

LRB-Research & Analysis Section

Finance & Personnel Committee
File: 091353

March 16, 2010
Aaron Cadle

Title

Substitute resolution authorizing the Department of Employee Relations to prepare and execute a Request for Proposal for [a] Flexible Spending Plan (FSA) vendor for 2011-2013.

Introduction

This resolution authorizes the Department of Employee Relations (“DER”) to issue a Request for Proposal (“RFP”) for vendors to manage and administer the City’s Flexible Spending Account (“FSA”) employee benefit plan.

Once received, DER will analyze bids and recommend a vendor to the Common Council to administer City’s FSA program and detail associated costs. The Common Council must adopt a separate resolution to award an FSA vendor contract.

Background

The City’s FSA program allows employees to set aside monies before taxes for certain medical care, dependent care and parking expenses. As of September, 2009, 924 City employees were making use of this benefit.

The City’s contract with ProcessWorks to manage and administer employee FSA’s expires on December 31, 2010. Monthly rates per participant in 2010 are \$3.95.

2010 FSA vendor expenses are budgeted for \$45,000.

Discussion

DER does not expect vendor rates for managing and administering the City’s FSA program to change significantly and seeks to issue this RFP merely to “shop the market” and be certain the City is getting the best service value.

Fiscal Impact

There is no direct fiscal impact from this resolution because it authorizes DER to only issue an RFP, and there are no substantial changes proposed for the FSA benefit plan.