



Request for City Council Committee Action from the Department of Human Resources

Date: August 3, 2012

To: Ways & Means / Budget Committee

Referral to: City Council

Subject: Administrative and Recordkeeping Services for Flexible Spending Account, Transportation and HRA/VEBA Plans

Recommendation: Authorize the proper City officials to enter into a contract with Fringe Benefits Management Company, a Division of Wage works, Inc., to provide administrative and recordkeeping services for the City of Minneapolis Minneflex Spending accounts, the City of Minneapolis Transportation Benefits Plan and the City of Minneapolis Health Reimbursement Arrangement Plan. Such contract is to be effective January 1, 2013 for a period of three years with an option to renew for up to an additional two years.

Previous Directives: On April 13, 2012, the City Council authorized the proper City officials to issue a request for proposal for administrative and recordkeeping services for the City of Minneapolis flexible spending account, transportation and health reimbursement arrangement (HRA/VEBA) plans.

Department Information

Prepared by: Joyce Traver

Approved by: _____

Timothy Giles
Interim Director, Human Resources

Paul W. Aasen
City Coordinator

Presenters in Committee: Joyce Traver

Financial Impact - Action is within the Business Plan

Supporting Information

The Request for Administrative and Recordkeeping Services for Flexible Spending Account, Transportation and HRA/VEBA Plans was released on April 20, 2012. Proposals were received by three vendors. The proposals were evaluated by the City of Minneapolis with assistance from David Martin Agency based on criteria established by the City and the Benefits Sub-Committee of the Citywide Labor Management Committee. The decision to select Fringe Benefits Management Company was based on the following key factors:

- Experience in providing administrative and recordkeeping services for large public sector plans including funded HRAs
- Technical capabilities, educational services and commitment to provide quality customer service
- Competitive fees including a three-year rate guarantee and performance guarantees tied to timeliness, accuracy and participant satisfaction