



City of Austin

Recommendation for Action

File #: 26-1992, **Agenda Item #:** 33.

7/23/2026

Posting Language

Authorize a contract for self-insured dental plan administration services for Austin Human Resources with Health Care Service Corporation d/b/a Blue Cross Blue Shield of Texas, for an initial term of three years with up to two 1-year extension options in an amount not to exceed \$2,836,000. Funding: \$404,500 is contingent upon approval of the Fiscal Year 2026-2027 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 \$404,500 is contingent upon approval of the Fiscal Year 2026-2027 Operating Budget of Austin Human Resources.

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

Procurement Language:

Austin Financial Services issued a Request for Proposals solicitation RFP 5800 SLW3030 for these services. The solicitation was published on March 9, 2026, and closed on April 16, 2026. Of the five offers received, the proposal submitted by the recommended contractor represented best value to the City based on the solicitation's evaluation criteria. A complete solicitation package, including a log of offers received, is available for viewing on the City's website. This information can currently be found at https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=143887.

MBE/WBE:

This contract will be awarded in compliance with the City Code Chapter 2-9B (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. However, the recommended contractor identified subcontracting opportunities.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Austin Financial Services - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

Additional Backup Information:

The contractor will provide administration services for the City's Self-Funded Dental Plan, available to employees, retirees, and dependents. The contractor will provide access to in-network providers at contracted

amounts, and out-of-network providers will utilize the City's Table of Allowance, which is the out-of-network rate.

The recommended contractor is the current provider for these services. The contract is replacing a current contract, which expires December 31, 2026.

The new contract must be finalized before August 1, 2026, to allow adequate time for open enrollment. The contract provides guaranteed rates for all five years of the contract. Authorization is based on current enrollment and incorporates projected year-over-year growth.

An evaluation team with expertise in this area evaluated the offers and scored Health Care Service Corporation d/b/a Blue Cross Blue Shield of Texas as the best to provide these services based on executive summary, references, personnel, general requirements of the scope of work, exceptions, price, local business preference, and small business preference.

If the contract is not approved, City employees could experience an interruption in their dental benefits and services.

Contract Details:		
Contract Term	Length of Term	Contract Authorization
Initial Term	3 years	\$1,618,000
Optional Extension 1	1 year	\$ 594,000
Optional Extension 2	1 year	\$ 624,000
Total	5 years	\$2,836,000

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