



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Human Resources



**Date:** October 31, 2014  
**Board Meeting Date:** November 18, 2014  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Donna Vaillancourt, Human Resources Director  
Jay Castellano, Interim Benefits Manager

**Subject:** Agreement with TASC/Benesyst for Benefits Administration System

**RECOMMENDATION:**

Adopt a Resolution authorizing the Human Resources Director to execute a one-year agreement with Benesyst to provide a Benefits Administration System for the period of October 1, 2014, through December 31, 2015, in an amount not to exceed \$475,000

**BACKGROUND:**

In May 2010, the Board of Supervisors adopted a Resolution authorizing the Director of Human Resources to enter into an agreement with Benesyst (now TASC/Benesyst) to provide the County with a benefits administration system. This agreement was pursuant to a human resources information system (HRIS) needs assessment that determined the County's prior internal systems lacked adequate financial controls, integrations with other systems and dependent-eligibility monitoring.

The County's current implementation of the Workday HRIS, scheduled for full implementation in April 2015, includes a highly-functional benefits administration module that allows the County to bring benefits administration back in-house (i.e., County employees operating the Workday system rather than contractual services operating a proprietary HRIS system). The Workday solution addresses the needs assessment's concerns regarding financial controls, integrations and dependent-eligibility monitoring, and the in-house solution is less expensive than the TASC/Benesyst solution.

While Workday will replace TASC/Benesyst's functionality related to active employee benefits, TASC/Benesyst will retain the unique functionality related to retiree benefits, flexible spending accounts and COBRA administration. (These system functions do not exist in Workday.) Therefore, in April 2015:

- The County will transition active employee benefits administration from TASC/Benesyst to Workday, and
- TASC/Benesyst will retain administrative responsibilities related retiree benefits, flexible spending accounts and COBRA administration.

### **DISCUSSION:**

The Human Resources Department recommends that the contract with TASC/Benesyst be renewed as is (i.e., approximately \$45,000 per month, depending on the number of plan participants) through the April 2015 Workday implementation. This renewal ensures the continuation of benefits administration for active employees.

With this renewal, TASC/Benesyst will continue to provide the following through April 2015:

- An online tool for employees to enroll, review, and make changes to their benefits
- Integrated administration of active and retiree benefits
- Consolidated premium billing, reconciliation, and accounting of active and retiree benefit costs
- Annual benefit statements for employees and retirees, and
- Dependent verification and audit.

After the April 2015 Workday implementation, TASC/Benesyst's scope of services will be reduced (i.e., approximately \$20,000 per month, depending on the number of plan participants) to focus only on retiree benefits, flexible spending accounts and COBRA administration.

Given that the County's relationship with TASC/Benesyst has not been subjected to the competitive HRIS marketplace since 2010, the April 2015 Workday milestone represents an opportunity for Human Resources to conduct a competitive process for Benesysts' remaining scope of services. That competitive process should be completed in time to make any vendor changes, if necessary and appropriate, before next year's Open Enrollment period and implementation on January 1, 2016.

The Resolution contains the County's standard provision allowing amendment of the County's fiscal obligations by a maximum of \$25,000 (in aggregate).

Information Services Department has reviewed and approved this agreement.

The amendment and Resolution have been reviewed and approved by County Counsel as to form.

This Resolution supports the Shared Vision 2025 Prosperous Community by providing a Benefits Administration System that will continue administrative efficiency and help to manage the County's benefits.

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**FISCAL IMPACT:**

The agreement's total through December 2015 is projected to be \$475,000. There is no impact to the net County cost associated with this agreement as costs are fully covered by the Benefits Trust Fund. The current cost is \$5.23 per active employee and retiree per month and is guaranteed through December 2015.