



City of San Antonio

Agenda Memorandum

File Number: 19-2267

Agenda Item Number: 31.

Agenda Date: 3/21/2019

In Control: City Council A Session

DEPARTMENT: Human Resources

DEPARTMENT HEAD: Lori Steward, Human Resources Director

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

Student Loan Employer Contribution Program

SUMMARY:

This ordinance authorizes the City Manager or his designee to execute a contract with Tuition.io, Inc. to administer a student loan repayment program for benefit-eligible civilian employees and City Council Aides for an annual administrative cost of \$57,186. The term of this contract is three years, beginning April 1, 2019 and ending March 31, 2022, with the option to renew for two additional one year periods, subject to and contingent upon funding by City Council.

BACKGROUND INFORMATION:

The City proposes adding a Student Loan Employer Contribution Program to its complement of comprehensive benefits offered to the approximately 7,000 full time civilian employees and approximately 65 City Council Aides. The City's goal to attract and retain a highly skilled workforce to serve the citizens of San Antonio requires innovative and relevant benefits programs. It is estimated that by 2025 half of the City's workforce will be made up of millennials born between 1984 and 1994. The majority of these employees will come to the City with some form of student debt.

To assist these employees, funding is for a new student loan program was included in the FY 2019 Adopted Budget. This program will provide a monthly employer contribution of \$50 sent directly to the loan servicer to pay down employee's loan principal.

The City issued a Request for Proposal (RFP) for “Student Loan Employer Contribution Program” on November 27, 2018, with a submission deadline of December 19, 2018 seeking proposals for a qualified respondent interested in administering a Student Loan Employer Contribution Program. The RFP was advertised in the San Antonio Express-News on November 27, 2018. A pre-submittal conference was held on December 4, 2018, to allow for respondent questions and clarification to the RFP. Seven (7) proposals were received by the December 19, 2018 deadline. The Evaluation Committee included representatives from the City Manager’s Office, Human Resources Department, Office of City Council, and CPS Energy. The Finance Department, Purchasing Division assisted by ensuring compliance with City procurement policies and procedures. The proposals were evaluated based on the firm’s qualifications, experience, and quality of service, previous performance, proposed plan, and price schedule. Additional categories of consideration included references and interview presentations. The evaluation of each proposal response was based on a total of 100 points; 25 points allotted for experience, background, qualifications; 40 points allotted for proposed plan and 20 points allotted for Respondent’s price schedule. Local Preference Program was allotted 10 points and 5 points were allotted for the Veteran-Owned Small Business Preference Program.

The Evaluation Committee met on January 17, 2019 to discuss and evaluate the seven responsive proposals received. After an initial committee review and discussion, the individual technical scores were submitted and aggregate scores were presented. The Evaluation committee elected to shortlist the respondents based upon initial scores and invited the three top-ranked respondents for interviews. Interviews and demonstrations were held on January 25 and 29, 2019. Afterwards, the evaluation committee met and individual scores were resubmitted. Once the recommendation for award was agreed upon by the committee, the pricing scores were revealed. Tuition.io, Inc. received the highest ranking and was recommended for award by the evaluation committee. The Committee recommends Tuition.io, Inc. for award as the firm receiving the highest collective score from the evaluation categories.

In accordance with Local Preference Program, the recommended Respondent received no points for having a local office in the San Antonio City limits.

The Veteran-Owned Small Business Preference Program was applied in the evaluation of responses received for this contract; however, the highest ranked firm is not a veteran-owned small business.

The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived due to the lack of small, minority, and/or women businesses available to provide these goods and services.

ISSUE:

Award of this contract will allow for administration of a Student Loan Employer Contribution Program for full time Civilian employees and City Council Aides. This program is designed to attract and retain a highly skilled workforce for a dynamic and growing City. Currently about a quarter of the City workforce are millennials born between 1984 and 1994 who shoulder the greatest burden of student loan debt. Approval of this contract will allow the City to continue to differentiate itself as an employer of choice and provide a comprehensive package of benefits which are timely and relevant to the needs of our workforce.

ALTERNATIVES:

Should this contract not be approved, the Tuition Reimbursement Program would remain the only benefit which is designed to assist employees in developing their knowledge and skills through higher education. Without the Student Loan Employer Contribution Program, those employees who have already completed their education

may be recruited by other organizations with a more innovative and relevant benefits programs.

FISCAL IMPACT:

This ordinance authorizes the City Manager or his designee to execute a contract with Tuition.io, Inc. to administer a student loan repayment program for benefit-eligible civilian employees and City Council Aides for annual administrative fees of \$57,186. For FY 2019, administrative fees are estimated at \$28,593 and loan payments are estimated at \$238,200. Funds for this program are included in the Employee Benefits Fund FY 2019 Adopted Budget. Estimates provided reflect projections provided by the City's benefits consultant based on the experience of other organizations implementing a similar benefit. Funds for subsequent periods are subject to and contingent upon funding availability through City Council Appropriations.

RECOMMENDATION:

Human Resources staff recommends approval of this ordinance to execute a contract with Tuition.io, Inc. to administer the Student Loan Employer Contribution Program for full time Civilian employees and City Council Aides for an annual estimated cost of \$57,186 and an FY 2019 cost of \$28,593. The term of this contract is three (3) years, beginning April 1, 2019 and ending March 31, 2022, with the option to renew for two (2) additional one (1) year periods, subject to and contingent upon funding by City Council.

This contract is procured by means of Request for Proposal and Discretionary Contract Disclosure Form is attached.