

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	05/13/13	Open	Action	04/08/13

Subject: Approving the Second Amendment to the Contract for Health and Welfare Benefit Consulting Services with Keenan and Associates and Authorizing the Solicitation of Proposals for Health and Welfare Benefit Consulting Services

## ISSUE

Approving the Second Amendment to the Contract for Health and Welfare Benefit Consulting Services with Keenan and Associates.

## RECOMMENDED ACTION

- A. Adopt Resolution No. 13-05-\_\_\_\_, Approving the Second Amendment to the Contract for Health and Welfare Benefit Consulting Services with Keenan and Associates; and
- B. Adopt Resolution No. 13-05-\_\_\_\_, Authorizing the Solicitation of Proposals for Health and Welfare Benefit Consulting Services.

## FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	0
Budget Source:	Operating	Next FY:	\$	7,500
Funding Source:	Local	Annualized:	\$	30,000
Cost Cntr/GL Acct(s) or	42/630003	Total Amount:	\$	7,500
Capital Project #:				
Total Budget:	\$ 7,500			

Original Contract with Keenan & Associates	\$241,500
FY10 Adjustment (Due to budget shortfall)	-\$39,100
FY11 Adjustment (Due to budget shortfall)	-\$40,000
First Amendment to Contract with Keenan & Associates (Exercising Option Years 1 & 2)	+\$60,000
Second Amendment to Contract with Keenan & Associates (3 Month Extension)	+\$7,500
New Total Contract:	\$229,900

The budget for the new contract will be identified when contract award is presented to the Board as a future action.

## DISCUSSION

On June 9, 2008, the Board authorized award of a contract for Health & Welfare Benefit Consulting Services to Keenan & Associates. RT has relied on the expert services of a well established consultant firm for placement of its benefits coverages. A benefits consultant provides a wide array of services including advising and assisting in the strategic planning, administration and renewal of RT's employee benefits programs. The consultant will design, market, obtain quotations and evaluate insurers' financial status using specifications approved by RT. Upon approval of costs and coverages by RT's Board of Directors, broker will assist RT in placing and servicing RT's health and welfare benefits including Dental, Vision, Substance Abuse, Life, and

Approved:

Presented:

Final 05/08/13

General Manager/CEO

Director, Human Resources

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Long Term Disability programs, and third party administration of COBRA and Flexible Spending Accounts.

On May 23, 2011, the Board approved the First Amendment to the Contract to exercise option years 4 and 5. This contract will expire on June 29, 2013.

RT staff requires additional time to solicit another contract for these services. A second amendment to the contract for Health and Welfare Benefit Consulting Services will extend the term of the contract by 3 months. It will also provide additional funds to the contract to give RT staff this additional time. The need for additional time is due to a lack of resources and a heavy workload, which has caused the delay in conducting a procurement.

If the contract is not amended for an additional 3 months, it would create a break in service which would have a negative impact on RT at a critical time in the health and welfare calendar year. During July and August, RT staff works closely with the District's benefit broker Keenan & Associates (Keenan) to ensure that all open enrollment materials are up to date and legally compliant. In order to ensure accuracy and compliance, we are seeking to retain Keenan during this critical period of time. Retaining Keenan during this three month period ensures the open enrollment process for RT's 900+ employees and 750+ retirees is seamless. Keenan has agreed to continue providing service for an additional 3-months at the current rate to ensure that RT does not suffer a lapse in services while staff solicits for a new contract.

Staff recommends the Board approve the second amendment to the principal agreement with Keenan whereby the term is extended by 3 months and the total consideration is increased by \$7,500 to \$229,900. Staff also recommends that the Board authorize the release of the Solicitation of Proposals for Health and Welfare Benefit Consulting Services.

RESOLUTION NO. 13-05-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

May 13, 2013

**APPROVING THE SECOND AMENDMENT TO THE CONTRACT FOR HEALTH AND WELFARE BENEFIT CONSULTING SERVICES WITH KEENAN AND ASSOCIATES**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Second Amendment to the Contract between Sacramento Regional Transit District, therein referred to as "RT," and Keenan & Associates, therein referred to as "Consultant," whereby the contract term is extended by three months and the total consideration is increased by \$7,500 to \$229,900.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said Second Amendment.

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PATRICK HUME, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 13-05-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

May 13, 2013

**AUTHORIZING THE SOLICITATION OF PROPOSALS FOR HEALTH AND WELFARE BENEFIT CONSULTING SERVICES**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Request for Proposals for Health and Welfare Benefit Consulting Services is hereby approved and authorized for release.

THAT, the Request for Proposals be advertised pursuant to the provisions of the RT Procurement Ordinance.

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PATRICK HUME, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary