



# Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street  
Chicago, IL 60611

## Legislation Details (With Text)

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**Title:** Authorization to amend agreement with Benefitfocus.com, Inc. for Contract 17-RFP-37 Employee Benefits Software, Account 201-50000-634820 and 101-27000-612820, Purchase Order 3102494

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**Indexes:**

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**Attachments:**

Date	Ver.	Action By	Action	Result
9/1/2022	1	Board of Commissioners	Approved	Pass

### TRANSMITTAL LETTER FOR BOARD MEETING OF SEPTEMBER 1, 2022

#### COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Authorization to amend agreement with Benefitfocus.com, Inc. for Contract 17-RFP-37 Employee Benefits Software, Account 201-50000-634820 and 101-27000-612820, Purchase Order 3102494

Dear Sir:

On July 12, 2018, the Board of Commissioners authorized the Director of Procurement and Materials Management 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 employees for a five-year period in an amount not to exceed \$490,000.00. The current value of the contract is \$476,467.35.

The current agreement with Benefitfocus related to implementation details, ongoing software services details, and billing terms that had an initial subscription term of three years. The agreement expired July 8, 2022. The agreement contained a CPI escalation to the unit cost for annual maintenance that was not disclosed in previous transmittal letters to the Board due to an oversight. This CPI escalation has resulted in a total increase in the unit cost of 3.88% through year three of the agreement. This amendment is requested to extend the agreement through July 7, 2023 under the current contract terms. The District will be seeking to renegotiate the terms for the final year of the contract scheduled to begin July 8, 2023. If favorable terms cannot be reached, the District will terminate the contract and issue a request for proposal to solicit new bids for the benefits portal. The amendment does not change the scope of services to be provided. It should be noted that Benefitfocus is a sole source provider of the Benefitfocus Marketplace platform.

There are three components to the vendor payments: software maintenance fee, COBRA administration service fees, and Affordable Care Act (ACA) reporting service fees. The software maintenance fee and ACA fees are annual one-time payments, while the COBRA payments are processed monthly. The monthly COBRA payments will require an extension of the length of the agreement, as stated above, through July 7, 2023.

This change order is in compliance with the Illinois Criminal Code since the change is due to circumstances not reasonably foreseeable at the time the contract was signed and is in the best interest of the District.

The Diversity Section 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 hereby recommended that the Board of Commissioners authorize the Director of Procurement and Materials Management to amend the agreement for Contract 17-RFP-37.

No additional funds are being requested at this time.

Requested, Beverly K. Sanders, Director of Human Resources, BKS:JEF

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 September 1, 2022