

CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of a five-year agreement between the City of Bellevue and Navia Benefit Solutions, Inc., in an amount not to exceed \$160,000, plus all applicable taxes, to provide administrative services for certain employee benefit plans.

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Human Resources Department

EXECUTIVE SUMMARY

This Resolution will authorize the execution of an agreement with Navia Benefit Services, Inc., to support employee benefit plans including the City's flexible spending accounts and Section 125 plan, as well as provide COBRA-related administrative assistance.

RECOMMENDATION

Move to adopt Resolution No. 10185

BACKGROUND/ANALYSIS

As part of its benefit package, the City of Bellevue offers flexible spending accounts (health care and day care) and a Section 125 premium only plan, which allows employees to pay for their health care with pre-tax contributions. Historically, the City has used a third-party vendor to administer its flexible spending services as well as to provide COBRA-related administrative assistance. COBRA is a federal law that allows employees and any of their enrolled family members to continue coverage under a health plan for a limited period of time after leaving employment.

In 2022, the City conducted a competitive bidding process with the assistance of its health and welfare broker and consultant, Gallagher Benefit Services. Proposals were received from the following flexible spending account, Section 125 plan, and COBRA administrators: Navia Benefit Solutions, Inc., WEX, Voya, and P&A.

Navia Benefit Solutions, Inc., was selected based on the following qualifications:

- competitive pricing, reducing fees 20 percent from the prior contracting period,
- local company with extended customer service hours and a dedicated account team for Human Resources staff,
- robust web-based tools and reports for employees and employers,
- remits participant COBRA premiums directly to vendors, and
- offers the City's preferable funding option to send employee dollars collected each pay period in addition to a 5 percent deposit (contribution-based/maintenance deposit) for the flexible spending account.

If approved, the agreement term would start January 1, 2023 and end December 31, 2027. The monthly processing and administration fees are guaranteed for the duration of the agreement term. Any changes to other fees must be approved by the City in advance of implementation.

POLICY & FISCAL IMPACTS

Policy Impact

Bellevue City Code Chapter 4.28 of the Bellevue City Code provides for the fair and equitable treatment of all persons involved in the purchasing process. Council approval is required to execute contracts in excess of \$90,000.

Fiscal Impact

The City will pay Navia Benefit Solutions, Inc., a fee not to exceed \$160,000, plus all applicable taxes, over a five-year period (2023-2027) for flexible spending account, Section 125 plan, and COBRA-related administrative assistance. Because the monthly processing and administration fees are charged on a per employee basis, the actual costs may fluctuate slightly as enrollment changes. Sufficient funds exist in the 2023-2024 Health Benefits Fund Operating Budget to cover the first two years of the agreement. Funding for the last three years of the agreement will be requested as part of the 2025-2026 and 2027-2028 Health Benefits Fund Operating Budgets.

OPTIONS

1. Adopt the Resolution authorizing execution of a five-year agreement between the City of Bellevue and Navia Benefit Solutions, Inc., in an amount not to exceed \$160,000, plus all applicable taxes, to provide administrative services for certain employee benefit plans.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS

Proposed Resolution No. 10185

AVAILABLE IN COUNCIL LIBRARY

Navia Benefits Solutions, Inc., Administrative Services Agreement