



## Legislation Text

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**File #:** ID 19-0775, **Version:** 1

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Resolution Authorizing the Award of Contract # 2020-13668 in the Amount of \$350,000 to Flores and Associates, for Administrative Services for the City's Active and Retiree Medical and Dependent Care Flexible Spending Accounts

Department: Human Resources  
Council District: N/A

Public Hearing: N/A  
Advertising Date/By: N/A

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### **PURPOSE:**

The City of Greensboro contracts for administrative services for its Active and Retiree Medical and Dependent Care Flexible Spending Accounts Administration. This contract will exceed \$100,000 which requires City Council approval.

### **BACKGROUND:**

The Human Resources Department initially contracted Flores and Associates to provide Active and Retiree Medical and Dependent Care Flexible Spending Accounts Administration for the City's 3,000 benefit eligible employees and over 1,000 retirees on 4/1/2014. The initial three (3) year contract terminated on 12/31/2017. On 1/1/2018 we renewed the contract and entered into a two (2) year rate guarantee contract which terminates effective 12/31/2019.

Flores and Associates provided a rate guarantee to hold the administrative fees for five (5) years) at the current rate of \$4.95 per employee per month for the active and retiree plans from 1/1/2020-12/31/2024. The HR Department requested a waiver from the MWBE administrative requirement to rebid benefits contracts every three (3) years because of the potential adverse impact it has on employee benefits, vendor relationships, our presence in the market and reputation within the healthcare industry. The request was approved, and there were no MWBE providers operating in this business space.

The Flores and Associates contract is just one of the foundational plans of benefits compensation that require consistency over time in order to achieve desired results for not only our employees but for the City as well. Consistency in administration and pricing are critical components of our Total Benefits Compensation Strategy. The total increase from the initial contract to the current five (5) year term has amounted to \$.20 per employee per month.

We consider Flores a valued partner who understands our budgetary constraints and provides superior service to our employees.

**BUDGET IMPACT:**

The total estimated contract value is \$350,000. Funds for this contract are available in fiscal year 2019-20 and funds for the remaining contract period will be available in subsequent fiscal year budgets.

**Costs:**

Total estimated annual Administrative Services Only (ASO) Fee estimated costs total \$70,000 for each year of the 5 years totaling \$350,000.

Account number: # 684-1001-06.5413

**RECOMMENDATION / ACTION REQUESTED:**

The City Manager's recommendation is to award the flexible spending account administrative services contract to Flores and Associates. Council approval of a resolution authorizing the award of Contract # 2020-13668 to Flores and Associates is requested.