

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	10/22/18	Open	Action	10/04/18

Subject: Awarding a Contract for Health and Welfare Benefit Consulting Services to Keenan & Associates

ISSUE

Whether to award a Contract for Health and Welfare Benefit Consulting Services to Keenan & Associates.

RECOMMENDED ACTION

Adopt Resolution No. 18-10-_____, Awarding a Contract for Health and Welfare Benefit Consulting Services to Keenan & Associates.

FISCAL IMPACT

Budgeted:	Yes	FY19:	\$ 16,500
Budget Source:	Operating	FY20:	\$ 33,500
Funding Source:	Local	FY21:	\$ 34,500
Cost Center:	42	FY22:	\$ 35,500
GL:	630005	FY23:	\$ 36,500
Total Budget:	\$175,000	FY24:	\$ 18,500
		Total Amount:	\$175,000

DISCUSSION

On June 11, 2018, the SacRT Board authorized the release of a Request for Proposals (RFP) for Health and Welfare Benefit Consulting Services for a 5-year term contract. The current Health and Welfare Benefit Consulting Services Contract with Keenan & Associates expires on December 31, 2018.

SacRT requires the expertise of a Health and Welfare Benefits Consultant for a wide array of services related to SacRT's health and welfare benefits program, which include Dental, Vision, Substance Abuse, Life, Accidental Death and Dismemberment, Long Term Disability insurance, Substance Abuse, COBRA, Section 125 and Employee Assistance Programs. SacRT participates in the CalPERS health insurance plans so the Consultant will provide limited services related to Medical insurance. Services provided by the Health and Welfare Benefits Consultant include, but are not limited to: (1) Advice on current and future federal, state and local mandated regulations; (2) Development and issuance of requests for proposals and evaluation of responses; (3) Placement and management of insurance plans and services, including assistance with the implementation and migration of plans; (4) Coordination with District benefit service providers, acting as an advocate for the District during annual renewals; (5) Assisting the district with

Approved:

Presented:

Final 10/05/18

General Manager/CEO

Pension and Retiree Services Administrator

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October

22,

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compliance review of new benefits or benefit changes during labor negotiations; (7) Assisting with SacRT’s Cost Containment Committee or any similar committee; and (8) Strategizing and assisting with the District’s wellness program.

Staff released the RFP on June 27, 2018 and held a pre-proposal conference on July 9, 2018. The solicitation was advertised in publications of general circulation and posted on SacRT’s website under Contracting Opportunities. In response, SacRT received three responsive proposals on July 26, 2018, from: Alliant Insurance Services, Inc.; Burnham Benefits Insurance Services; and Keenan & Associates (Keenan).

After evaluating and scoring of the written proposals, the Selection Committee determined that oral presentations were not necessary because the Selection Committee was able to select a consultant to recommend be awarded the contract based on evaluation of the written proposals.

While all three of the Proposers were qualified and competitive in price, Keenan was selected as the firm whose proposal is most advantageous to SacRT for Health and Welfare Benefit Consulting Services. Keenan has a strong relationship with and good understanding of SacRT. Their firm specialized in public sector work and knows many of the challenges that public agencies face. Approximately 90% of Keenan’s clients are California public agencies. They have great depth and breadth of experience and a proven track record with SacRT.

The RFP included a 10% point preference to Proposers meeting the Small Business Enterprise (SBE) participation goal and a 10% point preference to Proposers meeting the Local Business Preference (LBE) goal set for this Contract. None of the Proposing firms qualified for the SBE or LBE point preference.

SacRT has historically bid out Employee Assistance Program (EAP) Services separately; however, staff prefers to use the health and welfare benefit Consultant to conduct this process in the future. Staff is requesting as a separate Board action to amend the current EAP program agreement. The use of a Consultant will provide SacRT with the best value when procuring these services.

The health and welfare benefit consultant contract payment structure is based on an annual retainer fee basis where commissions on placing insurances are prohibited. The independent cost estimate range for the 5-year retainer is \$180,000 to \$190,000 based on historical information and adjusted for cost of living and inflation. Keenan’s 5-year price of \$175,000 has been deemed fair and reasonable and falls below the established budget.

Staff recommends the Board award a Contract for Health and Welfare Benefit Consulting Services to Keenan & Associates for an amount not to exceed \$175,000 for a 5-year term.

RESOLUTION NO. 18-10-_____

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

October 22, 2018

AWARDING A CONTRACT FOR HEALTH AND WELFARE BENEFIT CONSULTING SERVICES TO KEENAN & ASSOCIATES

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

THAT, the Board finds that it is in SacRT's best interest to procure health and welfare benefits, including Employee Assistance Program (EAP), through the use of the health and welfare benefit Consultant.

THAT, the Contract between Sacramento Regional Transit District, therein referred to as "SacRT," and Keenan & Associates, therein referred to as "Consultant," whereby Consultant agrees to provide Health and Welfare Benefit Consulting Services, as specified, for an amount not to exceed \$175,000, is hereby approved.

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

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary