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# 191273

Emergency Ordinance

## **\*Authorize the Chief Human Resources Officer to enter into a five-year contract with Navia Benefit Solutions, Inc. to provide flexible spending account administrative services on behalf of the Bureau of Human Resources Benefits Office beginning July 1, 2023 not to exceed \$25 million**

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. This Ordinance supports the City of Portland's Core Values of Anti-Racism, Equity, Transparency, Communication, Collaboration and Fiscal Responsibility.
2. The contract with Navia was chosen through a competitive request for proposal process utilizing the special procurement rules for benefit contracts as defined by the City's Procurement rules.
3. The provider contract will begin July 1, 2023 and includes a not to exceed amount of \$25,000,000 over the initial five-year contract period, with an option to renew up to the City's contracting guidelines.
4. A contract with an FSA administrator ensures the City has a specialized group to administer healthcare and dependent care flexible spending accounts on behalf of our plan participants. These programs offer employees the opportunity to have voluntary pre-tax contribution elections for IRS eligible healthcare and dependent care expenses.
5. The Health Operating Fund and the Payroll Clearing Fund have sufficient appropriation in support of the benefit listed above which allows for payment of the administrative costs on behalf of the participants and reimburse Navia for any qualified claims reimbursement paid to plan participants and funded through employee contributions.

NOW, THEREFORE, the Council directs:

**Introduced by**

[Mayor Ted Wheeler](#)

**Bureau**

[Human Resources;](#)  
[Management and Finance](#)

**Contact**

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Benefits Manager

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**Requested Agenda Type**

Time Certain

**Date and Time Information**

**Requested Council Date**

May 10, 2023

**Requested Start Time**

3:30 pm

**Time Requested**

45 minutes (3 of 3)

- A. The Chief Human Resources Officer is authorized to enter into a vendor contract with Navia providing flexible spending account administrative services on behalf of the Bureau of Human Resources, Benefits Office. This contract would begin on July 1, 2023 and include a not to exceed \$25,000,000 over the initial five-year period.

Section 2. The Council declares that an emergency exists in order to execute the contract and begin pharmacy benefit management services; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council  
May 10, 2023

Auditor of the City of Portland  
Simone Rede

## Impact Statement

### Purpose of Proposed Legislation and Background Information

The purpose of this legislation is to authorize the Chief Human Resources Officer to enter into a five-year contract with Navia Benefit Solutions, Inc. (Navia) providing flexible spending account (FSA) administrative services on behalf of the Bureau of Human Resources, Benefits Office, beginning July 1, 2023 with a not to exceed contract amount of \$25,000,000.

### Financial and Budgetary Impacts

The total not to exceed contract amount is \$25,000,000 to cover the administrative costs on behalf of participants and reimburse Navia for any qualified claims reimbursement paid to plan participants and funded through employee contributions for a period of five years. The Health Operating Fund Budget for FY 2023-24 and the Payroll Clearing Fund have sufficient appropriation in support of the benefit.

### Community Impacts and Community Involvement

This action is largely internal to City government processes.

### 100% Renewable Goal

Not applicable.

## Budget Office Financial Impact Analysis

This ordinance directs the City's BHR Director to contract with vendor "Navia Benefit Solutions" to provide flex spending account administrative services on behalf of the bureau. The costs associated with this program are budgeted in the Office of Management & Finance annual budget and are backed by revenues in the Health Fund. This ordinance does not change budget appropriations.

## Agenda Items

375 Time Certain in [May 10, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/5/10)  
(<https://www.portland.gov/council/agenda/2023/5/10>)

Passed

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea