFP HR5-053-3517 for Flexible Spending Account Administration to Flexible Benefit Administrators, Inc., to Flexible Benefit Administrators, Inc., and authorize staff to conclude negotiations for the final agreement between the City and Flexible Benefit Administrators, Inc., for Flexible Spending Account Administration to be approved by the City Council.