

Management Committee

Meeting date: August 11, 2021

For the Metropolitan Council meeting of August 25, 2021

Subject:	COBRA/Direct Billing, Flexible Spending Account Administrative Services, Contract 21P056
District(s), Member(s):	All
Policy/Legal Reference:	FM14-2 - Expenditures for the Procurement of Goods and Services Policy
Staff Prepared/Presented:	Terri Bopp, Benefits Manager; 651-602-1370; Marcy Cordes, Chief Labor Relations Officer; 651-602-1582
Division/Department:	Regional Administration/Human Resources-Benefits

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute contract 21P056 with Total Administrative Service Corporation to provide COBRA/Direct Billing and Flexible Spending Account Administrative services for all eligible Council employees and retirees in an amount not to exceed \$800,000.

Background

The current contract with HealthPartners for flexible spending account administrative services expires December 31, 2021 at the end of a five-year contract. The current contract with Benefits Resources for COBRA/Direct Billing administrative services expires December 31, 2021 at the end of a five-year contract.

Rationale

A Request for Proposals was issued on April 12, 2021. A pre-proposal meeting was hosted by Council staff that outlined the solicitation requirements, discussed project specifications and responded to plan holder inquiries. There were twelve registered plan holders, eleven prime bidders, one plan room, and one plan holder identified as a disadvantaged business enterprise.

Proposers were offered the opportunity to propose on one or both categories of administrative services. Proposals were evaluated on the following criteria: quality of the proposal, qualifications of the proposer, experience of the proposer, and price of the proposal. The Council received nine proposals to be evaluated for the consideration of award.

The evaluation panel reached the consensus that the proposal submitted by Total Administrative Service Corporation represents is the most advantageous to the Council and recommends for award. The execution of a goods or services contract in excess of \$500,000 requires Council approval.

Office of Equal Opportunity

The Office of Equal Opportunity (OEO) thoroughly reviewed this procurement for opportunities to include MCUB firms. OEO identified 2 scopes of work in this contract that would be applicable for subcontracting that included insurance billing, and payment collection and customer service. No MCUBs were identified that provide customer service in this capacity and one MCUB firm was identified, that specializes in benefits administration, to perform the billing and payment collection. This firm was directly solicited but did not submit a proposal. Due to the limited availability of MCUB firms, OEO did not set

a goal as in doing so would be considered a set aside. OEO made further efforts to promote small business participation by recommending Small Business Inclusion language which requires proposers to submit a Small Business Inclusion plan. Total Administrative Services Corporation has submitted a plan that identifies areas of work where they will incorporate MCUB firms. OEO has reviewed the details of this plan and determined the Plan meets the contract requirements.

Thrive Lens Analysis

Authorization to enter into a contract for COBRA/Direct Billing and Flexible Spending Account administrative services supports the Thrive outcome of Stewardship by providing the administrative services at the lowest cost available over the next five years.

Funding

Funding for COBRA/Direct Billing and Flexible Spending Account administration is considered in the Human Resources budget.

Known Support / Opposition

None