



# City of San Antonio

## Agenda Memorandum

**File Number:**20-3133

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**Agenda Item Number:** 20.

**Agenda Date:** 5/21/2020

**In Control:** City Council A Session

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**DEPARTMENT:** Human Resources

**DEPARTMENT HEAD:** Lori Steward, Human Resources Director

**COUNCIL DISTRICTS IMPACTED:** City wide

**SUBJECT:** Family Medical Leave Act (FMLA) Administration Services

### SUMMARY:

This ordinance authorizes the City Manager or his designee to enter into a contract with FMLASource, Inc. to provide FMLA administration services for the City of San Antonio Human Resources Department. The term of this contract is one (1) year, beginning July 1, 2020, and ending June 30, 2021, with an option to extend the contract for up to four (4) one (1) year extensions, subject to and contingent upon funding by City Council, with total compensation not to exceed \$634,760.00. Funding for FY 2020 in the amount of \$31,738 is available in the City's Employee Benefits Fund. Funding for subsequent years of the contract will be contingent upon City Council approval of the annual budget.

### BACKGROUND INFORMATION:

City of San Antonio employs approximately 7,200 civilian employees that are deemed eligible to apply for the Family and Medical Leave Act (FMLA). In 2019 City employees submitted 2,561 new requests for FMLA. Ensuring compliance with federal law and minimize the abuse and overuse of FMLA requires dedicated staff. Utilizing a third party vendor to administer FMLA saves the City on the cost of additional staff, mitigates litigation risk by ensuring compliance with FMLA and minimizes abuse of FMLA by employees.

Administering FMLA starts at the individual departmental level. Employees submit an intake form through their department's HR representative, and are provided the requisite forms by the vendor. The completed forms and supporting documents are returned to the vendor for review. The third party vendor renders a decision and communicates back to the employee and respective department.

FMLA leave runs concurrent with the City's other leave of absence programs. The third party vendor is

responsible for tracking FMLA leave entitlement against those programs. Thus, the vendor will track FMLA leave against: FMLA time itself, our Short-term Disability program, Paid Parental Leave program and Workers' Compensation.

On November 8, 2019, the Human Resources Department issued a Request for Proposals (RFP) in search of qualified organizations with proven experience in the administration of FMLA administrative services. Three (3) qualified proposals were received but one firm withdrew from consideration as it was unable to agree to the City's terms and conditions. The two remaining vendors were evaluated by the selection committee ("committee") comprised of representatives from the Human Resources Department. FMLASource, Inc. was selected by the committee as the recommended Respondent for award. The committee based its decision on several weighted factors, including experience, background, qualifications and proposed plan, price, the Small Business Economic Development Advocacy Program, the Local Preference Program, and the Veteran Owned Small Business Program.

After all discussions and scoring were completed by the evaluation committee, the highest ranked vendor, FMLASource, Inc., was recommended to be awarded the contract.

### **ISSUE:**

Award of this contract will allow City to continue to comply with FMLA requirements and assure consistent handling of claims in compliance with federal and state regulations governing leaves of absence.

This contract will be awarded in compliance with the Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small, minority, and women-owned business participation on the contract.

The Goal Setting Committee applied the Small and Minority/ Women-Owned Business Enterprise Prime Contract (SBEDA) Program with five (5) SBE Prime Contract Program evaluation preference points awarded to a vendor if they are certified as SBE located within the San Antonio Metropolitan Statistical Area and five (5) M/WBE Prime Contract Program evaluation preference points awarded to a vendor if they are certified as M/WBE located within the San Antonio Metropolitan Statistical Area. However, none of the respondents were eligible to receive any preference points.

The Local Preference Program was applied in the evaluation of responses received for this contract; however, none of the responsive vendors were local.

The Veteran-Owned Small Business Preference Program was applied in the evaluation of responses received for this contract; however, none of the respondents were veteran-owned small businesses.

### **ALTERNATIVES:**

The alternative of taking no action will result in staff conducting FMLA administrative services internally, resulting in less efficient processing and eliminating the transfer litigation risk to the vendor, thereby increasing the City's legal responsibility.

**FISCAL IMPACT:**

This ordinance authorizes the City Manager or his designee to enter into a contract with FMLASource, Inc. to provide FMLA administration services for the City of San Antonio Human Resources Department. The term of this contract is one (1) year, beginning July 1, 2020, and ending June 30, 2021, with an option to extend the contract for up to four (4) one (1) year extensions, subject to and contingent upon funding by City Council, with total compensation not to exceed \$634,760.00. Funding for FY 2020 in the amount of \$31,738 is available in the City's Employee Benefits Fund. Funding for subsequent years of the contract will be contingent upon City Council approval of the annual budget.

**RECOMMENDATION:**

Staff recommends approval of this ordinance to execute a professional services agreement for administration of FMLA claims for a term beginning July 1, 2020, and ending on June 30, 2021, with an option to extend the contract up to four (4) one (1) year extensions, subject to and contingent upon funding by City Council.

This contract was procured by means of Request for Proposals and the Contracts Disclosure Form is attached.