

**MEMORANDUM  
PERSONNEL DEPARTMENT  
COUNTY OF PLACER**

**To:** Board of Supervisors  
**From:** Nancy Nittler, Personnel Director  
**By:** Ann Craig, Personnel Services Manager  
**Date:** May 22, 2007  
**Subject:** Request for Proposal 9681 – Employee Benefit Programs

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**ACTION REQUESTED:** Authorize the Purchasing Manager to sign a Cafeteria Plan contract, consistent with Board approved labor agreements, with the vendor selected via Request for Proposals (RFP) No. 9681.

**BACKGROUND:** The Procurement Services Division developed RFP 9681 for administration of three employee benefit programs at the request of the Personnel Department. The intent of the solicitation is to select a qualified firm to develop the plan documents and administer employee claims for the Management & Confidential Cafeteria Plan, the Placer Public Employee Organization and Placer County Deputy Sheriff Association Plan and the Tahoe Rural Health Subsidy Plan. Each of these plans are currently administered by the Personnel Department, and previously approved by your Board and the associated bargaining units. The Request for Proposals was announced to 44 firms on April 17, 2007 and published on the County website. An evaluation panel has been established to rate the firms and recommend the best value proposal in accordance with the RFP evaluation criteria.

Through the competitive RFP process, Placer County anticipates contracting with the selected firm by June 1, 2007 for a period of 43 months, including a seven-month plan document preparation phase and three year administration phase, with three possible subsequent annual renewals. The successful proposer will update the current plan documents to maintain compliance with the IRS rules and regulations as well as administer the claims reimbursements for the Dependent Care, Medical Care and Tahoe Rural Health Subsidy participants. Currently, these programs are administered by the Personnel Department.

The Personnel Department is requesting that upon the completion of the Request for Proposal process, the Purchasing Manager be authorized to sign the negotiated contract so that plan designs and the associated automated changes to the ACORN Payroll/Personnel system can be finalized and accommodated prior to the beginning of the PeopleSoft upgrade in July and Open Enrollment in September. The Personnel Department and the Procurement Manager will ensure that the contract has been reviewed by Risk Management, and that Risk Management has approved the insurance coverage contained in the contract prior to signature.

**FISCAL IMPACT:** The Personnel Department budgeted an annual cost of between \$35,000-\$40,000 for administration of this contract in the 2007-2008 Employee Benefits budget, and departments will be charged accordingly for these services.

