



## Recommendation for Action

**File #:** 23-2053, **Agenda Item #:** 26.

6/8/2023

### **Posting Language**

Authorize negotiation and execution of a contract for benefits administration with Total Administrative Service Corporation d/b/a TASC, for up to five years for a total contract amount not to exceed \$697,000.

[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 insufficient subcontracting opportunities; therefore, no subcontracting goals were established].

### **Lead Department**

Financial Services Department.

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

Human Resources Department.

### **Fiscal Note**

Funding in the amount of \$95,000 is contingent upon approval of the Fiscal Year 2023-2024 Operating Budget of the Human Resources Department. Funding for the remaining contract term is contingent upon available funding in future budgets.

### **Purchasing Language:**

The Financial Services Department issued a Request for Proposals (RFP) 5800 BYS3028 for these services. The solicitation issued on January 9, 2023, and it closed on February 9, 2023. Of the five offers received, the recommended contractor 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://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=138113)

[<https://financeonline.austintexas.gov/afo/account\\_services/solicitation/solicitation\\_details.cfm?sid=138113>](https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=138113).

### **For More Information:**

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at: [FSDCentralProcurementRCAs@austintexas.gov](mailto:FSDCentralProcurementRCAs@austintexas.gov) or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

### **Additional Backup Information:**

The contract will provide administration of several City benefit administration services, including Flexible Spending Account (FSA), and the Child Care Assistance Program (CAP) for eligible City employees, dependents, and retirees. This contract provides the following services:

1. Flexible Spending Account Administration: Service includes customer service, online claims adjudication and administering the FSA Health Care and FSA Dependent Care spending accounts in

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accordance with IRS Section 125 regulations. The contractor will receive FSA payroll contributions, send debit cards for employees to use to pay for eligible expenses, verify expenses are FSA eligible, and have an online portal and smartphone app which allows employees to view account balances, file claims, and manage their reimbursements.

2. CAP Administration: Service includes providing claims reimbursement for payments to state regulated childcare providers of employees who meet the eligibility requirements that qualify for childcare financial assistance. The contractor is needed to administer the program to assist employees who meet the income eligibility to afford childcare services they may be otherwise unable to afford.

This contract replaces two contracts which expire on September 3, 2023, and December 31, 2023. The requested authorization was based on historical spending and departmental estimates of future needs. The recommended contractor is the current provider for one of these services.

An evaluation team with expertise in this area evaluated the offers and scored Total Administrative Service Corporation d/b/a TASC as the best to provide these services based on general requirements and requested services of scope of work; price proposal, compliance, terms and conditions, HIPAA business associate agreement, and exceptions; experience, qualifications, business organization, account team information, and references; local business presence, and service-disabled veteran business enterprise preference.

If a contract is not secured, the City cannot provide a continuation of services to eligible active and temporary employees, retirees, and dependents. Additionally, the City will fall out of compliance with Federal Law.

**Contract Detail:**

<b><u>Contract Term</u></b>	<b><u>Length of Term</u></b>	<b><u>Contract Authorization</u></b>
Initial Term	2 yrs.	\$278,800
Optional Extension 1	1 yr.	\$139,400
Optional Extension 2	1 yr.	\$139,400
Optional Extension 3	1 yr.	\$139,400
<b>TOTAL</b>	<b>5 yrs.</b>	<b>\$697,000</b>

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