

Meeting Date
May 26, 2016



AGENDA	
Section	CONSENT
Item No.	II C 2

**AGENDA REPORT**  
*BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS*

SUBJECT:	<b>Permission to Terminate Current On-Line Benefits Enrollment System Vendor Contract with FBMC Benefits Management if current problems are not rectified; and to Negotiate Contract with Second Place Vendor, CBIZ</b>
DEPT/OFFICE:	<b>Human Resources Department, Risk Management</b>

Requested Action:

The Human Resources Department requests that the Board approve terminating the current County's Group Health Insurance program automated enrollment system vendor contract with FBMC Benefits Management, exercising Section 5.8) Termination of Agreement provisions of their contract, if current problems are not rectified by May 26, 2016. Staff further requests that the Board allow the Human Resources Director, County Manager or his designee to negotiate with the second place vendor, CBIZ, and authorize the Human Resources Director to execute the agreement if the FBMC contract is cancelled.

Summary Explanation & Background:

The County solicited proposals for an On-Line Benefits Enrollment System, Proposal # P-3-15-12 in May 2015. CBIZ, Inc. was the number 1 ranked proposer by the Selection Committee; however, they were not eligible for the Local Preferences points assigned during the RFP process and moved to second place in the ranking. FBMC was then made the number 1 selection and awarded the contract to provide Automated Open Enrollment/Benefits Administration Systems services to be effective in time for the October 2015 annual benefits enrollment period. FBMC implementation began immediately.

By August 2015 it became clear that FBMC would not be in position to implement its system in time for the October enrollment period, as a result the incumbent providers contract remained in force throughout the remainder of 2015 and FBMC's contract would be made effective January 1, 2016. System implementation began again at that time.

Per the requirements set forth in the RFP, ADHOC reporting, that is the ability to query the FBMC data base for customized reports by the County, would be made available. FBMC does not have the ability to provide the County with this level of access despite acknowledging their ability to do so in the RFP response provided. As an alternative, FBMC has been given all the reports currently utilized by the County that are needed for administration of the Group Health Plan. FBMC cannot confirm if they can provide these reports or if there will be an additional cost for those reports.

The RFP required that County HR be able to see all plan data from all participating employer entities. The HR team was advised on 04/18/2016 that the system would allow for this functionality. To date this functionality has not been provided to the BOCC team.

Carrier Data Files and Weekly Change Files are required. The "go live" date for active employees was not provided until 3/28/2016, to date the weekly change files for the County's payroll system have not been correct. This is critical to both the integrity of employee's information as well as the functionality of the system. Transmission of retiree data would not be attempted until employee data was provided without error. To date no retiree data has been transmitted.

continued

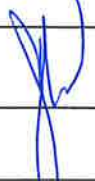


In accordance with the FBMC Service Agreement, if the contractor fails to properly perform the conditions of the contract and does not rectify the problems within ten (10) calendar days, the County may immediately cancel the contract by advising the contractor in writing. After several months of effort by County Staff and the County's Benefits Consultant, working with the FBMC team on an almost daily basis, it appears that FBMC will not be able to provide the services required by the County in the administration of its group health insurance program. Therefore, The Office of Human Resource, Employee Benefits is requesting the Board authorize termination of the agreement with FBMC and allow the Human Resources Director and County Manager or designee to negotiate an agreement with CBIZ, the second place firm, for automated benefits enrollment system services.

**Fiscal Impact FY 15/16 Project costs for new system**

FBMC service costs for plan year 2016 through 2020 are \$93,493 per year; \$467,465 over the term of the contract. CBIZ proposed costs for plan year 2016 through 2020 are \$78,786 per year, \$393,930 over the term of the contracts. CBIZ has indicated a willingness to adhere to these proposals should a new agreement with them be authorized, this would result in a plan savings of \$14,707/yr., \$73,535 over the term of the agreement.

Clerk to the Board Instructions:

Exhibits Attached: N/A

<b>Contract /Agreement (If attached):</b>		<b>Reviewed by County Attorney</b>	<b>Yes</b>	<input type="checkbox"/>	<b>No</b>	<input type="checkbox"/>	<b>PR</b>	<input type="checkbox"/>
County Manager		Assistant County Manager, Frank Abbate		Department Director / Extension				
Stockton Whitten		Assistant County Manager, Venetta Valdengo		Jerry Visco, Human Resources				



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May 27, 2016

MEMORANDUM

TO: Jerry Visco, Human Resources Director

RE: Item II.C.2., Approval for Permission to Terminate Current On-Line Benefits Enrollment System Vendor Contract with FBMC Benefits Management if Current Problems are not Rectified, and Negotiate Contract with Second Place Vendor, CBIZ

The Board of Commissioners, in regular session on May 26, 2016, granted permission to terminate the current County's Group Health Insurance Program automated enrollment system vendor contract with FBMC Benefits Management, exercising Section 5.8, Termination of Agreement provisions of their contract, if current problems are not rectified by May 26, 2016; directed you, the County Manager, or a designee to negotiate with the second place vendor, CBIZ; and authorized you to execute the agreement if the FBMC contract is cancelled.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS  
SCOTT ELLIS, CLERK

Tammy Rowe, Deputy Clerk

/kp

cc: Finance  
Budget