



County of San Mateo

Inter-Departmental Correspondence

Department: HUMAN RESOURCES

File #: 20-683

Board Meeting Date: 9/15/2020

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Rocio Kiryczun, Human Resources Director
Kim Pearson, Benefits Manager

Subject: Agreement with Benefit Coordinators Corporation for Retiree Benefits, Flexible Spending Accounts, Health Savings Account and COBRA Administration

RECOMMENDATION:

Adopt a resolution authorizing waiver of the request for proposal process and execution of a three-year agreement with Benefit Coordinators Corporation for the provision of retiree benefits administration, flexible spending accounts administration, health savings account administration and COBRA administration for County employees, retirees and their dependents for the term of October 1, 2020 through December 31, 2023, in an amount not to exceed \$975,000 with a one-time option to extend the agreement for two years in an amount not to exceed \$300,000 per year.

BACKGROUND:

In April 2015, the County's Human Resources Department and Benefits Labor Committee unanimously selected the Benefit Coordinators Corporation to administer these benefit programs. The current contract with Benefit Coordinators Corporation will end 12/31/2020 but due to implementation timelines, the new contract will need to begin 10/01/2020.

Currently, our health savings account administration is under contract with Optum Bank and this contract expires on 12/31/2020.

DISCUSSION:

On April 6, 2020, the County's benefits broker, Alliant Insurance Services (Alliant), launched a Request for Information (RFI) process for flexible spending accounts (FSA), COBRA administration and health savings administration (HSA) on behalf of the County. Seven separate vendors responded, including Benefit Coordinators Corporation (BCC) (incumbent).

An RFI was performed in lieu of a formal Request for Proposals (RFP) based on our existing contract and our current relationship with BCC. The RFI revealed the cost to dislodge the incumbent software and install a new system would outweigh any annual cost savings from switching.

A review by the County's Benefits Labor Committee was conducted and unanimously identified BCC's proposal as the strongest proposal submitted based on the observations below. The recommendation of the committee was to retain BCC and move the health savings administration from Optum Bank to BCC.

Moving the health savings administration over to the BCC will provide the County with better tools, customer service, support and technology for employees enrolled in a health savings account.

The distinguishing strengths of BCC's proposal were its account management model and BCC's pricing with our retiree health administration will provide the County an annual savings of \$27,998 for all lines of business (\$318,013 versus \$290,015).

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

The agreement and resolution have been reviewed and approved by County Counsel as to form.

PERFORMANCE MEASURE(S):

Measure	Target	Revenue at Risk
Carrier Data Build Accuracy	>99%	1%
Rate Set Data Build Accuracy	>99%	1%
Initial Billing Line of Coverage Accuracy	>99%	1%
System Uptime: Amount of time system will be available	>99%	1%
Phone/Email Tickets- 24-Hour Response	>99%	1%

FISCAL IMPACT:

The agreement's total through December 31, 2023 is projected to be \$975,000. There is no impact to net County cost associated with this agreement as costs are fully covered by the Benefits Trust Fund.