

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	08/13/18	Open	Action	07/31/18

Subject: Approving a Sole Source Procurement and Third Amendment to the Contract for Health and Welfare Benefit Consulting Services with Keenan and Associates

ISSUE

Whether or not to approve a Sole Source Procurement and Third Amendment to the Contract for Health and Welfare Benefit Consulting Services with Keenan & Associates.

RECOMMENDED ACTION

Adopt Resolution No. 18-08-_____, Approving a Sole Source Procurement and Third Amendment to the Contract for Health and Welfare Benefit Consulting Services with Keenan & Associates.

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	11,248
Budget Source:	Operating	Next FY:	\$	NA
Funding Source:	Local	Annualized:	\$	NA
Cost Cntr/GL Acct(s) or	CC 42	Total Amount:	\$	11,248
Capital Project #:	GL 630005			
Total Budget:	\$ 11,248			

DISCUSSION

On August 14, 2017, the Board approved the Second Amendment to the Contract for Health and Welfare Benefit Consulting Services with Keenan & Associates to exercise Option Year 5 which extended the term through September 3, 2018. On June 11, 2018, the Board authorized the release of the Solicitation of Proposals for a new 5-year term contract that would begin in September. On June 27, 2018, the Request for Proposals for Health and Welfare Benefit Consulting Services was advertised. During the pre-proposal meeting held on July 9, 2018, a discussion about the dates for open enrollment made staff aware of the timing of the contract termination and start dates. Staff believes that it would be more advantageous to enter a new contract that begins on January 1, 2019 and expires at the end of December 31, 2023, rather than in the fall when staff and the Consultant are in the middle of open enrollment.

Staff approached Keenan & Associates about entering into a short term amendment to continue providing service through the term of open enrollment. Keenan & Associates has agreed to this extension and welcomes the opportunity to continue to provide services at the current compensation rate of \$2812 per month to cover the additional 4 months. Staff has determined that the price is fair and reasonable. Because this extension of time and consideration exceeds the scope of the original procurement, this amendment constitutes a sole source procurement. Thus, SacRT must make a best interest finding, determining that it is in SacRT's best interest to

Approved:

Presented:

Final 8/8/18

General Manager/CEO

Pension and Retiree Services Administrator

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August

13,

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forego full and open competition and enter into a sole source contract amendment with Keenan & Associates. Because Keenan & Associates is SacRT's current health and welfare benefits consultant and because their contract will expire during SacRT's open enrollment period, staff believes that it is in SacRT's best interest to enter into a contract with Keenan & Associates to get SacRT through the open enrollment period without having the potential of a change in benefits consultant in the middle of the open enrollment process. Entering into a short term 4 month extension amendment with Keenan & Associates will ensure that SacRT has continuity during the open enrollment process.

Staff recommends the Board approve a sole source procurement and the Third Amendment to the Contract for Health and Welfare Benefit Consulting Services with Keenan & Associates, commencing on September 4, 2018, and terminating December 31, 2018, and the total consideration is increased by \$11,248.00, from \$158,700.00 to \$169,948.00.

RESOLUTION NO. 18-08-_____

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

August 13, 2018

APPROVING A SOLE SOURCE PROCUREMENT AND THIRD 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, in accordance with Section 1.405.B.2 of the SacRT Procurement Ordinance, a sole source procurement for services is permitted upon a determination that it is in the best interest of SacRT to amend an existing service contract without compliance with the competitive solicitation procedures set out in the Procurement Ordinance.

THAT, SacRT's current contract with Keenan & Associates is set to expire during SacRT's 2018 Open Enrollment period, potentially leaving SacRT without a Benefits Consultant to assist with Open Enrollment during this year's Open Enrollment period.

THAT, due to the need to have a Benefit Consultant fully familiar with SacRT's benefits program during Open Enrollment, and due to the fact that Keenan & Associates assisted SacRT with its 2019 benefit program, it is in SacRT's best interest to amend the current Contract with Keenan & Associates so that they may provide services during the Open Enrollment period taking place in the fall of 2018 for the 2019 employee benefits program.

THAT, the Third Amendment to the Contract between the Sacramento Regional Transit District, therein referred to as "SacRT," and Keenan & Associates, therein referred to as "Consultant," whereby the Contract term is extended by 4 months, commencing on September 4, 2018, and terminating December 31, 2018, and the total consideration is increased by \$11,248.00 from \$158,700.00 to \$169,948, is hereby approved.

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

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary