

July 2, 2013

Alderman Michael Murphy, Chairman  
City of Milwaukee Common Council Finance and Personnel Committee  
200 East Wells Street, Room 205  
Milwaukee, WI 53202

**File No: 130206 directing the Department of Employee Relations  
to enter into a contract for Flexible Spending programs for 2014-2016**

Dear Alderman Murphy and Finance Committee Members:

File #130113 authorized the Department of Employee Relations (DER) to complete a request for proposal (RFP) process for flexible spending vendors for 2014-2016.

The RFP process has been completed and DER is recommending the City enter into new contract with the eflex company for 2014-2016, with the option to extend one time for up to three years. The eflex company is the current vendor for the City's flexible spending plan.

The RFP process for a flexible spending vendor had response from eleven vendors. The City has been pleased with the services and administration of the current vendor. The current vendor was not the lowest cost bid on standard fee alone. However, the current vendor did not include additional fees and charges for meetings, plan documents and initial or annual enrollment costs which made the current vendors bid competitive. The current vendor is able to provide an HRA plan at no additional cost. The total annual cost for this is \$84,000.

There was a review team that included Dennis Yaccarino of the Budget Office and Renee Joos and Mike Brady of DER that met with Willis, the City's consultant, to review the FSA responses.

The City currently has about 1800 members participating in the Flexible Spending Plan and anticipates an increase in enrollment for 2014.

Please contact me if you have any additional comments or questions regarding this file.

Sincerely,  
Michael Brady,  
Employee Benefits

CC: Maria Monteagudo, DER  
Debra Ford, Labor  
Renee Joos, DER  
Ellen Tangen, City Attorney's Office  
Mary Turk, LRB  
Dennis Yaccarino, Budget Office