



Legislation Text

File #: 130206, **Version:** 1

130206
SUBSTITUTE 1
100202, 130113
THE CHAIR

Substitute resolution authorizing the Department of Employee Relations to execute a contract with eflexgroup, Inc., as a third-party administrator for a Flexible Spending Arrangement with an option for a Health Reimbursement Arrangement.

Currently, the City provides a Flexible Spending Arrangement (FSA) for City employees to set aside monies for medical, dependent care and parking expenses. The contract with the current program administrator, eflexgroup, Inc., will expire December 31, 2013. This resolution authorizes the Department of Employee Relations to execute a contract with eflexgroup, Inc., to administer a similar FSA with an option for the addition of a Health Reimbursement Arrangement (HRA). An HRA is a medical reimbursement plan which allows an employer to reimburse an employee for medical and insurance expenses. The term of the new contract shall commence January 1, 2014 for a period of up to 6 years.

Whereas, Common Council File Number 100202, adopted July 7, 2010, approved a 2-year contract with an option for a one-year extension with eflexgroup, Inc. to serve as a third-party administrator for an IRS Section 125 Flexible Spending Arrangement; and

Whereas, The contract with eflexgroup, Inc. will expire on December 31, 2013; and

Whereas, Common Council File Number 130113, adopted June 11, 2013, approved a request-for-proposal process for a third-party administrator for an IRS Section 125 Flexible Spending Arrangement with an option for a Health Reimbursement Arrangement for 2014-2016; and

Whereas, Willis of Wisconsin, the City's benefits consultant, has led the request for proposal process for such an administrator; and

Whereas, Eleven vendors responded with proposals which were reviewed by an internal review team; and

Whereas, Most bidders estimated annual fees ranged between \$78,000 and \$85,000, with eflexgroup, Inc., at \$84,000; and

Whereas, All bidders guaranteed their fees for at least 3 years, 2 offered 5-year guarantees and eflexgroup, Inc. offered a 6-year fee guarantee; and

Whereas, The Department of Employee Relations and Willis of Wisconsin report that eflexgroup, Inc., has been doing an excellent job over the course of its current contract; and

Whereas, The Department of Employee Relations and the Selection Team recommends eflexgroup, Inc., although it is not the lowest-cost vendor it does provide excellent service, its price is competitive, it does not include extra charges and fees that other vendors include and it will guarantee its price the longest; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Department of Employee Relations is authorized to execute a contract with eflexgroup, Inc., as a third-party administrator for a Flexible Spending Arrangement with an option for a Health Reimbursement Arrangement.

Department of Employee Relations
LRB147735-2
Mary E. Turk
7/15/13