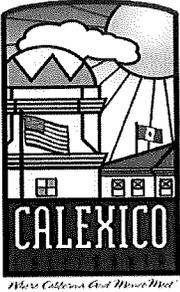


**AGENDA
ITEM**

12



AGENDA STAFF REPORT

DATE: October 3, 2018
TO: Mayor and City Council
APPROVED BY: David Dale, City Manager *DD*
PREPARED BY: Karla E. Lobatos, Finance Director *KP*
SUBJECT: Authorize City Manager to Sign Agreement for Professional Services
Between the City of Calexico and BenefitMall for Payroll Services

=====

Recommendation:

Authorize City Manager to Sign Agreement for Professional Services Between the City of Calexico and BenefitMall for Payroll Services.

Background:

The City of Calexico Finance Department is currently facing a shortage of staff in the payroll division due to funding shortages, it was determined not to fill the current vacancy in that division. It is proposed that the partial salary savings in the division be used to contract out payroll services.

The City of Calexico Finance Department sent out a request for proposal notifications to various payroll companies, in addition to posting the Request for Proposals for Payroll Services for the City of Calexico on a professional recruiter website.

Payroll services for the City of Calexico would be for bi-weekly services for all 134 City employees. The Request for Proposals went out on August 23, 2018, with a submittal deadline of September 7, 2018.

Discussion & Analysis:

The Request for Proposals for Payroll Services closed on September 7, 2018. Five (5) professional companies submitted RFP's for Payroll Services for the City of Calexico.

AGENDA ITEM 12

Page 2 - Recommend City Council Approval to Contract Payroll Services with BenefitMall

The companies listed below submitted their RFP's for Payroll Services, along with their total annual cost:

ADP	\$71,495.24
BenefitMall	\$14,704.75
Heartland Payment Systems	\$26,499.50
Heartland Payment Systems	\$21,845.50
Plum Street Accounting Services	\$150,000.00

After reviewing the five (5) submitted RFP's, it is determined that BenefitMall meets the minimum requirements and is also the lowest bidder for the RFP.

Fiscal Impact:

\$14,704.75 per fiscal year

Coordinated with:

None.

Attachment:

1. City of Calexico Request for Proposals for Payroll Services.
2. Benefit Mall Proposal for Payroll Services for City of Calexico.
3. Payroll RFP Matrix of Vendors.
4. Professional Services Agreement.



CITY OF CALEXICO

Payroll Services

Request for Proposals

The City of Calexico is requesting proposals for bi-weekly payroll services for all employees.

To be considered three (3) hard copies of the proposal must be received by the Finance Director at 608 Heber Avenue, Calexico, CA 92231, by 5:00 p.m., Friday, September 7, 2018. The City of Calexico reserves the right to reject any or all proposals submitted. Questions regarding the proposal may be directed to Karla E. Lobatos, Finance Director, at 760-768-2135, klobatos@calexico.ca.gov.

During the evaluation process the City reserves the right, where it may be in the best interest of the City, to request additional information or clarification from proposers or to allow corrections of errors or omissions. The City reserves the right to retain all proposals submitted regardless of whether that proposal is selected.

BACKGROUND

The City of Calexico prepares payroll for 134 employees.

SCOPE OF SERVICE

- Year-End Services – W-2's
- Check signing & sealing
- Workers Comp Reporting
- Direct deposit
- New hire reporting
- Garnishment Payment Service
- Total tax filing and payments, including all 940's & 941's Federal returns, and State returns and if applicable, all local taxes
- Pay check calculator
- Employee Self Service – employees' ability to view pay history & W-2's online & full capabilities
- Paycards
- Time import file – created from time vendor that allows electronic submission to Payroll Online time & earnings module
- Human Resources Information.
 - Job Descriptions
 - Employee Handbook
 - Downloadable forms
 - Interview process guidelines

- Employee Discipline information
- Harassment & Discrimination
- COBRA and other employment laws
- State minimum wage laws alert
- Excessive absenteeism
- Manager Helpline – access to experienced HR consultant
- Healthcare Reform Information
- Labor Posters – E-Update Service
- PTO Accruals & Tracking
- Labor Distribution and reporting between departments
- General ledger interface
- Report Writer

REQUIRED INFORMATION

Fidelity bond by owner and employees for one (1) million dollars (\$1,000,000.00).

PROPOSAL EVALUATION CRITERIA & SELECTION

This section describes the guidelines that will be used to evaluate the proposals. In an effort to reach a decision concerning the best qualified institution, the City reserve the right to evaluate all factors it deems appropriate, whether or not such factors have been stated in this section.

1. Capability and experience
 - Institution's experiences
2. Cost
 - Institution's presentation, discreetness
 - Initial cost, set-up, etc.
 - Additional costs
3. Other Factors
 - Institution's prior experience with municipalities
 - Completeness of proposal

TIMINIG CONSIDERATIONS

Management anticipates City Council action on outsourcing of payroll services on September 19, 2018.

CLIENT/REFERENCES LIST

Please provide a list of five (5) or more current and past California governmental clients served, types of projects funded, and the type of financing vehicles used.

The City accepts no financial responsibility for any costs incurred by responding to this Request for Proposal (RFP) or negotiating a contract with the City. Proposals received in response to the RFP will become the property of the City. The City reserves the unqualified right to reject any and all responses to this RFP.

Your Business

Fast, accurate payroll services and so much more.

BenefitMall's products and services provide you an easy and cost-effective way to streamline operations and reduce your team's workload.

Payroll Solutions

Web Payroll Solution
Payroll Processing
Tax Filing
Banking Services
Time & Attendance



401K Plan & Administration
Section 125 POP
Plan Administration
Pay As You Go
Workers' Compensation
Insurance

Value-Added Services

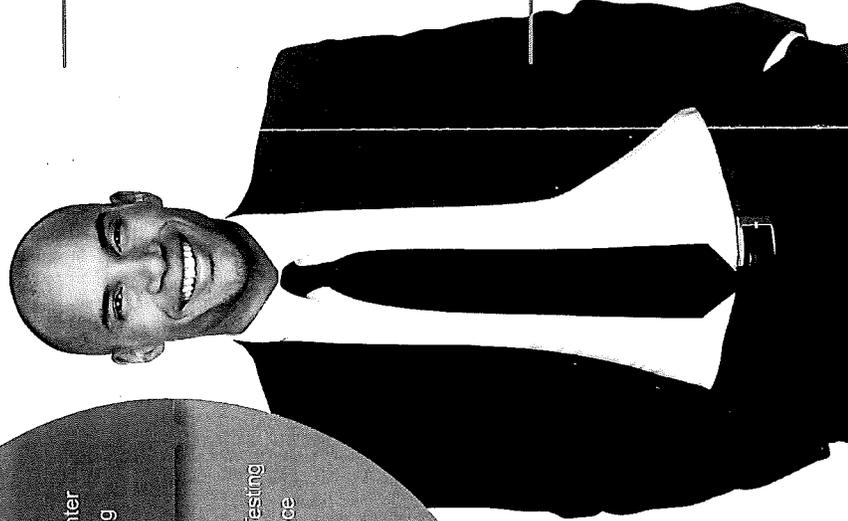
HR Solutions

HRIS System
HR 360 Compliance Center
HR Manager Call Center
Background Screening Services



PPACA Reporting & Testing
Group Health Insurance
Ancillary & Voluntary Insurance

Insurance & Compliance Solutions



Our Commitment

Quality service and convenient solutions.

With BenefitMall's standard payroll bundle, you'll enjoy a range of industry-leading services that are anything but standard.

Here's a look:

- Award-winning service
- Dedicated Payroll Specialist
- Easy conversion & account setup
- Variety of options to process payroll
- Easy upload of data using G/L interface
- Time & attendance interface
- Extensive report package
- Reduce compliance risk
- No hassle tax filing



BenefitMall at a Glance

Since we were founded, BenefitMall has been recognized for excellence in technology and business. Here's a preview of what we bring to the table.

- Ranked second by bestpayrollservices.com and bestpayrollcompanies.com
- More than 1 million payroll transactions processed each month
- Fifth largest payroll provider in the country
- The 2013 American Business Awards -- 11th Annual Stevie® Awards bronze medal winner for both the Fastest Growing Company and Customer Service Department of the Year

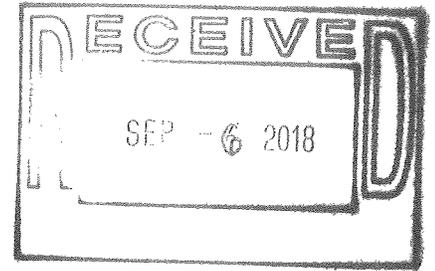


Contact us today!

If you are a business owner looking for a payroll processing partner, HR offerings or employee benefits, give us a call or visit our website.

800-362-9519

www.benefitmall.com



City of Calexico

608 Heber Street
Calexico, CA 92231
(760) 768-2135

Sandy Fonseca, Karla Lobatos, Denise Garcia
sfonseca@calexico.ca.gov, klobatos@calexico.ca.gov, dgarcia@calexico.ca.gov

Payroll Service Proposal
August 3, 2018

Prepared by:
Maria Gonzalez
District Sales Manager III
(760) 835-3420
Maria.gonzalez@benefitmall.com

**Payroll Services Proposal Prepared for
City of Calexico
Sandy Fonseca, Karla Lobatos, Denise Garcia**

Table of Contents

Section One

- **BenefitMall Overview**

Section Two

- **Payroll Solution**
- **Processing Fees**
- **Payroll Online (CPO) Features and Benefits**
- **Payroll Online (CPO) Reports**

SECTION ONE

BenefitMall Overview

History:

BenefitMall (formerly CompuPay) was founded in 1980 in Miami, FL with a strong focus on local service and excellence in client support. BenefitMall is the largest privately held payroll provider and ranks among the top five payroll companies in the industry.

Products:

BenefitMall is committed to offering innovative payroll products and service solutions to clients from small start-ups with one employee to large national corporations with up to 10,000 employees. Our selection of payroll services and employer solutions is designed to be tailored to each individual client's needs. BenefitMall payroll and tax filing services, including phone payroll, fax payroll, Internet payroll and PC-based payroll, are complemented by a selection of After Payroll Solutionssm including Internet HRIS, 401(k), section 125, workers' compensation, garnishment payments, health insurance, paycards and more.

Partners:

For over a quarter of a century, BenefitMall has partnered with accounting professionals, financial institutions, and business organizations to offer payroll and payroll-related services to their clients. BenefitMall approaches select organizations as business partners, seeking to understand their client bases and how the right payroll products and processes can help partners attract and retain clients.

Innovation:

BenefitMall has a history of innovation in payroll technology. As a service leader, we're committed to providing innovation in services as well as technology. Client service teams in each of the company's processing centers are made up of trained payroll specialists who are certified by the American Payroll Association. With its commitment to professional yet flexible client service, BenefitMall is becoming the preferred payroll alternative.

The BenefitMall Difference:

At BenefitMall, we pride ourselves on serving the needs of our payroll clients better than anyone else. Our payroll, human resource and after payroll solutions are designed with our clients' unique needs in mind and are scalable to grow with your business.

SECTION TWO

Payroll Solution

Payroll Online (CPO) is a web based solution for payroll maintenance, time & earnings entry, reporting and human resource functions.

Processing Fees

BenefitMall proposes the following per pay period fee to **City of Calexico** based on your payroll frequencies:

CPO Advanced + HR Basic can handle your **Bi-Weekly** payroll for **134** employees for **\$515.10 (\$160.00 Base + \$2.65 Per Check)** per pay period. Additional employees **\$2.65. Delivery billed at \$12.35**

Optional Services

- Timekeeping Services
- Workers Compensation Pay As You Go

Year End Fees

BenefitMall will charge **City of Calexico** a base charge of **\$59.75** per FEIN and **\$6.95** per W-2.

CPO Features and Benefits

Advanced Package

- Check signing & sealing
- Workers Comp Reporting
- Direct deposit (up to 99 accounts per employee)
- New hire reporting
- Garnishment Payment Service (\$3.55 per payment issued)
- Total tax filing and payments including all 940 & 941 federal returns, all state returns and if applicable, all local taxes
- Pay check calculator
- Employee Self Service (ESS) – employees' ability to view pay history & W2's online & Full Capabilities
- Paycards
- Time import file - created from time vendor that allows electronic submission to PayrollOnline's time & earnings module
- HR360-Access to BenefitMall's comprehensive online library of Human Resource Information.
 - Library of Job Descriptions
 - Customizable Employee Handbook
 - Hundreds of downloadable forms and state posters
 - Interview process guidelines
 - Employee Discipline information
 - Harassment and Discrimination
 - Mini COBRA and other employment laws
 - Alerts for State minimum wage laws

- Excessive absenteeism
- Manager Helpline-Includes access to an experienced HR Consultant for up to 3 new cases per month.
- Allcheck-Healthcare Reform Information Report provides a snapshot of specific elements of Health Care Reform that you should consider
- Labor Poster E-Update Service
- PTO Accruals and Tracking
- Labor Distribution and reporting between departments
- General Ledger Interface
- Report Writer

CPO Reports

When you use Payroll Online, your company will be provided with a comprehensive payroll reports package online. There are approximately 30 standard reports that can be downloaded in HTML, Adobe PDF (.pdf), Microsoft ® Word (.doc), and plain text (.txt) formats.



February 2018

At BenefitMall®, we understand the value our customers place on exceptional service, knowledgeable staff and knowing their payroll provider is financially strong. As you evaluate our offerings, we would like you to consider our industry longevity, financial stability and necessary steps we have taken to protect your business.

Headquartered in Dallas, Texas, BenefitMall is the largest national General Agency, representing 2.5 million employees and their dependents. Working with a network of more than 20,000 Trusted Advisors, comprised of Brokers and Accounting Professionals, we deliver payroll, HR services and employee benefits to more than 200,000 small and medium sized businesses. Combining efforts with our Trusted Advisors, we are the single, informative resource that helps employers identify and provide the best benefits solutions for their employees, ranging from medical and dental plans to accurate and timely payroll. We process more than \$55 billion in payroll and administer \$5 billion in premiums each year. Our payroll customers range in size from one to 13,000 employees and represent all major industries including hospitality, restaurant, construction, manufacturing and service organizations.

As a client of BenefitMall, you can rest assured that we have put in place significant internal systems and controls to protect your funds. This includes ensuring that ***all direct deposit and tax funds are maintained in a separate trust account.***

All core BenefitMall payroll systems have undergone service organization reporting audits, including SSAE18 SOC 1 Type II, and our financials are audited by Ernst & Young, one of the nation's largest accounting firms. In addition to our pre-employment screening and strong internal controls, BenefitMall maintains a Crime Insurance policy from an A+XV carrier as rated by AM Best. The AM Best rating attests to the carrier's strong financial stability. This insurance policy coverage includes protection for Employee Theft, Forgery, Computer Fraud, Funds Transfer Fraud and, most importantly, ***coverage for client funds held by us.*** A certificate of insurance is available on request.

I hope this information is helpful in your decision on how best to handle your payroll and payroll related outsourcing needs. We look forward to having you on board as a customer. Please review this information and feel free to call me directly at (469) 791-3300 should you have any questions. You can also visit our website www.benefitmall.com, to learn more about us.

Sincerely,

A handwritten signature in black ink that reads "Todd Waletzki". The signature is written in a cursive, flowing style.

Todd Waletzki
President, Payroll Sales and Operations

DESCRIPTIONS (Continued from Page 1)

*BMC Acquisition, Inc.
BenefitMall Holdings, Inc.
Centerstone Insurance and Financial Services
Mather & Strohl Administrative Services, Inc.
A G Insurance Agencies, Inc.
DKG Insurance and Financial Services, Inc.
CompuPay Holding Corp.
CompuPay, Inc.
CompuPay Insurance Services, Inc.
CompuPay Investments, Inc.
Paymaxx, Inc.
Forest Financial Insurance and Financial Services, Inc.

The following are agents of the named insureds:

Harris James Cole, Jr., Lonnie C. Mears, Jr., Robert Bret Brummitt, Robert Drew Attaway, Michael W. Davis,
Shannon R. Cole, Josh Ayala, Josh Bell, Allen Clonch, Don Peterson, Tiffany Stiller, Larry Conforti,
Michael Brachlow, Rolando Alfonso

Misc. Errors & Omissions (Payroll Services) Policy # SGC0747301

\$5,000,000 Limit. \$250,000 deductible

Insurance Agents and Brokers Errors & Omissions Policy # IA2017161901

\$5,000,000 Limit. \$100,000 deductible

Cyber/Internet Liability

\$8,000,000 Aggregate Limit. \$100,000 deductible

Crime

\$15,000,000 Limit. \$200,000 deductible

Executive Risk Protection - 11/1/16 to 12/31/17

Directors & Officers - \$5,000,000 Limit. \$50,000 deductible
Employment Practices liability - \$5,000,000 Limit. \$75,000 deductible
Fiduciary Liability - \$5,000,000 Limit. No deductible
Kidnap & Ransom - \$1,000,000 Limit. No deductible

Executive Risk Protection - 12/31/17 to 11/1/18

Directors & Officers - \$5,000,000 Limit. \$50,000 deductible
Employment Practices liability - \$5,000,000 Limit. \$75,000 deductible
Fiduciary Liability - \$5,000,000 Limit. No deductible

Excess Directors & Officers

\$5,000,000 Limit.

City of Calexico
 Payroll RFP
 September 7, 2018

VENDOR	Bi-Weekly Payroll Cost	W-2 Base	W-2 Each	One-Time Cost (Set-Up)	Annual Payout	W-2	Total Annual Cost
ADP 1450 Frazze Road San Diego, CA 92108	\$2,946.46 per PP	N/A	\$6.95 each	\$1,000.00	\$70,563.94 +\$1,000	\$931.30	\$71,495.24
Benefit Mall 8787 Complex Drive, Ste. 110 San Diego, CA 92123	\$527.45 per PP	\$59.75 per FEIN	\$6.95 each	N/A	\$13,713.70	\$991.03	\$14,704.75
Heartland Payment Systems Attn: Zak Einstein Los Angeles, CA 90027	\$998.00 per PP	\$49.00 Base	\$3.75 each	\$1,150.00	\$25,948.00	\$551.50	\$26,499.50
Heartland Payment Systems Attn: Christian Valencia	\$819.00 per PP	\$49.00 Base	\$3.75 each	N/A	\$21,294.00	\$551.50	\$21,845.50
Plum Street Accounting Services 6046 Farm to Market 2920 #602 Spring, Texas 77379	\$5,769.23 per PP	Not provided	Not provided	\$8,500.00	\$150,000.00	Included	\$150,000.00