

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

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

Board Meeting Date: June 6, 2023
Project Name/Contract #: Health and Welfare Benefits Broker and Consulting Services / 23-075-PSC
Manager: Bridget Otto Ext. 7359
Executive Officer: Lena Kostopulos Ext. 7466

Contract Amount:

Original Contract Amount: \$259,000
Additional \$ Previously Approved: \$0
Spend over last approval: \$0
Amount this Request: \$259,000
% Increase over last approval: NA
Resulting Cumulative Total: **\$259,000 (over 5 years)**

Contracting Method:

Method of Solicitation: Direct Negotiation
If applicable, basis for exemption: Sole Source Findings SS-462
Term of Agreement: 5 years (December 20, 2023 – December 31, 2028)
Option to Renew? No
Approval for purchases "as needed": Yes No
Proposals/Bids Received (Range): NA
Selection Basis: Sole Source Findings SS-462

Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB is currently contracted with USI Insurance Services Northwest (previously Wells Fargo Insurance Services) for health care insurance brokerage services and has been since 2005. The scope of the existing services contract includes consulting with EWEB on market trends, advising on cost containment strategies, securing lines of coverage on EWEB's behalf, and negotiating with carriers to help EWEB leverage competitive pricing on multiple insurance lines, including group medical, dental, vision, disability, life, and protected leave administration.

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 marketplace, risk and compliance issues, regional and national employer benchmark surveys, expertise in financial consulting, as well as plan design and administration are essential reasons EWEB should employ these services.

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, provide regional and national employer benchmark data, and 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 attend meetings and provide employee education sessions in person.

Purchasing Process

Sole Source Findings SS-462

Following competitive RFP processes in 2005, 2010 & 2018, EWEB awarded the insurance brokerage services contract to USI for these primary reasons:

- Strong public sector and labor experience
- Competitive pricing
- Local presence in the Eugene community
- Positive client references

USI has provided EWEB with excellent service, representing our interests to insurance carriers/vendors, and providing consulting services to assist with compliance and benefit mandates. USI works closely with EWEB's Benefits Team to analyze and develop budget projections as well as strategies to continue offering affordable, attractive, and flexible benefit designs to support the workforce. Additionally, USI works with the Health & Wellness Committee, a cross-functional committee that include employees from throughout the utility, to educate members on the broad and complex landscape of the insurance marketplace.

USI has become a valued and credible business partner to EWEB. They are intimately familiar with EWEB's company values, culture, and benefits program in the midst of an evolving business environment and increasing financial constraints.

Below is further rationale for continuing with USI:

1. Launching Paid Leave Oregon (PLO) in September of 2023. USI offers assistance managing the vendor (The Standard), for FMLA/OFLA and now PLO.
2. Launching self-insurance in either 2024 or 2025. USI will be instrumental in the cost-benefit analysis, as well as the process to move to a self-funding arrangement.
3. USI has a local office, that allows the Broker can be on site when needed. During bargaining the Broker, Greg O'Hanlon was able to attend a bargaining session at the last minute to present information on EWEB's health plan.
4. The Broker, Greg O'Hanlon has been with EWEB for at least 15 years. He understands the employee and retiree populations, as it relates to plan utilization and wellness strategies.
5. We are enhancing the Wellworks incentive at mid-year. USI brought Wellworks to our attention and assists with vendor management, as well as strategies based on health plan utilization and Wellworks data.
6. Once we move to self-insurance the plan is to explore the possibility of a near-site clinic, possibly partnering with another public agency. USI has most of the public employers as clients. This means that they have the necessary relationships to help with all aspects of a clinic.

Generally, contract agreements are written to be in effect for up to 5 years. For this contract, staff recommends establishing a contract through 2028, to allow contractor to continue working on the strategic health care redesign that they are currently providing.

Prior Contract Activities

EWEB Contract	Project Name (Description)	Board Approved	Project Duration (Start to Close)	Original Amount	Approved/Amended Amount to Date (Total)	Reason Code
041-2018	Health and Wellness Benefits Broker and Consulting Services	10/02-2018	12/20/2018 – 12/19-2023	\$250,000	\$250,000	NA
Reason Code: AM = Additional Materials, AW = Additional Work, EW= Emergency Work, SD = Staff Directed, UC = Unforeseen Conditions, Other						

ACTION REQUESTED:

Management requests the Board approve a personal service contract with USI Insurance Services NW for Health and Wellness Benefits Broker and Consulting Services. Approximately \$49,000 was planned for these services in the 2023 Workforce Services budget of \$4.1 million. Variances will be managed within the budget process and Board policy.