



City of Austin

Recommendation for Action

File #: 25-0973, **Agenda Item #:** 46.

6/5/2025

Posting Language

Authorize an amendment to a contract for continued self-funded dental plan administration services for the Human Resources Department with Health Care Service Corporation d/b/a Blue Cross Blue Shield of Texas, to increase the amount by \$550,000 and extend the term by one year for a revised total contract amount not to exceed \$2,703,000. Funding: \$183,333 is available in the Human Resources Department's Employee Benefits Fund.

Lead Department

Financial Services Department.

Client Department(s)

Human Resources Department.

Fiscal Note

Funding in the amount of \$183,333 is available in the Fiscal Year 2024-2025 Employee Benefits Fund of the Human Resources Department. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Contract Amendment.

MBE/WBE:

This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2- 9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were no subcontracting opportunities, therefore, no subcontracting goals were established.

Prior Council Action:

July 29, 2020 - Council approved a contract for self-funded dental plan administration services with Health Care Service Corporation d/b/a Blue Cross Blue Shield of Texas.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500.

Additional Backup Information:

The contract provides administration of the City's self-funded dental plan for employees, retirees, and dependents with network access to providers at contracted amounts, and out-of-network providers will use the City's table of allowance.

Due to the concurrent implementation of Workday, the potential transition to a new dental vendor, and the overlap with our annual open enrollment period in Workday, the Human Resources Department anticipates significant operational challenges. Given the complexities involved, extending the current contract by one year will mitigate disruptions, ensure a smoother transition, and allow the Human Resources Department to better manage potential system-related issues.

The timely approval of this amendment is critical to ensure a continuation of services provided to eligible employees, retirees, and dependents. The requested authorization amount is based on department estimates and contractual pricing.