



Metropolitan Water Reclamation District of Greater Chicago

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Legislation Details (With Text)

File #: 18-0723 **Version:** 1
Type: Agenda Item **Status:** Adopted
File created: 7/9/2018 **In control:** Procurement Committee
On agenda: 7/12/2018 **Final action:** 7/12/2018
Title: Issue purchase order and enter into an agreement for Contract 17-RFP-37 Employee Benefits Software with Benefitfocus.com, Inc. in an amount not to exceed \$490,000.00, Account 201-50000-634820 and 101-27000-612820, Requisition 1472784

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
7/12/2018	1	Board of Commissioners	Approved	Pass
7/12/2018	1	Committee of the Whole	Recommended	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF JULY 12, 2018

COMMITTEE ON PROCUREMENT

Mr. John P. Murray, Acting Executive Director

Issue purchase order and enter into an agreement for Contract 17-RFP-37 Employee Benefits Software with Benefitfocus.com, Inc. in an amount not to exceed \$490,000.00, Account 201-50000-634820 and 101-27000-612820, Requisition 1472784

Dear Sir:

Authorization is requested to issue a purchase order and enter into an agreement with Benefitfocus.com, Inc. (Benefitfocus) to provide a comprehensive employee benefits platform including an employee portal to the District's approximately 1,900 employees for a five-year period.

On September 27, 2017, Request for Proposal 17-RFP-37 Employee Benefits Software was publicly advertised. Four hundred and sixty-four (464) firms were notified and twenty-seven (27) requested proposal documents. On October 27, 2017, the District received four (4) responsive proposals from the following vendors: ADP, LLC; Benefitfocus; Businessolver.com, Inc.; and Senryo, Inc. dba Senryo Technologies.

The proposals were evaluated by staff from the Human Resources Department, Information Technology Department and the Procurement and Materials Management Department. The criteria for these evaluations were outlined in Request for Proposal 17-RFP-37 and included: understanding of the project; prior experience; approach to the work; technical competence; financial stability; compliance with insurance requirements; possession of appropriate licenses/permits; and cost.

Following the preliminary evaluation of proposals, excluding cost, three (3) proposers were deemed to be finalists and were invited to interviews, which included a software demonstration, conducted December 7, 2017 and December 8, 2017. On December 13, 2017, a solicitation was sent to each of the three finalists that

participated in the interviews requesting an unqualified “best and final” offer. The “best and final” offers were returned to the Director of Procurement and Materials Management on December 20, 2017.

Based on the evaluation of proposals and interviews, it is recommended that a purchase order be awarded to Benefitfocus. Benefitfocus received the highest technical score among the proposers. It is the largest employee benefits software provider with over 25 million users across more than 900 clients and insurers. The Benefitfocus platform is a cloud-based solution that provides employees with a highly intuitive benefits portal for selecting and managing all of their benefits in one place via the web or a fully-functional mobile app. The platform utilizes a guided shopping experience for employee benefits. It includes a suite of cost estimating and decision-support tools to assist employees in making benefits selections based on their individual needs. The platform includes a library of 350 videos on topics such as benefits, health and wellness, productivity and health care reform to help employees understand benefits terminology and basic concepts. These videos are embedded throughout the platform at decision-making points to assist employees in making an informed decision about their benefits elections. The platform also allows employees to select their preferred method of communication, whether that be mail, phone, email (work or personal) or text message. This will improve employee engagement and help the District communicate more effectively with employees regarding benefits programs.

On the administrative side, the Benefitfocus platform allows for all benefits elections and changes, as well as required employee acknowledgments, to be made electronically eliminating the need for paper enrollment forms. It also eliminates the need for data entry of benefits changes made via paper forms, mitigating the risk of errors and reducing staff time. The platform offers a robust set of standard reports to assist staff in monitoring enrollment and election changes. Standard reporting includes a premium summary report and a premium detail report which can be used to assist in the reconciliation of the monthly invoice from the insurance carrier. The communications center allows the District to set up event-based communications to employees regarding required documents, life events, enrollment issues, etc. as well as scheduled communication pieces to market new programs or announce upcoming events such as open enrollment. The new platform also includes an end-to-end COBRA solution that will eliminate the need to manage this time consuming process in-house. Finally, the platform will manage the Affordable Care Act reporting requirements (1095-C forms) that are currently handled manually by internal staff.

The employee benefits platform will become the system of record for all employee benefits transactions and will manage the exchange of data with each of the District insurance carriers. Benefitfocus has existing integration with 1,500 different insurance carriers and benefits providers including those used by the District, eliminating the need for additional development time and costs associated with the development of new file specifications. Benefitfocus will build integration with any new carrier or benefits provider the District engages during the contract, if no integration currently exists, at no additional cost. Finally, Benefitfocus serves as the benefits module for SAP clients using the cloud version of the SAP system. This experience with SAP should simplify the process for integrating the payroll file produced by the benefits system with the District’s existing SAP payroll module. In addition to the benefits listed above, Benefitfocus also offers the most cost effective program providing its platform at a significantly lower cost than the other responsive bidders.

The Diversity Section reviewed the request for proposal and concluded that Appendix A would not be applicable since the contract consists primarily of software maintenance fees which do not provide practical or cost effective opportunities for direct or indirect subcontracting.

In view of the foregoing, it is requested that the Director of Procurement and Materials Management be authorized to award a contract to Benefitfocus in the amount of \$490,000.00. The estimated expenditures are \$45,000.00 in 2018, \$85,000.00 in 2019, \$85,000.00 in 2020, \$90,000.00 in 2021, \$90,000.00 in 2022, and \$95,000.00 in 2023. Funds are available in Account 201-50000-634820 for 2018. Funds for 2019, 2020, 2021, 2022 and 2023 are contingent on the Board of Commissioners’ approval of the District’s budget for those years.

Recommended, Beverly K. Sanders, Director of Human Resources
Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management
Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement
Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for July 12, 2018