



Board Agenda Item 44

DATE: June 22, 2021

TO: Board of Supervisors

SUBMITTED BY: Hollis Magill, Director of Human Resources

SUBJECT: Agreement with HUB International Insurance Services to provide Health and Benefits Consulting Services

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute an Agreement with HUB International Insurance Services, Inc., for consulting services related to the County's Health and Benefits Plans, effective July 12, 2021, not to exceed five total years, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$655,000.

There is no 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 HUB International Insurance Services, Inc ("HUB"), effective July 12, 2021. This item is County-wide.

ALTERNATIVE ACTION(S):

Your Board may direct staff to consider other proposals received during the request for proposals (RFP) process.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The cost of the proposed Agreement is \$125,000 for FY 2021-22 and \$655,000 for the full five-year term of the Agreement. Sufficient appropriations and estimated revenues are included in the Risk Management Org 8925 FY 2021-22 Adopted 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 and may include a reduction to annual fees from commissions earned by HUB through procurement of ancillary/voluntary benefits for County employees.

DISCUSSION:

The County offers health insurance to eligible employees, pre-65 retirees and Medicare eligible retirees. Each year the County evaluates the health benefit program and goes out to bid for insurance services. Due to the complexity of the health insurance industry and the costs expended each year by the County, employees and retirees, the County has secured agreements for health benefit consultation services for many years. The current employee benefits consultant, Keenan & Associates, has provided services since July 12, 2016.

On February 23, 2021, the County issued RFP No. 21-033, seeking proposals from qualified vendors to provide consulting services related to the County of Fresno's health and benefits programs. Such programs include Health Benefits (health, dental, vision, pharmacy, and mental health), Ancillary/Voluntary Benefits (life, disability and voluntary benefits), Flexible Spending Accounts (Health Care, Dependent Care, and Commuter benefits), and the Employee Assistance Program. Vendors were asked to submit cost proposals under one or both of the following options:

1. Flat-fee retainer with any commissions from Ancillary/Voluntary Benefits returned to the County to offset consulting fees; and
2. Flat-fee retainer with commissions from voluntary, employee-paid benefits being retained by the vendor.

The RFP was sent to eleven (11) potential vendors and was advertised on the County's Public Purchase website. Four (4) vendors responding to the RFP with qualifying bids: Alliant Insurance Services, Burnham Benefits, HUB International, and Keenan & Associates.

The RFP Review Committee rated each proposal regarding the proposing firm's:

- Cost, as submitted in the Cost Proposal section.
- Responsiveness to the RFP.
- 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 Plan, 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.

The RFP Review Committee met on Monday, April 12, 2021 to discuss the proposals, with a County Purchasing Analyst in attendance to observe the proposal evaluation process. After discussing each proposal in detail, the RFP Review Committee determined that **HUB International** 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:

- **Communications:** HUB was the clear leader in communications, as they have a team of 20 staff, including strategists, writers, graphic designers, consultants, project managers and video developers. They've won multiple MarCom awards for their communications, including a 2020 Platinum award for their Benefit Spot mobile app, and their Persona Analysis tool will help us do targeted/segmented benefits communications.
- **Technology Offerings:** Hub offered several technology solutions that would streamline several current processes performed by the Human Resources Department. Included in their price are County specific websites and apps aimed at assisting County personnel in understanding their medical plans. We would also be granted access to several websites that will assist HR staff and employees alike.
- **Consultant qualifications:** Their lead consultant is very experienced, has previous experience consulting to the County of Fresno, and has the fewest clients among the bidders. In addition, they designate the most staff (21), which covered every aspect of our benefit plans.
- **ACA Expertise:** The response details each aspect of the ACA they oversee, and they provide the County with a compliance expert.
- **Monitoring Vendor Performance:** They emphasize that they are our advocate - they will act as a liaison with vendors, assist in resolution of elevated issues, and monitor vendor goals.
- **Cost Proposal:** While they were not lowest-cost bidder, they were the only bidder to analyze our

current benefits and show how commissions could be increase to help offset their fees and potentially fund additional benefits, such as our wellness program.

Staff would like to note that Section 10 (Hold Harmless) of the Agreement includes indemnification language that is different from the County's standard language. Since the County is responsible for maintaining accurate records on behalf of benefit participants, HUB requested that Section 10 clarify that the County will not require indemnification in the event of an error or omission that the County "caused or significantly contributed to."

REFERENCE MATERIAL:

BAI #38, July 12, 2016

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with the Clerk - Agreement

CAO ANALYST:

Yussel Zalapa