



## Recommendation for Action

**File #:** 19-2603, **Agenda Item #:** 56.

8/22/2019

### **Posting Language**

Authorize negotiation and execution of two multi-term contracts for benefit plan administration services, with CompuSys/Erisa Group Inc. for a contract amount not to exceed \$2,824,000 and with Total Administrative Services Corporation D/B/A TASC for a contract amount not to exceed \$458,000, each for up to five years, for total contract amounts not to exceed \$3,282,000.

(Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were an insufficient availability of M/WBEs, therefore, no subcontracting goals were established).

### **Lead Department**

Purchasing Office.

### **Client Department(s)**

Human Resources Department.

### **Fiscal Note**

Funding in the amount of \$447,750 is contingent upon approval of the Fiscal Year 2019-2020 Proposed Budget of the Employee Benefits Fund. Funding for the remaining contract term is contingent upon available funding in future budgets.

### **Purchasing Language:**

The Purchasing Office issued a Request for Proposals (RFP) 5800 LNH3008 for these services. The solicitation was issued on February 25, 2019 and closed on April 4, 2019. Of the 13 offers received, the recommended contractors submitted the best evaluated responsive offers. A complete solicitation package, including a log of offers received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: [Solicitation Documents](https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=129213)  
<[https://www.austintexas.gov/financeonline/account\\_services/solicitation/solicitation\\_details.cfm?sid=129213](https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=129213)>.

### **For More Information:**

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or [AgendaOffice@austintexas.gov](mailto:AgendaOffice@austintexas.gov) <<mailto:AgendaOffice@austintexas.gov>>

NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: Lynnette Hicks, at 512-974-3349 or [lynnette.hicks@austintexas.gov](mailto:lynnette.hicks@austintexas.gov) <<mailto:lynnette.hicks@austintexas.gov>>.

### **Additional Backup Information:**

These contracts will provide for administration of several City benefit administration services, including Eligibility and Self-Pay, Open Enrollment, Consolidated Omnibus Budget Reconciliation Act (COBRA), Continuation of Coverage for Domestic Partners (CCDP), Flexible Spending Account (FLEXTRA), and the Child Care Assistance Program (CAP) for eligible City employees, dependents, and retirees. These contracts

will specifically provide for the following:

1. **Eligibility and Self-Pay Administration:** Service includes tracking and maintaining enrollment and eligibility data for all benefits for all covered persons enrolled in City benefits and electronically transmit the eligibility data to the City and the City's benefits vendors.
2. **Open Enrollment Administration:** Service includes telephone (English and Spanish) enrollment, online enrollment, customizing a web-based enrollment system, producing coverage/confirmation/passive statements to employees, retirees and surviving dependents as applicable, and sending Open Enrollment files to the City and City's benefits vendors.
3. **COBRA Administration:** COBRA is an insurance program which gives eligible employees and eligible dependents the ability to continue health insurance coverage after leaving employment or due to loss of coverage. This service will administer the program in accordance with Federal regulations.
4. **CCDP Administration:** CCDP is a COBRA like insurance program which gives eligible employees and eligible dependents the ability to continue health insurance coverage after leaving employment or due to loss of coverage. This service will administer the program in accordance with City processes.
5. **FLEXTRA Administration:** Service includes customer service, online claims adjudication and administering the FLEXTRA Health Care and FLEXTRA Dependent Care spending accounts in accordance with IRS Section 125 regulations.
6. **CAP Administration:** Service includes providing claims reimbursement for payments to state regulated child care providers of employees who meet the eligibility requirements that qualify for child care financial assistance.

These contracts will replace the current contract which expires December 31, 2019. The timely execution of these contracts is critical to ensure a continuation of services provided to eligible active and temporary employees, retirees and dependents.

New contracts must be finalized before September 1, 2019 to allow adequate time for implementation of the services for coverage to begin January 1, 2020 and for the Human Resources Department to develop materials for Open Enrollment scheduled to begin October 15, 2019.

For 2020, the City projects savings of \$105,000 with the new rates compared to the current rates.

The requested authorization amount is based on department estimates and historical spend and was determined based on pricing submitted in response to the solicitation and the City's annual usage.

An evaluation team with expertise in this area evaluated the offers and scored CompuSys/Erisa Group Inc. and Total Administrative Services Corporation D/B/A TASC as the best to provide these services based on business organization and experience and qualifications, response to scope of work, RFP requirements, Section 0300 Standard Purchase Terms and Conditions, Section 0400 Supplemental Purchase Provisions, performance measures and exceptions, price, local business preference, and service-disabled veteran business enterprise.

**Contract Detail:**

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<b><u>Contract Term</u></b>	<b><u>Length of Term</u></b>	<b><u>Contract Authorization</u></b>
Initial Term	3 yrs.	\$1,872,000
Optional Extension 1	1 yr.	\$ 686,000
Optional Extension 2	1 yr.	\$ 724,000
<b>TOTAL</b>	<b>5 yrs.</b>	<b>\$3,282,000</b>

**Note:** Contract Authorization amounts are based on the City's estimated annual usage.