Agenda Item No. (5)(A)(2)

To: Board of Directors  
   Special Meeting of September 11, 2020

From: Kellee J. Hopper, Deputy General Manager, Administration and Development  
       Denis J. Mulligan, General Manager

Subject: AUTHORIZE EXECUTION OF A PROFESSIONAL SERVICES MASTER AGREEMENT WITH NAVIA BENEFIT SOLUTIONS INC., RELATIVE TO BEST INTEREST NO. 2020-D-050, HRA, FSA AND RETIREE PREMIUM PAYMENT BENEFIT ADMINISTRATION SERVICES

Recommendation

It is recommended that the Board of Directors authorize execution of a Professional Services Agreement relative to Best Interest No. 2020-D-050, HRA, FSA and Retiree Premium Payment Benefit Administration Services, with Navia Benefit Solutions Inc., to provide benefit administration services as part of the CalPERS Health Benefit Transition, for a total not-to-exceed amount of $459,000 for the three-year base term, including two additional one-year options, to be exercised at the General Manager’s discretion, provided funding is available within the Golden Gate Bridge, Highway and Transportation District’s annual budget.

Background

At the Board of Directors (Board) meeting on June 26, 2020, the Board approved the transition from the Golden Gate Bridge, Highway and Transportation District’s (District) medical and prescription drug plans to the medical and prescription drug plans offered through CalPERS for Non-Represented and Amalgamated Transit Union (“ATU”) Active employees and Retirees. As a part of the transition, the Board also approved the establishment of a District-funded Health Reimbursement Arrangement (HRA) plan for ATU and Non-Represented actives who enroll in PERS Kaiser, PERS Select, or PERS Choice Plans.

The Health Reimbursement Arrangement and retiree premium reimbursement components involved with this transition have some complexities, including the requirement of a debit card and financial clearinghouse for participating employees. Consequently, the District assessed it did not have the internal resources (human or technology) to administer without utilizing a third party administrator. On behalf of the District, its benefit consultant, Mercer, solicited proposals to assist the District in finding qualified vendors that possess the required knowledge, industry expertise, and technology to assist the District with meeting its obligations under the agreed-upon scope of services. A Selection Committee comprised of District Staff and Mercer reviewed and evaluated each proposal based upon the following criteria that was specified in the RFP:
- Stability of Business Partnerships – 1-3 Points
- Importance of HRA/FSA to Business – 1-3 Points
- Company Culture – 1-3 Points
- Differentiators – 1-3 Points
- Culture Match – 1-3 Points

From those most qualified, the District then held interviews with the top three firms and followed up with reference checks for the top two candidates. Consequently, it was determined that Navia best meets the needs of the District’s requirements and was the unanimous recommendation of the selection committee.

It was determined that a best interest procurement (in accordance with Section VI of the District’s Procurement Manual, which permits the General Manager to waive formal competitive procedures when permissible under applicable law and when a determination is made that the best interests of the District are served) would be applicable. The total annual fee for the HRA and FSA administration is $55,800; and, the total annual fee to administer the retiree premium payments is $36,000 for an annual contract fee of $91,800. Staff has determined that the proposed fees are fair and reasonable.

The agreement includes benefit administration services for all active and retired employees and will be implemented as applicable.

**Fiscal Impact**

The total cost of the professional services relative to Best Interest No. 2020-D-050, *HRA, FSA and Retiree Premium Payment Benefit Administration Services*, including the option years, is $459,000 with the understanding that the requisite funds are included in the FY 20/21 Operating Budget and future funds will be budgeted accordingly in each subsequent fiscal year.

Attachment: Navia Fee Structure
## Golden Gate Bridge, Highway and Transportation District
Marketing Results - Best and Final Offers (BAFO)

<table>
<thead>
<tr>
<th></th>
<th>1,600</th>
<th>1,600</th>
<th>30</th>
<th>800</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible Employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected Participants - HRA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected/Previous Participants - FSA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected Participants - Retiree Premium Reimbursement</td>
<td></td>
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### Marketing Results

<table>
<thead>
<tr>
<th>Implementation Incentives</th>
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</tr>
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<tbody>
<tr>
<td>Amount</td>
<td></td>
<td></td>
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<tr>
<td>Conditions</td>
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</tbody>
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### Monthly Fees per Person

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>HRA</td>
<td>$2.85</td>
</tr>
<tr>
<td>FSA</td>
<td>$3.00</td>
</tr>
<tr>
<td>Retiree Premium Payment</td>
<td>$3.75</td>
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</tbody>
</table>

### Annual Cost

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>HRA</td>
<td>$54,720</td>
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<tr>
<td>FSA</td>
<td>$1,080</td>
</tr>
<tr>
<td>Total HRA and FSA Cost</td>
<td>$55,800</td>
</tr>
<tr>
<td>Difference from Lowest ($)</td>
<td>$324</td>
</tr>
<tr>
<td>Difference from Lowest (%)</td>
<td>0.6%</td>
</tr>
<tr>
<td>Retiree Premium Payment</td>
<td>$36,000</td>
</tr>
<tr>
<td>Total Annual Cost with Retiree Premium Payment</td>
<td>$91,800</td>
</tr>
<tr>
<td>Difference from Lowest ($)</td>
<td>$8,964</td>
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<tr>
<td>Difference from Lowest (%)</td>
<td>10.8%</td>
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</tbody>
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### Notes:
Pricing includes $0.10 PPPM commission to Mercer. Navia BAFO proposal is net of commissions.