

Mayor and Council Communication

DATE: 12/10/24

M&C FILE NUMBER: M&C 24-1072

LOG NAME: 14EMPYREANINCREASE

SUBJECT

(ALL) Authorize Increase in Spending Authority for Agreement with Empyrean Benefit Solutions for Cloud-Based Software and Services Associated with Online Benefits Administration for the Human Resources Benefits Division Based on Current Needs and Line Item Pricing in the Original Agreement for an Estimated Annual Amount of \$675,000.00

RECOMMENDATION:

It is recommended that the City Council authorize an increase in spending authority for the agreement with Empyrean Benefit Solutions for cloud-based software and services associated with online benefits administration for the Human Resources Benefits Division based on current needs and line item pricing in the original agreement for an estimated annual amount of \$675,000.00.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to increase the purchasing authority for Empyrean Benefit Solutions to an estimated annual amount of \$675,000.00 per year for the remainder of the contract.

The City Council approved the Human Resources Benefits Division contract with Empyrean December 17, 2019 (M&C 19-0415). The initial M&C approval amount was \$400,000.00 annually. The spending authority was amended on February 2, 2022 to \$575,000.00 annually (M&C 21-0086). The charges for Empyrean services are on a line item basis with the final calculation based on the number of city employees. The line item cost has not changed since the inception of the Agreement. However, the number of employees since the inception of the contract has increased which has also caused an increase to the ancillary charges attached to the contract (such as verification of dependents, billing services and programming hours). Additionally, there have been several vendor changes for Open Enrollment 2025 which required file changes at an additional cost. Because the line items have not increased, this is not an amendment restricted by Chapter 252.048 of the Texas Local Government Code (Change Orders). Additional budget to cover this increased expense will come from a reduction in the Wellness Budget due to a contract change for the wellness platform.

Approval of this M&C would authorize an increase in spending authority for an estimated annual amount of \$675,000.00. However, this is just an estimate and the annual amount may change depending on the number of new city employees added annually.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the recommendation, funds are available in the current operating budget, as previously appropriated in the Group Health Insurance Fund. Prior to an expenditure being incurred, the Human Resources Department has the responsibility to validate the availability of funds.

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Additional Information Contact: