



**COMMISSION
AGENDA MEMORANDUM**

Item No.

8c

ACTION ITEM

Date of Meeting

March 22, 2022

DATE : March 14, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Sandra Spellmeyer, Total Rewards Manager
Tammy, Woodard, HR Director—Total Rewards

SUBJECT: Contract to Provide a Wellbeing Vendor to the Port's Employee Benefits Program

Amount of this request: \$1,250,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to advertise, award and execute a contract with a wellbeing vendor to provide strategic insight, a robust technology solution, and access to a diverse selection of wellness content for the Port of Seattle's employee benefit program for up to 10 years in an amount not-to-exceed \$1,250,000.

EXECUTIVE SUMMARY

The Port's Spirit and Wellness program is part of the Total Rewards Package that integrates all aspects of wellbeing into the Port's benefit package and supports each employees' personal wellbeing journey. Contracting with a wellbeing vendor ensures the Port has a partner dedicated to wellbeing who will collaborate on the strategic planning for the program, while ensuring the Spirit and Wellness program is aligned with the program's purpose and guiding principles. A wellbeing vendor also provides a level of industry expertise in the content and design of wellbeing materials. This contract will ensure that the Spirit and Wellness program runs on a robust technology platform that will support employees in achieving their health and wellbeing goals, maintain engagement with the Sprit and Wellness program, and have the flexibility to individualize the program to support Port goals and initiatives.

The current wellbeing vendor agreement will expire at the end of 2022 and Port staff plans to have a new agreement in place by the end of September to provide sufficient time to transition to a new vendor. This will allow time to ensure a new vendor will have a good understanding of the Port's Spirit and Wellness program and ensure that understanding can be integrated into a new technology solution.

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JUSTIFICATION

Contracting with a wellbeing vendor supports the Port's goal of being a highly effective public agency by helping to ensure the Port offers a robust and customizable Total Rewards Package that can help retain and attract skilled employees needed to carry out the Port's mission and goals.

Diversity in Contracting

Port staff is working with Diversity and Contracting to see if there is a possibility for subcontracting. If no goal is determined, the project team along with Diversity in Contracting department will be outreaching to WMBE firms to notify them of this opportunity.

DETAILS

The selected wellbeing vendor will meet regularly with Port staff to provide updates on program engagement and strategize on Port driven initiatives for the Spirit and Wellness Program. They will provide support for the technology platform and collect aggregate data points to assess how employees are engaging with the program and achieving their wellbeing goals. No specific employee data will be collected or disclosed by the selected vendor, only aggregated, de-identified data will be collected by the vendor and shared with Port staff. Alignment with the Port's Spirit and Wellbeing program and the Port's goals and initiatives will be part of the ongoing conversations with the selected vendor.

Scope of Work

The work will include:

- (1) An annual meeting to report the program's previous year's metrics and strategy development and planning for the upcoming plan year's goals.
- (2) Regularly scheduled meetings with Port staff to review current goals and find proactive solutions to any issues that arise.
- (3) Providing a wellbeing technology platform that has robust content options, an intuitive system design, and is engaging for Port employees.
- (4) Providing analytic resources, including external benchmarking data, to analyze and compare the Port's wellbeing program utilization to similar organizations and map out trends within the Port's eligible employee demographic.
- (5) Providing industry experts knowledgeable in developing wellbeing content and materials for a diverse wellbeing platform to support the Port's development of goals and strategies for the Spirit and Wellness program.

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ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not utilize the service of a wellbeing provider and administer the Spirit and Wellness program internally.

Cost Implications: We estimated the cost of this option to be the cost of providing pay and benefits to two employees who could develop internal tools and systems to administer the Spirit and Wellness Program internally. One employee would need to have credentials, expertise, and experience in the health and wellbeing industry, while the other would be a software developer/systems administrator to create and administer an internal web-based interactive wellbeing platform. The cost for two FTE with these skill sets would be around \$357,674 per year for pay and benefits or a total of \$3,576,730 over 10 years.

Pros:

- (1) We would be creating additional jobs in the current job market.

Cons:

- (1) This cost would be much higher than the requested option.
- (2) With today's labor market hiring employees with the knowledge and skills required to do this work would be a challenge. It would likely take more time than we have available to hire and fully train two employees on this work and we would not be able to produce the amount of content a wellbeing vendor would; this could lead to an inferior product and lower employee engagement with the program than hiring a wellbeing vendor would.
- (3) This isn't the HR department's core work, nor is it an area current staff are intimately familiar with. Partnering with a wellbeing industry subject matter expert will ensure the Port can continue to support employees with a robust and engaging Spirit and Wellness Program.

This is not the recommended alternative.

Alternative 2 – Do not utilize the service of a wellbeing provider and provide these services by using our current healthcare providers optional tools and programing. This option would include one FTE program administrator and utilize the different options of our current healthcare providers platforms for those specific employee populations.

Cost Implications: We estimate the cost of this option would be pay and benefits for one employee to administer the program, by providing support and coordination with the various tools and programs from each healthcare provider. The program administrator would partner with our 2 healthcare providers and promote their specific products to those employees enrolled within those specific plans. The cost for one FTE program administrator would be approximately \$1,788,370 over 10 years for pay and benefits, and an additional \$151,000 over 10 years for program enhancements within each of the healthcare providers plan options. A total cost of \$1,939,370 over a 10 year period.

Pros:

- (1) We would be creating an additional job in the current job market.

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Cons:

- (1) This cost would be higher than the requested option.
- (2) The program would be fragmented by using 2 different platforms. This can make the communication challenging, the requirements would differ, and the aggregate data challenging to analyze.

This is not the recommended alternative.

Alternative 3 – Conduct a competitive selection procurement and award a 10 year contract to a wellbeing vendor to provide strategic support as a wellbeing expert, a robust technology platform that is intuitive, and a diverse range of engaging wellbeing content and materials.

Cost Implications: The estimated cost of a 10 year contract is not more than \$1,250,000.

Pros:

- (1) This is a wellbeing solution from a single source that will provide a thoroughly integrated and robust health and wellbeing technology platform with a wide array of content options that is highly customizable to support the Port's Spirit and Wellness program for the Port of Seattle.
- (2) Port HR staff will be able to focus on their core work and partner with a vendor whose core work complements the Port's HR staffs' core work.
- (3) The cost of this option is less than the other alternatives.

Cons:

- (1) The selected vendor may not have a local office in the Seattle region, therefore the Port would not be supporting and putting dollars back into our community.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The estimated cost of this contract over 10 years is a maximum of \$1,250,000.

Annual Budget Status and Source of Funds

The annual cost for this contract is included in the Port's annual benefits budget.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None