

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Christine Moody, CPO	2. Telephone No. 823-1095	3. Bureau/Office/Dept. Procurement Services
4a. To be filed (date): July 11, 2012	4b. Calendar (Check One) Regular Consent 4/5ths <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	5. Date Submitted to Commissioner's office and FPD Budget Analyst: 06/28/12
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed

1) Legislation Title:

Authorize a contract with Benefitfocus.com, Inc. to provide benefits administrative services for an initial three-year term with a contract value of \$1,250,000 with an option of two additional annual renewals with a total not-to-exceed contract value of \$2,100,000 for the five year term. (Procurement Report – RFP No. 113545)

2) Purpose of the Proposed Legislation:

Accept recommendation to award a contract to Benefitfocus.com Inc. for benefits administrative services.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|---|------------------------------------|------------------------------------|--------------------------------|
| <input type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |
| <input checked="" type="checkbox"/> Internal City Government Services | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

This legislation will not generate any direct revenue to the City.

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? *(Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)*

The initial three-year term with a not-to-exceed cost of \$1,250,000 and two one-year renewal options with a not-to-exceed value of \$2,100,000 for a full five-year term Current funding for electronic administrative services required for the administration of health and welfare plans is provided within the Health Fund.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

There are no current year position changes resulting from this legislation.

- **Will positions be created or eliminated in *future years* as a result of this legislation?**

There are no future year position changes resulting from this legislation.

(Complete the following section only if an amendment to the budget is proposed.)

- 7) Change in Appropriations** *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

There are no changes in appropriations.

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☒ YES: Please proceed to Question #9.

☐ NO: Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item? None

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved? This project was presented to Council on November 10, 2011, for the Electronic Benefit Administrative Services Solution. On November 21, 2011, the Chief Procurement Office publically advertised the request for proposal #113545. The contracting community became involved when the project advertised on November 21, 2011.

c) How did public involvement shape the outcome of this Council item?

This project went through the Technology Oversight Committee (TOC) evaluation process and was determined to be exempt from TOC review. Proposals received resulted in the award of the contract.

d) Who designed and implemented the public involvement related to this Council item? Procurement Services and the Bureau of Human Resources collaborated on the competitive request for proposals. Procurement Services advertised the project that was open to the contracting community, including contractors certified with the State as minority, women, and emerging small businesses.

e) Primary contact for more information on this public involvement process (name, title, phone, email): Barb Gibson, Procurement Manager, 503 823-7665, Barbara.Gibson@portlandoregon.gov

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No further public involvement is necessary to execute the contract.

CH 
BUREAU DIRECTOR - Bryant Enge, Director, Bureau of Internal Business Services



CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

Sam Adams, Mayor
Jack D. Graham, Chief Administrative Officer
Bryant Enge, Director, Bureau of Internal Business Services

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DATE: July 11, 2012

TO: Mayor Sam Adams

FROM: Christine Moody

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

RE: Authorize a contract with Benefitfocus.com, Inc. to provide benefits administrative services for a not-exceed contract value of \$2,100,000 (Procurement Report – RFP#113545).

1. **INTENDED THURSDAY FILING DATE:** July 5, 2012
2. **REQUESTED COUNCIL AGENDA DATE:** July 11, 2012
3. **CONTACT NAME & NUMBER:** Christine Moody ~ 823-1095
4. **PLACE ON:** ☒ **CONSENT** ☐ **REGULAR**
5. **BUDGET IMPACT STATEMENT ATTACHED:** ☒ **Yes** ☐ **No** ☐ **N/A**
6. **ONE (1) ORIGINALS OF CONTRACT "APPROVED AS TO FORM" BY CITY ATTORNEY ATTACHED:** ☐ **Yes** ☒ **No** ☐ **N/A**

7. BACKGROUND/ANALYSIS:

The Office of Management and Finance, Bureau of Human Resources is responsible for administering the City of Portland's (City) benefit services to its plan holders. The City's electronic benefit administrative services supporting the administration of active employee health and welfare plans require replacement. Additionally, the Bureau of Human Resources Benefits Office requires the ability to include retiree and COBRA participants within an electronic administrative solution to meet the future needs of participants and anticipated health and welfare administrative requirements.

On November 10, 2011, Council approved Ordinance No. 184999 which authorized the use of a competitive request for proposals for Electronic Benefit Administrative Services in support of active employee, retiree and COBRA participants. On November 21, 2011, the Chief Procurement Officer (CPO) publically advertised RFP No.113545 for Active Employee, Cobra and Retiree Electronic Healthcare Administrative Services.

Proposals were opened on December 20, 2011 and three proposals were received. Following the evaluation process, the City made a determination that the proposer Benefitfocus.com, Inc. was the most qualified respondent and received the highest evaluation score from an independent evaluation committee. The City issued a Notice of Intent to Negotiate and Award a Contract to Benefitfocus.com, Inc. on February 23, 2012.

Legal issues - none known

Controversial issues - none known

Citizen participation - none

Link to current city policies - none

Other governmental participation – none

8. FINANCIAL IMPACT:

Current funding for electronic administrative services required for the administration of health and welfare plans is provided within the Health Fund.

9. RECOMMENDATION/ACTION REQUIRED:

Accept recommendation to award a contract to Benefitfocus.com, Inc for an initial three-year term with a contract value of \$1,250,000 with an option of two additional annual removals with a total not-to-exceed

An Equal Opportunity Employer

To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.

contract value of \$2,100,000 for the five-year term.

10. SCOPE OF WORK:

Implementation of an online system for healthcare administrative services as well as ongoing, comprehensive benefit administrative services and support to the City's BHR Benefits staff, active employees, retirees, COBRA participants, and other continuation participants in accordance with state law and City policy.