



City of Olathe

COUNCIL AGENDA ITEM

MEETING DATE: 6/4/2019

DEPARTMENT: Resource Management

STAFF CONTACT: Dianna Wright

SUBJECT: Acceptance of proposal and consideration of award of contract to PlanSource for the City's benefit administration platform.

ITEM DESCRIPTION:

Acceptance of proposal and consideration of award of contract to PlanSource for the City's benefit administration platform.

SUMMARY:

In 2013 the City moved to a benefit administration platform that allowed employees to enroll in benefits via an online enrollment process versus a paper enrollment process.

The City's current benefit administration platform partner, Cigna Guided Solutions (CGS), advised City staff in February 2019 that they will be terminating their benefit administration product to all their employer clients effective December 31, 2019. This meant that the City would not be able to utilize CGS for open enrollment in October 2019 for the 2020 plan year. The City utilized CGS not only for health care benefit enrollment but as the benefit platform for enrollment in all benefits, both City provided and voluntary.

As a result, the City requested proposals from benefit administration platform vendors that had experience with other public sector clients, as well as relationships with the City's current carrier partners in order to implement a new platform for the City in time for the open enrollment for the 2020 plan year. The three proposals received were from BenTek, Businessolver and PlanSource. After reviewing the proposals and demonstrations from the three vendors, the City has selected PlanSource as the new benefit platform.

Plan Source can provide a platform for enrollment of new employees as well as the annual open enrollment for all health benefit plans and voluntary benefits thereby replacing the service of CGS. In addition, Plan Source can conduct the Affordable Care Act (ACA) monitoring and reporting, manage the Flexible Spending Accounts (FSA), and perform COBRA and Retiree health care billing thus eliminating the need and expense of several other vendors. The ability to combine all these functions with one provider will increase efficiency and accuracy. In addition, the consolidation of these services will reduce costs.

FINANCIAL IMPACT:

The PlanSource cost is approximately \$79,480 to provide a benefit enrollment platform, ACA monitoring and reporting, Flexible Spending Account (FSA) management, and COBRA and Retiree health care billing. The current cost for these services total \$83,0329. Awarding the contract to

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PlanSource will save approximately \$3,559 annually.

ACTION NEEDED:

Approve 3-year contract with PlanSource with an option for a two-year renewal.

ATTACHMENT(S):

Attachment A. PlanSource Proposal