



Benefit Services

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MEMORANDUM

TO: Ms. Angela Throneberry
Senior Vice President, Administration & Finance

FROM: René S. Yoder, Benefits Manager

ON BEHALF OF: Benefits Advisory Committee

RE: Recommendation to Award Request for Proposal 201202051-RA
COBRA/Flexible Spending Account benefits

DATE: August 28, 2012

The Benefits Advisory Committee (BAC) has recently reviewed summaries of proposals for Flexible Spending Account (FSA) and COBRA administration, for vision and flex accounts, through the Request for Proposal Process, presented by the Human Resources benefits consultant, Mercer. The presentations provided summary information regarding proposed plan design and associated costs that have resulted in a recommendation by the committee.

Based on review of proposals, the BAC recommends awarding the contract for both Flexible Spending Account and COBRA administration to Stanley, Hunt, Dupree & Rhine, Inc. SHDR currently holds the agreement for FSA plans and offers the most competitive and cost efficient proposal for COBRA services.

Benefit Services is requesting approval to award SHDR with the contract for Flexible Spending Account and COBRA administration services. Based on the Best and Final response from SHDR, the following are the estimated costs to NMSU:

FY 11 Admin Fee for FSA Administration	\$ 10,112.01
Estimated Annual Fee for FSA and COBRA Administration	\$ 21,621.30
One time Implementation Fee with Award to SHDR	\$ 500.00
Additional Resources Needed for Year One	\$ 12,009.29
Additional Resources Needed for Subsequent Years	\$ 11,509.29

The Benefits Advisory Committee will continue to review NMSU benefit programs over the next year, facilitated by Human Resource Services, to recommend potential plan changes to be implemented that can increase the value of being an NMSU employee. The committee will consider financial constraints as well as employee concerns regarding benefit programs and

recommend changes that are of benefit to NMSU and its employees.

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