

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a service contract with USI Insurance Services for Health and Wellness Benefits Broker and Consulting Services.

Board Meeting Date: 10/2/2018

Project Name/Contract #: Health & Wellness Benefits Broker and Consulting Services / 041-2018

Primary Contact: Lena Kostopulos Ext.7466

Contract Amount:

Original Contract Amount: \$250,000 (over five years)

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0%

Amount this Request: \$250,000

Resulting Cumulative Total: \$250,000 (over five years)

Contracting Method:

Method of Solicitation: Formal Request for Proposals

If applicable, basis for exemption: n/a

Term of Agreement: **5 years**

Option to Renew? Yes

Approval for purchases "as needed" for the life of the Contract Yes No

Proposals/Bids Received (Range): 4 Proposals Received (Range: \$40,000 - \$99,000 annually)

Selection Basis: Highest Scoring

Narrative:

Operational Requirement and Alignment with Strategic Plan

In June of 2018, Staff requested proposals from employee benefits consulting and actuarial services firms interested in providing health and wellness benefits broker and consulting services. A Request for Proposals was prepared and solicited. Three proposals were received and evaluated. USI Insurance Services, in Eugene, Oregon was determined to be the highest-ranked proposer.

While EWEB is not required to contract with a benefits broker, the vast majority of public employers employ these services because employee benefits programs represent a significant budget expense. Additionally, the complex nature of the benefit market place, risk and compliance issues, expertise in financial consulting, as well as plan design and administration are essential reasons EWEB should employ these services. EWEB has employed the services of a Health Insurance Broker for at least the last 14 years.

Contracting with a Benefit Broker aligns with EWEB's Strategic Plan by providing responsible and sustainable benefit programs that offer robust plan designs with reasonable out of pocket costs and premiums for employees, while balancing the cost of these programs for EWEB rate payers.

Contracted Goods or Services

USI will provide consulting advice and servicing for all employee benefits on behalf of EWEB including: Medical, Dental and Vision insurance; Life Insurance; Accidental Death and Dismemberment Insurance; Short and Long Term Disability Insurance; Flexible Spending and Wellness benefits. USI will provide strategic planning, plan design administration and claim utilization reports. Additionally, USI will advise EWEB on all insurance selections, attend all EWEB Health Insurance Study Committee meetings, analyze all appropriate risks, provide financial consulting, advise on federal and state compliance, advise on all appropriate cost containment measures with a goal of achieving the most comprehensive coverage at the lowest possible cost. Because of their Eugene presence, USI is able to

attend meetings and provide employee education sessions in person.

Prior Contract Activities

Nov 16, 2010 – Board approved award of RFP 056-2010 for \$290,000 to Wells Fargo for 5-year contract (exp December 2015); July 2014 – Contract Reassigned to USI Insurance Services; Contract extended further three years (through December 2018) with additional \$135,000.

Purchasing Process

In June 2018, Staff issued a formal request for proposals seeking responses from firms interested in providing health and wellness benefits broker and consulting services. Four proposals were received, one each from USI Insurance Services (incumbent), WHA Insurance, Segal Consulting, and Mercer (US) Inc. (incomplete proposal was rejected from scoring). After scoring based on evaluation criteria that included plan design and administration, financial consulting services, and compliance guidance the three-person committee reached consensus that USI Insurance Services provided the best proposal to fit the needs of the project.

Bidder/Proposer Information

USI Insurance Services
WHA Insurance
Segal Consulting
Mercer (US) Inc.

Bidder/Proposer Location

Eugene, OR
Eugene, OR
Greenwood Village, CO
Portland, OR

Competitive Fair Price (If less than 3 responses received)

N/A

ACTION REQUESTED:

Management requests the Board approve a contract with USI Insurance Services for Health and Wellness Benefits Broker and Consulting Services. Funds for these services were budgeted for 2018. Total department budget for 2018 is \$2.7 Million.