



Agenda Item No. (7)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of March 21, 2024

From: Kellee J. Hopper, Deputy General Manager, Administration and Development
Joseph M. Wire, Auditor-Controller
Denis J. Mulligan, General Manager

Subject: **APPROVE AWARD OF CONTRACT NO. 2023-D-088, HEALTH AND WELFARE INSURANCE CONSULTANT SERVICES, WITH USI INSURANCE SERVICES**

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors approve award of Contract No. 2023-D-088, *Health and Welfare Insurance Consultant Services*, with USI Insurance Services of San Francisco, CA, in an amount not-to-exceed \$285,000 for a three-year contract effective April 1, 2024, and two one-year options to be exercised at the General Manager's discretion at a cost not to exceed \$95,000 for each option year. Funds for the first year of service are included in the FY 23/24 District Division Operating Budget with requisite funds to be budgeted accordingly for each future fiscal year.

This matter will be presented to the Board of Directors for approval at its March 22, 2024, meeting for appropriate action.

Summary

On October 25, 2023, the Golden Gate Bridge, Highway and Transportation District (District) issued a Request for Proposals for Health and Welfare Insurance Consultant Services. The District seeks the services of a Consultant to ensure that the health benefits offered to employees are of the highest quality at a fair market price by conducting annual coverage renewals/requests for quotations for its Dental, Vision, Employee Assistance Program (EAP), Basic Life and AD&D Insurance, Supplemental Life Insurance, HRA and FSA employee benefits program components. Additionally, the Consultant will assist with a detailed evaluation of coverages to assure that costs are contained to the extent possible. The annual renewal services requested include but are not limited to: an annual planning meeting, market updates, reporting of claims experience and utilization, renewal solicitation and negotiation, and assistance with negotiation needs and required plan filings.

By the due date of November 22, 2023, the District received proposals from three firms:

- Alliant Insurance Services, San Francisco, CA;
- Mercer Health & Benefits, LLC, San Francisco, CA; and,
- USI Insurance Services, San Francisco, CA.

The Selection Committee, consisting of the Project Manager and staff from both the Human Resources department and the Auditor-Controller's office, screened the proposals. The selection Committee applied the evaluation criteria set forth in the RFP and determined that USI Insurance Services is best qualified to perform these services. USI satisfied all the evaluation factors: first, USI has experience performing similar services for public agencies; second, it demonstrated the qualifications, experience, availability, and responsiveness of personnel proposed for the project; third, USI proposed a comprehensive and quality work plan; and finally, USI's cost proposal was highly competitive.

USI Insurance Services quoted an all-inclusive fixed fee for services for the annual benefit program renewal process and optional and advisory services as requested by the District, making USI the only one of the three bidders to include these important advisory/optional services in its base fee. Advisory services include projects such as employee communication services, wellness programs, account management services, and marketing services as applicable. Optional services, as requested by the District, include projects such as: Dental, Vision and life insurance plans actuarial valuation. In accordance with Board policy, the Consultant is prohibited from accepting any commissions or any other form of remuneration for the work covered under the agreement. Staff evaluated USI's cost proposal and find it to be fair and reasonable – in fact, the current cost proposal is less expensive than what the District is paying for those services this year under the current contract for these same services.

No contract specific Disadvantaged Business Enterprise (DBE) goal was established for this contract. However, proposers were strongly encouraged to obtain DBE participation. The DBE Program Office has determined that USI is responsive to the solicitation requirements from a DBE perspective. At this time, no DBE or small business participation is anticipated during the performance of this contract.

Fiscal Impact

The total cost for services under Contract No. 2023-D-088, including the option years, is \$475,000. \$95,000 per year for the 3-year base term and \$95,000 for each renewal option, exercisable at the discretion of the General Manager. The FY 23/24 Operating Budget includes sufficient funds for the first year's costs. All costs for services in future years will be budgeted accordingly.