



**CITY OF FORT LAUDERDALE**  
**City Commission Agenda Memo**  
**REGULAR MEETING**

**#15-1244**

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**TO:** Honorable Mayor & Members of the  
Fort Lauderdale City Commission

**FROM:** Lee R. Feldman, ICMA-CM, City Manager

**DATE:** October 6, 2015

**TITLE:** Motion to Approve Voluntary Benefits Administration – FBMC Benefits  
Management, Inc. (FBMC)

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**Recommendation**

It is recommended that the City Commission award a 39 month contract, in substantially the form attached, for voluntary benefits administration with FBMC and authorize the City Manager to approve successive three year terms providing both parties agree to the renewal.

**Background**

The City has offered employees the opportunity to purchase supplemental insurance products on a payroll deduction basis for many years. The City currently administers nineteen different voluntary payroll deduction insurance policies with various benefits. Based on the type of product, employees can choose deductions to be made on a pre-tax or post-tax basis. There are approximately 2,798 policies whose premiums are currently being payroll deducted. These plans are underwritten by AFLAC, Allstate, Colonial, and US Legal. Some of these plans have been in place for a number of years and new options have been added to the menu for various reasons. The administration of all of these policies is extremely time consuming and places a significant burden on the Benefits and Information Technology staff.

In addition to the administration issues, communication of the available benefits has become more complex given the number of options, some of which are outdated and uncompetitive as compared to newer products now available in the market. As a first step toward making the voluntary benefit plan administration more efficient, new enrollment in most of the voluntary plans was discontinued as of January 2015. This action was taken to allow time for the preparation and publication of an RFP for a Voluntary Benefit Administrator.

A new business model for offering competitive voluntary benefits is now available. This model uses a Voluntary Benefit Administrator. In addition to performing the administration and reconciliation billing functions necessary, a licensed Administrator also serves as a licensed insurance agency and is responsible for recommending to the

City “Best in Market” voluntary products. The Administrator also coordinates the enrollment process, offering online information and trained enrollment counselors to meet with employees and discuss all of the benefit options available.

The City requested a broad selection of voluntary benefits in the RFP and after evaluating the response of the selected vendor, staff chose not to elect the voluntary vision proposal (Exhibit D in the response to the RFP) and is electing to keep the current contracted vendor, United Healthcare.

In addition, the RFP required the responding vendors to submit an SSAE 16, SOC 2, Type 1 Report with their proposal. None of the responding vendors met this requirement, however, the selected vendor agreed to have their subcontractor, Selerix, handling the billing/reconciliation administration services, complete this requirement by April 5, 2016, as they were currently in the process of obtaining the report.

The background of the solicitation process includes the following:

- July 1, 2015 – Request for Proposal (RFP) 555-11633 was issued for voluntary benefits administration.
- July 29, 2015 – The RFP closed with a total of four firms submitting proposals including:
  - Metropolitan Life Insurance Company (MetLife)
  - American Fidelity Assurance Company
  - FBMC
  - Combined Insurance Company of America (Combined)
- August 20, 2015 – The evaluation committee consisting of John Gaskins, Jr., Insurance Benefits Specialist; Hazel Grace-Dansoh, Retired Employee Benefits Manager and Joe Piechura, Vice President, Gateway-Acentria Insurance (voting members) met with AnnDebra Diaz, Interim Senior Procurement Specialist, Guy Hine, Risk Manager and Lloyd Rhodes, Insurance Benefits Consultant (non-voting members) to evaluate the proposals and rank the firms according to the evaluation criteria. Including all evaluation criteria, the final tabulation ranked FBMC number one as shown in the table below.

		MetLife	American Fidelity	FBMC	Combined
Evaluation Criteria	Weight	Rank	Rank	Rank	Rank
Ability to provide communication, enrollment	20%	2	3	1	4
Overall competitiveness of products	20%	2	3	1	4
Improved benefit communications, efficient collection, transfer of data	20%	2	3	1	4

Comprehensiveness of performance agreement	20%	2	3	1	4
Past performance, history of business, references	20%	2	3	1	4
Overall Ranking		2	3	1	4

The responses to the RFP, including that of FBMC, are available for your review upon request.

### **Resource Impact**

There is no fiscal impact associated with this action.

### **Strategic Connections**

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- Goal 12: Be a leading government organization, managing our resources wisely and sustainably.
- Objective 1: Ensure sound fiscal management.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are United*.

### **Attachments**

Exhibit 1 – Final Rankings

Exhibit 2 – Agreement

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Prepared by: Guy Hine, Risk Manager

Department Director: Averill L. Dorsett, Human Resources Director