



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Plans and Specifications and Advertisements for Bids for Flexible Spending Account (IRS Section 125 Plan).

MEETING DATE: September 15, 1993

PREPARED BY: Joanne Narloch, Personnel Director

RECOMMENDED ACTION: That the City Council approve the plans and specifications for administration of the Flexible Spending Account and authorize advertising for bids.

BACKGROUND INFORMATION: In 1991, the City evaluated the merits of offering a Flexible Spending Account to employees. Under a flexible benefit plan, employees are eligible to elect to pay for benefits normally payed for with taxed dollars on a pre-taxed basis. These benefits include reimbursement for unreimbursed medical care, dependent care, and certain insurance premium expenses. Because of the shift to employees paying a share of cost of medical insurance and the number of employees with child care expenses, it was determined that this plan would benefit City of Lodi employees.

A request for proposal was advertised in 1991 and Delta Benefit Plans was selected as the administrator. On September 7, 1993 a letter was received from Delta Benefit Plans advising the City of Lodi that they have decided to discontinue administering Flexible Spending Account plans effective January 1, 1994.

Because we will no longer have an administrator, we are requesting an authorization to advertise for bids to provide this service.

The cost of administration for this plan is borne by the city and is approximately \$2,100.00 per year.

FUNDING: Currently appropriated.

Joanne M. Narloch
Joanne M. Narloch
Personnel Director

JMN:lra

CC93057/TXTA.04P

APPROVED: *Thomas A. Peterson*

THOMAS A. PETERSON
City Manager

recycled paper

September 15, 1993

CITY OF LODI
REQUEST FOR PROPOSAL

Flexible Spending Account

I. COVER PAGE

The city of Lodi is requesting written proposals to administer a flexible spending account (Section 125 Plan). The firm selected will be expected to commence services to implement a flexible spending account to be effective January 1, 1994. Prospective suppliers are to provide specific information in the spaces below and attach this sheet to the front of the proposal as a cover sheet.

1. Cost for administration of plan \$ _____
Cost for any additional services \$ _____
2. Name of Firm: _____
Address of Firm: _____
Contact Representative: _____ Phone: _____

I hereby certify that the above price quotation and attached written proposal represents an authorized offer on behalf of my firm/company, and that I have read and understand all of the bid specifications set forth by the City of Lodi in their Request for Proposal.

By: _____ Title: _____

Date: _____

Please Submit Your Proposal To: The City of Lodi
Joanne Narloch
Personnel Director
P.O. Box 3006
Lodi, CA 95241-1910

II. CONTENT

Your proposal should be a clear and concise statement which addresses the following areas of concern:

1. Developing a plan which includes all benefits legally possible and preparing the necessary documentation.
2. Meeting with employees to orient them to the plan and provide informational materials which explain the plan in an easily understood manner.
3. Meeting with individual employees to determine their specific benefit needs.
4. Training City employees who provide accounting or benefit support to the plan as appropriate.
5. Administering the plan and providing all appropriate records and reports required by the IRS. Administration should provide for payment of claims, including writing of checks and banking of funds.

It should also contain:

1. Resume(s) for the principal employee(s) who will work on the evaluation.
2. Client references.
3. A budget proposal.

III. FINANCIAL STATEMENT

A general financial statement of your firm showing your financial status, solvency, and history of ownership.

IV. SUBMITTAL OF PROPOSALS

Please submit three (3) copies of your proposal and other information for providing the services outlined herein to the City of Lodi, Personnel Department no later than 5:00 p.m. on October 8, 1993 at the address shown on the cover page.

FAX submittals WILL NOT be accepted.

The City assumes no responsibility for costs incurred in the preparation and presentation of this proposal.

V. AVAILABILITY FOR INTERVIEWS

The firm proposals selected as finalists for consideration may be invited to attend interviews in Lodi. It shall be understood that the City of Lodi will not be obligated to pay for the firm's expenses to attend such interviews. The tentative date for interviews is October 22, 1993.

VI. AWARD OF A CONTRACT

Proposals shall be considered using the following criteria:

1. The degree that each proposal complies with the specification herein.
2. Qualifications and competency of the firm and their staff.
3. The cost and anticipated benefits shown in the proposals.
4. Your firm's specific experience with similar work.
5. Client references.
6. Other criteria deemed necessary by the City.

The City of Lodi is not required to select the proposal that may indicate the lowest price or cost. The City may reject all proposals when, in its opinion, none of them meet the requirements or specifications of this request for proposal, the benefits derived will be less than anticipated or desired, or the rejection in the best interest of the City. If all proposals are rejected, the City may or may not request additional proposals.

END: City of Lodi
Request for Proposal
Flexible Spending Account