

Business Item

Management Committee



Committee Meeting Date: August 14, 2024

For the Metropolitan Council: August 28, 2024

Business Item: 2024-212

COBRA/Retiree Billing and Flexible Spending Account Administration Services, Contract 24P101

District(s), Member(s):	All
Policy/Legal Reference:	FM 14-2 Expenditures for the Procurement of Goods, Services and Real Estate Policy
Staff Prepared/Presented:	Michelle Murray, Sr HR Manager, Benefits, 651-602-1390; Marcy Cordes, Chief Labor Relations Officer, 651-602-1582
Division/Department:	Regional Administration/Human Resources

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute contract 24P101 with Baker Tilly Vantage to provide COBRA/Retiree Billing and Flexible Spending Account Administrative services for all eligible Council employees and retirees in an amount not to exceed \$1,124,146.

Background

The Council provides Flexible Spending Account plans for health care, dependent care and parking. These plans allow employees to pay for certain health care, dependent care, or parking expenses with money that is deducted from their pay before it is taxed. The Council utilizes an administrator to provide account administration which includes claim processing, customer service, employer reporting for auditing, compliance with federal, state and IRS regulations, an online portal for participating employees to manage their accounts, and a debit card for ease of claim payment. The Council currently has approximately 1,200 employees participating in one of these three Flexible Spending Account plans.

The Council also utilizes an external vendor for COBRA/Retiree billing administration. The COBRA/Retiree billing administration vendor performs all administrative tasks including notifying employees of their COBRA rights at the time of hire and at the end of their employment, maintaining the elections of employees after employment ends, collecting fees and premiums associated with COBRA/retiree premiums and tracking the eligibility and time an employee may remain on COBRA. The COBRA administrator is responsible for compliance with COBRA and Minnesota state continuation rules and takes on liability to comply with these rules. The Council currently has approximately 2,100 retirees participating in this plan.

The COBRA/Retiree billing administration support also includes communications to participants, open enrollment administration, employer reporting, ad hoc reports, eligibility (EDI) data interfaces to carriers and/or other 3rd party service providers, customer service and support, and produces 1095-C reporting for ongoing compliance with the Affordable Care Act.

A Request for Proposals was issued on April 26, 2024. A pre-proposal meeting was hosted by Council staff that outlined the solicitation requirements, discussed project specifications and responded to plan holder inquiries. Proposers had the opportunity to submit and offer for one or both categories of administrative services – Flexible Spending Account administration and COBRA/Retiree Billing administration. There were fifteen registered plan holders, eleven prime proposers, one subcontractor, three plan rooms, and two of the plan holders identified as minority, woman, veteran, small or disadvantaged business enterprises.

The Council received six proposals on May 28, 2024, to be evaluated for the consideration of award using the following criteria: quality; qualifications/experience of the proposer; service delivery plan; key personnel, and price. The evaluation panel reached consensus that the proposal submitted by Baker Tilly Vantagen is the most advantageous to the Council and recommend for award.

Rationale

The execution of a professional service contract exceeding \$500,000 requires Council approval.

Thrive Lens Analysis

This item supports several Thrive Outcomes. Providing COBRA/Retiree Billing and Flexible Spending Account administration in a legally compliant and cost-effective manner supports the Thrive outcome of financial stewardship and sustainability. Stewardship and sustainability are furthered by providing these services at a sustainable cost over the next five years.

Funding

Funding for this service is included in the Human Resources budget.

Small Business Inclusion

The Office of Equity and Equal Opportunity (OEEO) thoroughly reviewed this procurement for Metropolitan Council Underutilized Business (MCUB) opportunities in accordance with federal and state laws and regulations as well as contract specifications. Upon conclusion of OEEO's research and analysis, no MCUB goal was set.

