



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

Date: December 8, 2003

To: Ways and Means/Budget Committee

Prepared by: Thomas Tiedemann, Director Enterprise Services Division

Approved by _____
Pamela French Interim HR Director
John Moir, City Coordinator

Subject: Minneflex Administration Contract

Presenters in Committee: Thomas Tiedemann, Director Enterprise Services Division

Recommendation: Authorization for the proper City Officials to enter into a contract with ARC, Administration Resources Corporation for Minneflex administration for the period of January 1, 2004 through December 31, 2006

Financial Impact (Check those that apply)

No financial impact or Action is within current budget.

- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):

Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information -

The VEBA, COBRA, and Minneflex Administration were part of the questionnaire section of the Healthcare Insurance RFP which was sent out June 11, 2003. As a result of the responses to the Healthcare Insurance RFP the Healthcare Sub-Committee of the Citywide LMC proceeded with a redesign of the Healthcare Insurance plans for the City. Any material change to the employees benefits requires the City to negotiate with the representative bargaining units. As a result of the negotiations the creation of a VEBA or Voluntary Employee Beneficiary Association was created.

The authority to release an RFP for VEBA, COBRA, and Minneflex administration was brought forward to the Ways & Means Committee. The City received three responses and selected ARC, Administration Resources Corporation as the most responsible bidder.