



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: Human Resources

To: City Council

From: City Manager & Staff

Council Meeting Date: June 6, 2016

Re: Contract extension for CBIZ Benefit and Insurance Services, Inc. consulting services

Executive Summary

The resolution would extend the City's contract with CBIZ Benefit and Insurance Services, Inc. for employee benefit consulting services until December 31, 2018. CBIZ has agreed not to increase fees during the extension period.

Discussion

CBIZ Benefit and Insurance Services, Inc. provides benefit consulting services to the City of Columbia. The original contract was awarded after a competitive bid process through the Purchasing Division, June 1, 2010. City Council approved an extension to the contract on November 17, 2014, through December 31, 2016, for continuity of services needed during implementation of the Affordable Care Act (ACA) tracking requirements in 2014-2015 and the ACA IRS reporting requirements beginning with tax year 2015. HR staff was also participating in the January 1, 2016 implementation of the HR/payroll module of the MUNIS software program at the same time.

The Human Resources Department now requests to extend the renewal term to December 31, 2018 for continuity of services:

- CBIZ's industry expertise, knowledge of City benefits programs and the Employee Benefit Fund's historical financial performance, and established vendor relationships is extremely valuable to staff. This will be particularly important to the City over the next 18-24 months because all benefit lines will be placed for bid in early 2017 for a January 1, 2018 implementation. The services to be bid include Third Party Administration for medical, prescription drug and dental coverage, stop loss insurance for the Employee Benefit Fund medical and prescription drug plans, life insurance and AD&D, long term disability insurance, Medicare supplement plan, voluntary vision benefits, voluntary critical illness and accident benefits, FMLA administration and COBRA administration. CBIZ has the historical knowledge and data on current city plans. CBIZ will help develop the scope of work for all of these services/products, will provide assistance to the City in the evaluation of all bid responses and with vendor negotiations, and will assist in implementation of all new services for January 1, 2018.

- The City utilized CBIZ's software solution for tax year 2015 reporting to employees of insurance benefits provided by the City required by the ACA. Continuity in tracking and reporting in the same system for tax year 2016 is important. The City will not have access to that system for tax year 2016 reporting if the contract is not extended. The City is not prepared to use this reporting function in the new MUNIS system until tax year 2017 at the earliest.



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- HR staff will be involved in the implementation of several additional modules in the MUNIS system in 2016 and 2017, in addition to the projects listed above. Staff capacity continues to be an issue because of ACA requirements and the city COFERS software implementation projects.

-CBIZ's performance has been excellent.

CBIZ will not increase consulting fees during this extension period.

Fiscal Impact

Short-Term Impact: None

Long-Term Impact: None

Vision & Strategic Plan Impact

Vision Impacts:

Primary Impact: Governance & Decision Making, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Strategic Plan Impacts:

Primary Impact: Operational Excellence, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Comprehensive Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Legislative History

Date	Action
11/17/2014	R 213-14 adopted by Council. Extended contract originally awarded June 2, 2010, set to expire May 31, 2015, to December 31, 2016.

Suggested Council Action

Adopt this resolution.