

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	05/23/16	Open	Action	05/05/16

Subject: Approving the First Amendment to the Contract for Health and Welfare Benefit Consulting Services with Keenan & Associates

ISSUE

Whether to Approve the First Amendment to the Contract for Health and Welfare Benefit Consulting Services with Keenan & Associates.

RECOMMENDED ACTION

Adopt Resolution No. 16-05-_____, Approving the First Amendment to the Contract for Health and Welfare Benefit Consulting Services with Keenan & Associates.

FISCAL IMPACT

Budgeted:	Yes	This FY17:	\$ 27,291.66
Budget Source:	Operating	Next FY18:	\$ 5,458.34
Funding Source:	Local	Annualized:	\$ 0
Cost Cntr/GL Acct(s) or	CC 42	Total Amount:	\$ 32,750.00
Capital Project #:	GL 630005		
Total Budget:	\$ 32,750.00*		

Original Contract	\$92,200.00
*First Amendment	\$32,750.00
Total Contract	\$124,950.00

DISCUSSION

On August 12, 2013, the RT Board awarded a 3-year term contract for Contract for Health and Welfare Benefit Consulting Services to Keenan & Associates. The Contract was executed on September 4, 2013 and the 3-year term will expire on September 3, 2016. The contract has an option provision to extend the term for two additional 1-year periods.

RT has relied on the expert services of this well-established consultant firm for placement of its benefits coverages. The 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 designs, markets, obtains quotes and evaluates insurers' financial status using specifications approved by RT. Upon approval of costs and coverages by RT's Board of Directors, the broker assists RT in placing and servicing RT's health and welfare benefits including Medical, Dental, Vision, Substance Abuse, Life, and Long Term Disability programs, and third party administration of Flexible Spending Accounts. Because RT's insurance coverages are renewed annually, RT needs to retain the services of a Broker on a continual basis.

Approved:

Presented:

Final 05/18/16

General Manager/CEO

Director, Human Resources

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May

23,

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Keenan & Associates has worked with RT for several insurance cycles and as a consequence understands RT's business and has performed well under the current Contract. At this time, Staff desires to exercise RT's option to extend the Contract term by one year. To exercise the option, the Contract states that RT must provide written notice to Consultant no later than 90 calendar days prior to the end of the initial 3-year Contract term, of its intent to exercise the option.

Staff recommends the Board approve the First Amendment to the Contract for Health and Welfare Benefit Consulting Services with Keenan & Associates, extending the Contract term by one year, commencing on September 4, 2016, and terminating September 3, 2017, and increasing the total consideration by \$32,750.00, from \$92,200 to \$124,950.00 to cover the additional year of service.

RESOLUTION NO. 16-05-_____

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

May 23, 2016

APPROVING THE FIRST AMENDMENT TO THE CONTRACT FOR HEALTH AND WELFARE BENEFIT CONSULTING SERVICES WITH KEENAN & ASSOCIATES

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

THAT, the First Amendment to the Contract between the Sacramento Regional Transit District, therein referred to as "RT," and Keenan & Associates, therein referred to as "Consultant," whereby RT exercises its options to extend the Contract for year 4, commencing on September 4, 2016, and terminating September 3, 2017, and the total consideration is increased by \$32,750.00 from \$92,200 to \$124,950.00, is hereby approved.

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

JAY SCHENIRER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary