

Office of the Superintendent of Schools  
MONTGOMERY COUNTY PUBLIC SCHOOLS  
Rockville, Maryland

July 14, 2020

MEMORANDUM

To: Members of the Board of Education  
From: Jack R. Smith, Superintendent of Schools  
Subject: Contract Award—RFP No. 4914.3, COBRA/Direct Billing/FSA/HSA

On February 5, 2020, three Montgomery County agencies—Montgomery County Public Schools (MCPS), the Maryland-National Capital Park and Planning Commission, and the Washington Suburban Sanitary Commission—jointly issued Request for Proposal No. 4914.3, COBRA/Direct Billing/FSA/HSA, soliciting proposals for administration of Flexible Spending Accounts (FSAs) and COBRA (*Consolidated Omnibus Budget Reconciliation Act of 1985*) and Direct Billing Health Savings Account plans. The goal of this joint procurement effort was to select plan administrators that could meet each agency's plan design requirements at a competitive cost to the agencies while offering proactive cost management strategies.

Requests for Proposals were forwarded to 12 vendors, and 8 companies submitted proposals. Aon Consulting and representatives from the three County agencies evaluated each proposal based on evaluation criteria developed by the agencies, on pricing, performance guarantees, and specific contractual commitments.

MCPS benefit plans offer FSAs and COBRA plans to employees. The other services will be utilized by the County agencies.

Benefit Strategies, LLC, offered a responsive, responsible, and cost efficient proposal resulting in uninterrupted operations. Annualized administrative savings of the proposal will be approximately \$26,000 for MCPS.

WHEREAS, The Board of Education, by Resolution 563-58, established in 1958 an employee benefit plan to provide life and health insurance to eligible employees; and

WHEREAS, The Board of Education expanded the Employee Benefit Plan by Resolution 448-72, Resolution 457-72, and Resolution 43-76 to include dental coverage, vision coverage, a prescription drug plan, and dependent life insurance; and

WHEREAS, The Board of Education periodically has bid elements of the Employee Benefit Plan for the benefit of employees and to reduce administrative costs; and

WHEREAS, Montgomery County Public Schools has joined with the Maryland-National Capital Park and Planning Commission, and the Washington Suburban Sanitary Commission to solicit proposals to administer their *Consolidated Omnibus Budget Reconciliation Act of 1985*, Direct Billing, Flexible Spending Accounts, and Health Savings Account plans, effective January 1, 2021; and

WHEREAS, Having been duly advertised under Request for Proposal No. 4914.3, COBRA/Direct Billing/FSA/HSA Plan, benefit firms were asked to submit proposals for consideration; and

WHEREAS, The Montgomery County Public Schools, the Maryland-National Capital Park and Planning Commission, and the Washington Suburban Sanitary Commission engaged the services of a benefit consultant, Aon Consulting, to assist them in the evaluation of proposal responses; and

WHEREAS, The evaluation has identified that the Flexible Spending Accounts and the *Consolidated Omnibus Budget Reconciliation Act of 1985* plan administration proposed by Benefit Strategies, LLC meets the requirements; and

WHEREAS, Montgomery County Public Schools and its employees will continue to have high-quality Flexible Spending Accounts and *Consolidated Omnibus Budget Reconciliation Act of 1985* administration; now therefore be it

Resolved, That a contract for administering the Montgomery County Public Schools Flexible Spending Accounts and *Consolidated Omnibus Budget Reconciliation Act of 1985* plans be awarded to Benefit Strategies, LLC commencing January 1, 2021, through December 31, 2023; and be it further

Resolved, That the Board of Education president and the superintendent of schools be authorized to execute the documents necessary for this transaction.

JRS:DKM:KAT:rj