



City of Grand Island

Tuesday, November 22, 2005

Council Session

Item G4

#2005-325 - Approving Services Contract for Section 125 Cafeteria Plan

Staff Contact: Brenda Sutherland

Council Agenda Memo

From: Brenda Sutherland, Human Resources Director
Meeting: November 22, 2005
Subject: Section 125 Cafeteria Plan Contract
Item #'s: G-4
Presenter(s): Brenda Sutherland, Human Resources Director

Background

The City has provided a section 125 cafeteria plan for its employees for the past seven years. The service provider for the plan has been McDermott & Miller. Administration finds it to be a responsible practice to shop its benefit vendors at regular intervals to insure that we are getting the best product or service at the best possible price. The City went out for an RFP during the month of October, 2005 asking for proposals from vendors for the City's cafeteria plan.

Discussion

The city interviewed three vendors as finalists and made the decision to choose ProcessWorks, Inc. from Brookfield, Wisconsin as the vendor to provide service. The account will have a service representative in Omaha, Nebraska. The three finalists all provided an excellent benefit with a cost savings to the City. ProcessWorks showed the ability to deliver the most sophisticated level of service to our employees with the shortest turnaround time resulting in employees receiving reimbursements on a more timely basis. The City is able to increase the level of service and benefit with no increase in cost.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the contract with ProcessWorks, Inc. to become the service provider for the City's cafeteria plan.

Sample Motion

Motion to approve ProcessWorks as the service provider for the City's cafeteria plan.



Dale M. Shotkoski, Assistant City Attorney

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Better Tomorrow, Today*

**REQUEST FOR PROPOSAL
FOR
SECTION 125 CAFETERIA PLAN**

RFP DUE DATE: October 28, 2005 at 4:00 p.m.
DEPARTMENT: Human Resources
PUBLICATION DATE: October 5, 2005
NO. POTENTIAL BIDDERS: 15

SUMMARY OF PROPOSALS RECEIVED

**Shonsey, Almquist, Maltzahn,
Galloway, Placke & Luth, P.C.**
Grand Island, NE

Regional Care Inc.
Scottsbluff, NE

McDermott & Miller
Grand Island, NE

ProcessWorks, Inc.
Brookfield, WI

PayFlex
Omaha, NE

Application Software, Inc.
Columbia, MO

North Central Marketing, Inc.
Grand Island, NE

Aetna
Richmond, KY

cc: Brenda Sutherland, Human Resources Director Gary Greer, City Administrator
David Springer, Finance Director Dale Shotkoski, Purchasing Agent
Laura Berthelsen, Legal Assistant

RESOLUTION 2005-325

WHEREAS, the City of Grand Island invited proposals for TPA Services to Assist in Administration of a Section 125 Cafeteria Plan in accordance with a Request for Proposal on file with the Human Resources Department; and

WHEREAS, proposals were due on October 28, 2005; and

WHEREAS, proposals were received, reviewed and evaluated in accordance with established criteria; and

WHEREAS, ProcessWorks, Inc. of Brookfield, Wisconsin, submitted a proposal in accordance with the terms of the request for proposals and all statutory requirements contained therein and the City Procurement Code, such proposal being in the amount of \$4.00 per participant per month with an initial setup fee of \$500 and an annual service fee of \$400 for the term of the four-year contract.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the proposal of ProcessWorks, Inc. of Brookfield, Wisconsin, is hereby approved for TPA services to assist in the administration of a Section 125 Cafeteria Plan in the amount of \$4.00 per participant per month with an initial setup fee of \$500 and an annual service fee of \$400 for the term of the four-year contract.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute an agreement for such services on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, November 22, 2005.

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
November 17, 2005	☐ City Attorney