



STAFF REPORT

DATE: July 7, 2020

TO: Kent Cagle, City Manager

FROM: Eva Bark, Executive Director of Human Resources

SUBJECT: **PROFESSIONAL SERVICES AGREEMENT WITH WEB BENEFITS DESIGN FOR THE ADMINISTRATION OF EMPLOYEE BENEFITS ONLINE ENROLLMENT AND COBRA**

BACKGROUND AND FINDINGS:

Since July 2014, the City of Killeen has worked with Web Benefits Design for the administration of employee benefits online enrollment and COBRA. In 2016, the City of Killeen added a service offered by Web Benefits Design for the administration of the Affordable Care Act and Compliance (ACA) Services of 1094-C and 1095-C Forms. Web Benefits Design currently stores the City employees' benefit elections and COBRA administration, and has access to information needed to administer the filing of Form 1094-C and 1095-C.

In November 2019, the City entered into an agreement with Web Benefit Design to provide ACA services in the amount of \$13,252. The estimated cost of the agreement to provide employee benefits online enrollment and COBRA is \$48,198. Maintaining administration of employee benefits online enrollment, COBRA administration, and ACA reporting with Web Benefit Designs must have council approval as the cost of the combined services is estimated to be \$61,450.

THE ALTERNATIVES CONSIDERED:

Alternatives considered:

- (1) To not consider Web Benefits Design to provide employee benefits administration.
- (2) To consider Web Benefits Design to provide employee benefits administration.

Which alternative is recommended? Why?

Staff recommends the second alternative, to consider Web Benefits Design to provide employee benefits administration that includes ACA reporting, employee benefits online enrollment and COBRA administration because an online enrollment service is more effective than processing enrollment manually.

CONFORMITY TO CITY POLICY:

Yes.

FINANCIAL IMPACT:

Funding for this service is budgeted in the Human Resources budget and the financial impact is as follows: FY 20: \$22,035 and FY21: \$39,415.

What is the amount of the expenditure in the current fiscal year? For future years?

FY 20: \$22,035

FY 21: \$39,415

Is this a one-time or recurring expenditure?

Reoccurs annually.

Is this expenditure budgeted?

Yes.

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes, in account 010-2305-418.4701.

RECOMMENDATION:

That City Council authorize Web Benefits Design to provide employee benefits administration in an amount not to exceed \$61,450, and that the City Manager or designee be authorized to execute any change orders as permitted by state and local law.

DEPARTMENTAL CLEARANCES:

Finance

Legal

ATTACHED SUPPORTING DOCUMENTS:

Agreement

Certificate of Interested Parties