

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> May 20, 2013
	<b>Agenda Item No.</b> 41 <b>Roll Call No.</b> <u>13-812</u> <b>Communication No.</b> <u>13-266</u> <b>Submitted by:</b> <b>James R. Wells,</b> <b>Human Resources</b> <b>Director</b>

**AGENDA HEADING:**

Approve administrative services only agreement with Wellmark Blue Cross and Blue Shield of Iowa, John Forsyth, CEO, 1331 Grand Avenue, Des Moines, Iowa 50309, to provide claims administration for employee Flexible Spending Accounts (FSA) and Health Reimbursement Accounts (HRA) for period July 1, 2013 through December 31, 2013.

**SYNOPSIS:**

Approve agreement with Wellmark for administration of employee flexible spending and health reimbursement accounts for six (6) month period beginning July 1, 2013 through December 31, 2013 to align contract term with benefit year. Competitive bids for these services will be conducted for a new agreement with a January 1, 2014 effective date.

**FISCAL IMPACT:**

Amount: \$3,200 per month (\$4.40 per employee per month)

Funding Source: Flexible Spending Account, AG217, HRS963100

**ADDITIONAL INFORMATION:**

The City provides its employees the opportunity to defer salary into a FSA for the purpose of paying qualified medical expenses and/or dependent day care costs with pre-tax dollars. Employees covered by the Central Iowa Public Employees Council (CIPEC) bargaining unit receive City contributions into a health reimbursement account (HRA). Approximately 720 employees participate in one of these accounts.

Wellmark has administered these accounts since 2006. Bids for flex administration were taken in November of 2012 and Wellmark was selected to administer the FSA and HRA accounts for FY 2013. The benefit year for flexible spending accounts is January through December. The logical time to bid for this benefit and make changes, if required, is January 1st.

A waiver to the competitive bid process is allowed when good cause is shown. The agreement with Wellmark will be extended for six (6) months and then competitively bid for a new contract effective January 1, 2014. This will align the contract term with the benefit year and notice of any administrator change can be provided with the FSA open enrollment packets.

**PREVIOUS COUNCIL ACTION(S): NONE**

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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