



Board Agenda Item 38

DATE: July 8, 2025

TO: Board of Supervisors

SUBMITTED BY: Hollis Magill, Director of Human Resources

SUBJECT: Agreement with USI Insurance Services, LLC to provide Health and Benefits Consulting Services

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute an Agreement with USI Insurance Services, LLC, for consulting services related to the County's Health and Benefits Plans, effective July 12, 2025, not to exceed five years, five months, and twenty days, which includes a three-year, five-month, and twenty-day base contract and two optional one-year extensions, total not to exceed \$741,115.

There is no additional Net County Cost associated with the recommended action. Approval of the recommended action would enable the Department of Human Resources to utilize employee benefit consulting services provided by USI Insurance Services, LLC ("USI"), effective July 12, 2025. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may direct staff to negotiate an agreement with a different vendor to provide employee benefit consulting services to the County of Fresno (County). However, this would not result in significantly lower costs and would cause a disruption in consulting services to the County.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. The cost of the proposed Agreement is \$130,000 for FY 2025-26 and \$741,115 for the full five-year, five-month, and twenty-day term of the Agreement. Sufficient appropriations and estimated revenues are included in the Risk Management Org 8925 FY 2025-26 Recommended Budget and future years' costs will be included in the Department's budget requests.

The full cost of the proposed Agreement will be recovered as a component of health and other benefit administration Risk Management Internal Service Fund rates charged to County departments. However, it should be noted that under Agreement No. 21-217 with the current vendor, HUB International, fees have been fully offset by the commissions earned through procurement of ancillary/voluntary benefits for County employees. Staff anticipates this trend will continue under the proposed agreement with USI, as the commission rates will remain unchanged and enrollment in applicable policies continues to increase.

DISCUSSION:

1. Summary of Requested Services

On January 31, 2025, the County released Request for Proposals (RFP) #25-054, for a Health and Benefits Consultant. The RFP sought proposals from qualified vendors to provide consulting services related to the County's health and benefits programs. Such programs include Health Benefits (health, dental, vision, pharmacy and mental health) and Ancillary/Voluntary Benefits (life, disability and voluntary benefits), Flexible Spending Accounts (Health Care, Dependent Care, and Commuter benefits), Health Savings Accounts, and the Employee Assistance Program.

2. Proposals Received

The RFP closed March 7, 2025. Four (4) vendors responded to the RFP; all the responses met the minimum qualifications and were evaluated. The bidders and costs are below.

Vendor Name	3-year Cost	5-year Cost
Baldwin Group	\$390,000.00	\$675,000.00
HUB	\$435,000.00	\$750,000.00
Keenan	\$384,000.00	\$655,000.00
USI	\$390,000.00	\$680,000.00

3. Proposal Evaluation Criteria

The proposals were evaluated based on the following criteria:

- Cost, as submitted in the Cost Proposal section.
- Inclination and ability to accept the terms and conditions of the model County of Fresno contract.
- Qualifications and capability of key personnel assigned to the County, as demonstrated in the Scope of Work Proposal Requirements section.
- Demonstrated ability to successfully provide the services outlined in the Scope of Work with emphasis on experience providing these services to comparable California Counties or similar public agencies.
- Organizational plan and management structure are adequate and appropriate for comprehensive implementation of the requested consultation services.
- Demonstrated experience in conducting fair, detailed, and transparent procurements for clients similar to Fresno County.
- Overall responsiveness to the RFP.

4. Proposal Evaluation Process

The RFP Review Committee was comprised of five (5) Human Resources Department employees: one (1) Human Resources Program Manager, two (2) Senior Human Resources Analysts, and two (2) Human Resources Analysts. The RFP Review Committee met on April 21 & April 22 of 2025 to discuss the proposals, with a County Purchasing Analyst in attendance to observe the proposal evaluation process. Proposals were initially ranked as follows:

1. USI
2. The Baldwin Group
3. Keenan & Associates
4. HUB International

However, the ranking was very close, and it was not unanimous. Therefore, the RFP Review Committee met again on May 1, 2025 to discuss in detail the reasons for their individual rankings and were able to arrive at a unanimous #1 ranking for USI.

On May 9, 2025, the RFP Review Committee interviewed representatives of USI. The RFP Review Committee developed interview questions to discuss with the USI representatives in order to assess their capabilities and confirm their ability to deliver on the key points outlined in their proposal.

The USI representatives came very prepared and organized. They were able to clearly articulate how the items described in their proposal would help the County.

5. RFP Review Committee Recommendation

After discussing each proposal in detail and confirming their capabilities in an interview, the RFP Review Committee determined that USI Insurance Services was the strongest candidate for the County's Health and Benefits Consulting Services, as their bid provided the County with the greatest value. A summary of the key factors leading to the RFP Review Committee's determination is as follows:

- **Overall qualifications:** They have 161 public sector clients with over 1,000 employees. They offer specialized resources, including an on-staff attorney, Population Health Management Consultant, communication consultant, and Benefit Resource Center, which could enable outsourcing of benefits questions and claims assistance.
- **Wellness.** They had the most comprehensive approach, which includes the USI ONE Advantage tool for cost reduction through targeted disease management, along with the USI 3D tool that offers detailed analysis of employee claims utilization, provides national comparisons, tracks employee morale, and demonstrated successful usage without additional fees.
- **Communications:** USI uses a data-driven approach to developing and customizing communication materials, offering detailed resources and a dedicated communications specialist. Their method for measuring success is both quantitative and qualitative, focusing on employee feedback to assess effectiveness.
- **RFP Capabilities.** Their proposal included a clear, well-formatted explanation of their methodology, robust sample materials, and thorough timelines, showing they understand the full procurement lifecycle. Additionally, they were one of the few bidders to fully address this question and have completed the most RFPs among all firms considered.
- **Cost Proposal:** While USI was not the lowest-cost bidder, their cost proposal was competitive. Relative to the lowest bidder, their proposal was only \$6,000 or 1.6% higher over the first three (3) years and \$25,000 or 3.8% higher over five (5) years. That said, their proposal provided the most value, as they offered more unique services than the other bidders, such as the Benefit Resource Center, the USI ONE Advantage & USI 3D tools, and dedicated wellness and communications specialists.

6. Staff Notes

- a. Staff would like to note that the proposed base agreement is five months and twenty days longer than the standard base agreement of three (3) years. Your Board's approval will ensure that our consultant contract follows a calendar-year cycle. Aligning the contract with the calendar-year cycle helps avoid consultant transitions during Open Enrollment and concurrent benefits RFP processes.
 - i. Regarding Open Enrollment, the consultant is integral in creating enrollment materials, preparing communication strategies, and planning benefit fairs. The timing of the current transition will inevitably reduce the level of support the new consultant can provide, compared to what would have been possible with a calendar-year start.
 - ii. Regarding RFP processes, the consultant is directly responsible for drafting proposal documents, evaluating bids, and recommending winning bidders to staff. If RFP processes are underway, staff would need to seek a short-term extension from the Board - assuming the outgoing consultant is willing - or require the incoming consultant to assume or restart the RFP processes.
- b. Staff would like to further note that USI will receive commissions from County-contracted vendors. Such commissions will be credited to the County by the Contractor to offset the compensation owed by County under Article 3 of the proposed agreement. The following vendors currently pay commissions to the County's broker of record:
 - i. ReliaStar Life Insurance Company, Agreement No. 24-668: Basic Life, AD&D, and

- Supplemental Life Insurance, and EAP Services.
- ii. ReliaStar Life Insurance Company, Agreement No. 24-669: Supplemental Health Insurance (Accident, Critical Illness, and Hospital Confinement insurance policies).
- iii. Standard Insurance Company, Agreement No. 21-084: Management Long-term Disability Insurance.

7. Staff Next Steps

Upon your Board's approval, staff will transition broker of record responsibilities from HUB International to USI, which will allow USI to receive commissions from ancillary/voluntary benefits and offset the fees under the proposed agreement.

REFERENCE MATERIAL:

BAI #43, December 17, 2024
BAI #44, December 17, 2024
BAI #44, June 22, 2021
BAI #36, March 23, 2021

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement

CAO ANALYST:

Sevag Tateosian