



AGENDA REPORT

TO: Board of Directors

FROM: BID Manager

DATE: November 10, 2016

SUBJECT: Review of the service agreement for payroll/human resource services to ensure payment for services are within the needed service level

SUMMARY:

The BID has a service agreement with Paychex, a payroll and human resources servicing firm, to provide administrative services. It has been identified that the overall expenditure for the service agreement is high for the number of employees and therefore it is recommended that the type of services received for the payment provided be reviewed to ensure that it is in line with the needs of the BID.

RECOMMENDATION:

1. Place on the next Board agenda an item that details the scope of work for payroll services and an analysis of services required for the HBDBID, and
2. If so directed, to solicit additional quotes for applicable payroll services based on the needs of the HBDBID for applicable personnel services.

DISCUSSION:

The service agreement with Paychex was entered into on January 9, 2015. Paychex's administrative services include payroll and tax services, reporting services, benefits administration & insurance, and human resource services. The agreement is \$447.40 per pay period and the BID pays on a semi-monthly basis (24 times a year). Total annual cost is \$10,737.60, or about 14% of budgeted payroll. Termination of the agreement is by either party upon thirty (30) days written notice.

Board discussion is requested as to review the service agreement and services received based on those needed by the BID for its current employees. Based on this review and determination of need, the Board can provide direction to the BID Manager regarding amendment to the service agreement, solicitation of alternate bids, and/or termination of the agreement.