



# City of Austin

## Recommendation for Action

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**File #:** 26-2798, **Agenda Item #:** 13.

2/5/2026

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### **Posting Language**

Authorize a contract for a benefits administration platform for Austin Human Resources with Selerix Systems, Inc. for an initial term of one year with up to two six-month extension options in an amount not to exceed \$1,200,000. Funding: \$331,333 is available in the Fiscal Year 2025-2026 Operating Budget of Austin Human Resources. Funding for the remaining contract term is contingent upon available funding in future budgets.

### **Lead Department**

Austin Financial Services.

### **Client Department(s)**

Austin Human Resources.

### **Fiscal Note**

Funding in the amount of \$331,333 is available in the Fiscal Year 2025-2026 Operating Budget of Austin Human Resources.

Funding for the remaining contract term is contingent upon available funding in future budgets.

### **Procurement Language:**

Sole Source.

### **MBE/WBE:**

Sole source contracts are exempt from the City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program); therefore, no subcontracting goals were established.

### **For More Information:**

Direct questions regarding this Recommendation for Council Action to Austin Financial Services - Central Procurement at [FSDCentralProcurementRCAs@austintexas.gov](mailto:FSDCentralProcurementRCAs@austintexas.gov) or 512-974-2500.

### **Additional Backup Information:**

The contract will provide a benefits administration platform with Selerix to support all City benefits programs for employees, retirees, and dependents, including medical, dental, vision, and flexible spending account enrollment. The platform ensures accurate eligibility data and timely weekly file transmissions, benefiting carriers and supporting operational continuity, employee well-being, and data integrity. Progress will be measured through system availability, successful carrier transmissions, and error rates. Continued service is necessary until benefits administration transitions to Workday in 2027.

Current Selerix services are funded through the Gallagher Benefits Actuary contract, which ends in February 2026. Direct procurement is required to maintain uninterrupted enrollment and eligibility transmission after that date. This procurement supports a stable transition period without the cost or delay of implementing a temporary alternative system.

Selerix is the only provider capable of maintaining the City's existing enrollment environment and carrier file formats without system redevelopment. Replacing Selerix would require a full rebuild and testing process that cannot be completed without disrupting benefits coverage. Selerix is the current provider for these services and remains the only contractor positioned to support uninterrupted benefits operations through 2027.

If the contract is not approved, the City would be unable to maintain the existing benefits enrollment and eligibility transmission processes.

<b>Contract Details:</b>		
<b>Contract Term</b>	<b>Length of Term</b>	<b>Contract Authorization</b>
Initial Term	1 year	\$568,000
Optional Extension 1	6 months	\$316,000
Optional Extension 2	6 months	\$316,000
<b>Total</b>	<b>2 years</b>	<b>\$1,200,000</b>

**Note:** Contract Authorization amounts are based on the City's estimated annual usage.