

CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of Amendment No. 2 to the professional services agreement between the City of Bellevue and the Benefit Services Group, Inc., extending the term to December 31, 2023, and establishing fees and costs for calendar years 2022-2023 online health benefit enrollment and management services, in an amount not to exceed \$280,000, plus all applicable taxes.

Michelle Robinson, Benefits Administrator, 452-4585
Human Resources Department

EXECUTIVE SUMMARY

This Resolution authorizes an amendment to the professional services agreement with the Benefit Services Group for online health benefit enrollment and management services to extend the term for two years and establish fees and costs for calendar years 2022-2023.

RECOMMENDATION

Move to adopt Resolution No. 10042

BACKGROUND/ANALYSIS

As part of the City benefits package for staff, medical, dental, vision, life insurance and flexible spending benefit programs are provided.

The City has retained an external online health benefit enrollment vendor for benefits administration. This system is available through a website for employees to enroll and make changes to their coverage from any internet connection. It produces and securely transmits complex eligibility files to the City's medical, dental, vision and flexible spending carriers, securely delivers payroll deduction information and required IRS data to the City's payroll system, JDE, and is the system of record for health benefits reporting.

The Benefit Services Group was selected in 2003 and a customized system was built specific for the City of Bellevue and this system performed well at a competitive price. In 2016, the Benefit Services Group migrated their customers to a new, more robust platform through WorkTerra and the City of Bellevue was transitioned to the new system in September 2016 after several months of conversion work.

Council authorized execution of a five-year agreement with the Benefit Services Group at the end of 2016, with the option to renew the contract for a period of two terms of two years each. The City amended the agreement in 2017 to increase the not to exceed amount and add services. This amendment will utilize the first renewal option in the original agreement to extend the term for two years, to December 31, 2023. The amendment also incorporates the estimated fees and costs for services for 2022 and 2023 to the contract scope of work.

POLICY & FISCAL IMPACTS

Policy Impact

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

Fiscal Impact

The City will pay the Benefit Services Group a fee not to exceed \$280,000, plus all applicable taxes, over a two-year period (2022-2023) for online benefit enrollment and management services for the City's medical, dental, vision, life insurance and flexible spending benefit programs, for a total contract value of \$884,000, plus all applicable taxes. Vendor administration fees are based on enrollment; the actual fee may fluctuate slightly as enrollment changes.

Agreement	Dollar Value
Original Contract	\$550,000
Amendment #1	\$54,000
Amendment #2	\$280,000
Total Contract Value	\$884,000

Funding has been requested as part of the 2022-2023 Health Benefits Fund Operating Budget.

OPTIONS

1. Adopt the Resolution authorizing execution of Amendment No. 2 to the professional services agreement between the City of Bellevue and the Benefit Services Group, Inc., extending the term to December 31, 2023, and establishing fees and costs for calendar years 2022-2023 online health benefit enrollment and management services, in an amount not to exceed \$280,000, plus all applicable taxes.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS

Proposed Resolution No. 10042

AVAILABLE IN COUNCIL LIBRARY

2022 Amendment No. 2 to the Benefit Services Group Professional Services Agreement