



**Finance Committee Meeting
October 9, 2017, 4:30 p.m.**

**Flexible Spending Administration
RFP-8610-0-2017-BP
Staff Presentation**

City Staff Action Taken In Response to Finance Committee Directive:

- Addendum #2 was sent to the three finalists identified through the original RFP process; responses were due on Monday, October 2, 2017

- An evaluation panel of six city staff, convened, reviewed, and scored Addendum #2 responses:

Panel scored only the 8 technical questions

New cost proposals were not provided to panel until after technical questions were scored

(Purchasing staff calculates cost proposals separately)

Evaluation Panel Scoring - Addendum #2

Results:

Scoring Components	CYC	P&A Admin	TASC
Technical Points	582.00	518.33	518.67
Local Preference Points	-	-	50.00
Cost Proposal Points	211.96	244.90	300.00*
Total Points (1,000 Max)	793.96	763.23	868.67
<p>* TASC offered a 30% cost reduction during the 9/25 Finance Committee meeting and as part of Addendum #2</p>			

RFP Cost breakdown comparison annually:

	TASC – Current Benefit Year	TASC & CYC Original RFP Best and Final	CYC - per Addendum #2	TASC - per Addendum #2
Proposed cost per participant	\$2.95	\$2.85	\$2.80	\$2.00
Estimated Cost (1,359 EEs 2017)	48,108.60	46,477.80	45,662.40	32,616.00
Set-up Fee	-	-	500.00	-
Total Estimated Cost	\$48,108.60	\$46,477.80	\$46,162.40	\$32,616.00

Addendum #2 Results:

- The evaluation panel confirms CYC will offer the best services for the City and its employees as scored for the technical components

Technical/Service Components Evaluated:

- Extended customer hours and bilingual staffing services without additional fees,
- Dedicated account manager,
- Intuitive-”user friendly” real-time participant website, customizations, and mobile app functionality,
- Default reimbursement payment methods and service charges
- Claims paid in error and funding transfers
- Online Open Enrollment
- Measure performance/corrective actions

Technical/Service Components Evaluated (continued):

	TASC	CYC
Live Customer Support Hours	7AM-7PM	24/7
Live Support Languages	English only	English, Spanish
Dedicated Account Manager	At TASC discretion	Yes
Website Usability/Additional Features	Basic benefits/claims administration, "MyCash" management	Online provider bill pay, Education & wellness tools, Eligible expense assistance, Tax savings calculator
Default Reimbursement Payment Method	"MyCash"	ACH
Service Charge	Monthly for termed EE's	None
Method to Repay Claim Errors	EE remits check	Online remittance
Open Enrollment as Proposed	Paper form, Excel file, file submission	Online EE portal
Performance Measures	Sampling 2X per year	All participants 2X per year, annual ER survey

Statement Clarifications:

TASC representatives stated they have doubled the enrollment in the City's Flex Spending Program during current contract.

This is not accurate as numbers increased largely due to health plan design changes:

	Participation in FSA by Enrollment Year			
<u>Vendor</u>	2014	2015	2016*	2017
EBC	669			
TASC		737	1283	1530

*** Health Ins Plan Design change to Deductibles**

Statement Clarifications continued:

TASC stated flex dollars would stay within the community and would be approximately \$1.0 million.

This will happen no matter whom the City contracts with because the medical and day care service providers with whom our employees spend their money are generally from within the community.

We estimate that approximately \$200,000 during the contract term of 5 years (including optional renewals) could remain within the community.

This information was not solicited within the RFP-local impact is addressed during local purchasing preference scoring.

Final City Staff Recommendation for RFP Award:

- **CYC** was: **unanimously** selected amongst six city staff evaluators based upon:

Technical components (services to City employees) computed highest when scored, given these types of services, quality is valued and is extremely important when compared to the final costs

- **CYC** was:

Selected with proven City procurement procedures

Selection was re-confirmed by Addendum

#2 for final technical component scores

Fairness and transparency must be valued for the legitimacy of City procurement policies and processes