

ACTION ITEM MEMO

Port of Tacoma Commission



Item No: 6B
Meeting Date: 2/21/2024

DATE: February 2, 2024
TO: Port of Tacoma Commission
FROM: Eric Johnson, Executive Director
Sponsor: Jean West, Chief Human Resources Officer
Project Manager: Trisha Perez, Manager, Human Resources - *Presenter*
SUBJECT: Benefit Vendor Contract Renewal

A. **ACTION REQUESTED**

Commission approval of vendor contract renewal for First Choice Health.

B. **BACKGROUND**

The Master Policy Resolution stipulates that any benefit vendor contract which exceeds \$350,000 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.

First Choice Health:

First Choice Health provides third party administration of claims for our self-insured medical plans.

As the Third-Party Administrator (TPA), First Choice is responsible for processing claims as well as providing a preferred provider network, case management, customer service support, and reporting services.

First Choice has been our TPA since 2014, and the current five-year contract expires March 31, 2024. To ensure competitive service and pricing, the Port directed our broker to conduct an RFP in advance of the contract expiration. Four responses were received. Based on value for the Port, scope of services, and customer satisfaction, First Choice was selected.

The new five-year contract guarantees a maximum 3.0% increase over the previous year's rate in year one; 0.0% increase in year two; and a maximum of 2.5% per year in each of years three, four and five.

C. FINANCIAL SUMMARY

Cost:

The total five-year projected cost for the period April 1, 2024, through March 31, 2029, is \$709,408.

Vendor	Contract / Policy Number	Contract Period	Projected Cost
First Choice Health	PTCPOT / PTCSA	Apr 1, 2024 - Mar 31, 2025	\$137,682
First Choice Health	PTCPOT / PTCSA	Apr 1, 2025 - Mar 31, 2026	\$137,682
First Choice Health	PTCPOT / PTCSA	Apr 1, 2026 - Mar 31, 2027	\$141,124
First Choice Health	PTCPOT / PTCSA	Apr 1, 2027 - Mar 31, 2028	\$144,652
First Choice Health	PTCPOT / PTCSA	Apr 1, 2028 - Mar 31, 2029	\$148,268

D. NEXT STEPS

Upon approval the contract with First Choice Health will be executed.