

# COMMISSION AGENDA

Item: 4C

Meeting: 11/18/21

**DATE:** November 5, 2021  
**TO:** Port of Tacoma Commission  
**FROM:** Eric Johnson, Executive Director  
Sponsor: Jean West, Chief Human Resources Officer  
**SUBJECT:** Benefit Vendor Contracts Renewals

## A. ACTION REQUESTED

Request Commission approval of two current benefit vendor contracts: Gallagher Benefit Services Inc. and Regence Blue Shield.

## B. SYNOPSIS

The Master Policy Resolution stipulates that any benefit vendor contract which exceeds \$300,000 must be approved by the Commission. The Master Policy Resolution does not exempt personal services contracts, and benefit vendor contracts are considered personal services contracts.

### **Gallagher Benefit Services Inc:**

The Port entered into an agreement with Gallagher Benefit Services on November 11, 2017 to serve as the Port's Benefits Broker. The agreement provided five years with two one-year options to extend. The annual cost was fixed for the first five years (\$54,000 per year) with a 3% increase for years six and seven. The total cost of \$270,000 for the first five years was authorized under the Executive Director's delegation. The cost of year six is \$55,620 and \$57,289 for year seven – bringing the total cumulative contract to \$382,909.

### **Regence Blue Shield:**

The Terminal Security Officers have medical coverage through a fully insured plan provided by Regence Blue Shield. These premium costs are reimbursed by SSA. The total premiums for the upcoming plan year of February 1, 2022 through January 31, 2023 are estimated to be \$360,192. The Port enters agreements annually for this service.

## C. BACKGROUND

At staff's request, earlier this year, the Port's General Counsel reviewed the Port's Master Policy Resolution (MPR) and determined that neither state law nor Port policy exempt benefit vendor contracts from the MPR requirements for delegated authority for Commission approval and review of personal or professional services contracts. As a class formally waived from the competitive solicitation process by Resolution 2010-15, the MPR authorizes the Executive Director to approve benefit vendor contracts totaling less than \$300,000. Consequently, a benefit vendor contract exceeding \$300,000 must be approved by a vote of the Commission in public session. Similarly, any amendment to a benefit vendor contract originally totaling less than \$300,000 must be approved by a vote of the Commission and subject to public inspection if the cumulative contract amount will exceed \$300,000 once amended.

**D. SUMMARY OF CHANGES**

Commission approval of two current benefit vendor contracts: Gallagher Benefit Services Inc and Regence Blue Shield.

**E. FINANCIAL IMPACT**

The costs of the two contracts are as follows:

| <b>Vendor</b>                   | <b>Contract/Policy Number</b> | <b>Contract Period</b>     | <b>Cost</b> |
|---------------------------------|-------------------------------|----------------------------|-------------|
| Gallagher Benefit Services, Inc | 070634                        | Jan 1, 2022 - Dec 31, 2022 | \$55,620    |
| Gallagher Benefit Services, Inc | 070634                        | Jan 1, 2023 - Dec 31, 2023 | \$57,289    |
| Regence Blue Shield             | 071137                        | Feb 1, 2022 - Jan 31, 2023 | \$360,192   |