

STAFF REPORT



Meeting Date: April 20, 2022
To: Board of Directors
From: Michael J. Aho, District Administrator
Subject: Approval of Request for Qualifications (RFQ) for Broker Services for Employee Group Health Insurance
Prepared By: Jennifer Larkin, Administrative Services Manager

I. Recommendation

To approve the attached Request for Qualifications (RFQ) in an effort to receive information from qualified firms to potentially provide employee health benefit broker services.

II. Background

The District provides a generous group benefits package to its full-time employees which includes health, dental, vision and life insurance. Health benefits (but not dental, vision or life benefits) are also provided retirees receiving a CalPERS pension based on a vesting schedule as follows:

Years of credited Service	District Contribution
Fewer than 10	0%
10	50%
10-19	50%, plus 5% added for each year after the 10th year
20 or more	100%

The District contracts with CalPERS Health for its health benefits, CAPS Plans for Dental and Vision and Sunlife for Life Insurance. In total, the District spends approximately \$350,000 per year on all group insurance. That cost typically increases about 5% per year overall.

III. Problem/Situation/Request

The District has two objectives in looking for a broker: first, to find more cost-effective and more efficient ways to continue to offer the same level

of benefits, and secondly, to offer employees different choices than what is currently available. For example, CalPERS does not currently offer any kind of high-deductible plan so the District is unable to offer one which, combined with a Health Savings Account, can provide cost savings to the District while allowing employees more flexibility in how they spend their benefit "dollars."

The Employees Association has had the opportunity to review the proposed RFQ and make any changes or suggestions, and staff met with the Personnel and Management Committee on March 31 to review and discuss the RFQ. The draft attached to this report reflects any recommendations or changes made through both of those processes.

IV. Financial Analysis

There is no financial impact to the District with the release of an RFQ. If the District determines that one of the consultants is a good fit, more information regarding cost will be forthcoming prior to moving forward with a contract. The cost to the District shall be no more than what is currently expended, with the objective being to lower overall costs.

Respectfully Submitted,

Michael J. Aho
District Administrator

ATTACHMENT A: Request for Qualifications



REQUEST FOR PROPOSALS

EMPLOYEE BENEFIT BROKERAGE CONSULTING SERVICES
for the Fair Oaks Recreation & Park District

SEALED SUBMITTALS DUE:

CONTACT:

Jennifer Larkin
Administrative Services Manager
Fair Oaks Recreation & Park District
4150 Temescal Street
Fair Oaks, CA. 95628
jlarkin@forpd.org
(916) 966 – 1036

SECTION 1. PROJECT DESCRIPTION

The Fair Oaks Recreation & Park District, hereinafter called the “DISTRICT”, is interested in obtaining the services of a professional, highly qualified benefits brokerage and consulting firm to provide a full range of services related to the design, implementation, analysis, maintenance, improvement, and communication of an employee benefits program. Interested and qualified brokers/consultants who have demonstrated their ability at comparable work are invited to submit proposals.

The District employs approximately 16 full-time 20 part-time staff members. All full-time staff members are eligible for group benefits upon employment. The District provides group health, dental and vision benefits for its employees and their families. The District contracts with CalPERS Health for its health benefits, CAPS Plans for dental/vision, and Sun Life Financial for its life insurance benefit. Approximately 98% of eligible employees opt for the District’s group health and dental/vision plans, and all are automatically enrolled in the Sun Life life insurance plan. Employees who opt out of the health and dental/vision plans are eligible to enroll during open enrollment. The District also pays retiree medical benefits in alignment with the PEHMCA vesting schedule.

The District will provide an employee census containing birthdates, gender, zip codes, and current coverage. This may be requested in writing by qualified vendors intending to submit qualifications by emailing: jlarkin@forpd.org.

SECTION 2. BACKGROUND

The District is an independent special district in the County of Sacramento and has been serving the community of Fair Oaks since 1945. The District has a governing body of a five (5) member Board of Directors elected at large with four (4) year staggered terms. The District provides a wide range of recreation programming, including special events, day camps, teen programs and trips, adult sports leagues, senior activities, youth programs and leisure enrichment classes. The District currently owns 124 acres of parkland, comprised of twelve (12) developed parks and eight building facilities.

SECTION 3. SCOPE OF WORK

The District is seeking a broker/consultant to perform the full range of services related to the design, implementation, maintenance, communication, and improvement of the District’s group health, dental, life, LTD and vision insurance programs.

1. Assisting the District in administering all group insurance plans, responding to questions from and providing information to staff, and providing other consulting services during the course of the plan year.
2. Researching and advising the District of any new developments in the law and employee benefit programs on an ongoing basis.
3. Reviewing claims experience, claim service, and claim administration to ensure maximum benefit to the District.
4. Determining and recommending the most economical funding methods for the benefit programs.
5. Representing the District in all negotiations with providers on all issues including those related to premiums, benefit levels, plan design, and special terms and conditions.

6. Meeting with and providing reports to various District representatives including Human Resources staff and the Insurance Committee.
7. Assisting the District with the implementation and communication of new programs or changes to existing programs, which will include attending and presenting information at Open Enrollment meetings.
8. As requested by the District, preparing bid specifications and soliciting proposals from insurance markets which specialize in group insurance plans as needed. Evaluate bids and bidders, including administration, claim payment procedures, customer service, network, reserve establishment policies, financial soundness, and identifying the most cost-beneficial package from among the various bidders.
9. Providing Cobra Administration for the District during the length of the contract.
10. Providing consulting and technical support, as available, to implement Online Benefits Open Enrollment services to employees.
11. Interfacing with insurance carriers as needed to assist the District in the resolution of problems associated with the benefit programs.

SECTION 4. QUALIFICATIONS REQUIREMENTS

4.1 General Information

Please provide the following information about your firm:

1. Firm name, address, and contact information.
2. Type of firm: individual, partnership, corporation, subsidiary, or government entity.
3. Organizational structure of the firm, history, including number of years in existence, number and location of offices, total number of employees.
4. Names and titles of all principals/officers of the firm (name, title, phone number).
5. List applicable certifications and licenses and the associated numbers.
6. How many years has your firm been providing health, dental, life and vision benefits services to public agencies?
7. List the public agencies your firm provided similar services for within the past three (3) years. List the number of employees for each agency. Please include the contact person and phone number for each organization.
8. Discuss your company's resources and activities as they relate to knowledge and understanding of our industry.
9. Describe the responsibility, experience and qualifications of the individual(s) who would comprise the service team.

10. Describe the firm's philosophy for servicing an account and commitment to customer service and quality assurance.
11. Describe your firm's resources or methods to provide education on best practices, trends or hot topics.
12. Describe the organization's legal research capabilities and how you communicate legislative updates to your clients.
13. Describe your underwriting resources, procedures and staff.
14. Describe your renewal process and timelines.
15. What resources does your firm offer to assist with the administration of a benefits program?
16. Describe your firm's capabilities with regard to communication. Include ongoing employee communication/open enrollment and web-based communications.
17. What consulting services and/or technical support does your firm have available to the District to facilitate the implementation of an online/automated open enrollment process?
18. Describe the firm's Errors and Omissions (E&O limits) and provide evidence your company carries all applicable insurance coverages and licenses.
19. Describe the resources and tools available for benchmarking.
20. Describe the firm's view of the role wellness programs have on controlling healthcare costs. What resources and tools do you offer clients around wellness initiatives?

4.2 Modifications

The Consultant shall provide a description of any modifications to the proposed scope of services that the Consultant believes shall improve the quality or effectiveness of the subsequent RFQ. The description should identify the impact on the agreement and cost that these modifications would have, if accepted.

4.3 Deliverables

Deliverables are included within the scope of work as described in section 3 above.

4.4 References

The Consultant shall provide a minimum of three references for which the Consultant has provided similar services, include the name, address and telephone number of such reference.

4.5 Conflicts of Interest

The Consultant should identify any actual, apparent, perceived or potential conflicts of interest that may result from the performance of proposed services.

4.6 Fee Information

Describe your method of compensation for your services. Discuss how your method of compensation will be transparent and reported to our team. Does your company accept any carrier “overrides”? If on a commission basis, would your company be taking any form of compensation beyond the commission built into our premium rates? If selected, what are your methods of disclosing compensation to the District and the frequency of that disclosure?

SECTION 5. KEY CONSIDERATIONS AND EVALUATION CRITERIA

The RFQ responses will be evaluated based upon the following:

1. Perceived ability of broker to negotiate a benefits program that meets the needs of the District.
2. Broker’s demonstrated expertise in negotiating benefit plans on behalf of clients similar to the District.
3. Broker’s knowledge and/or technical support related to the implementation of an Online Benefits Open Enrollment process.
4. Broker’s and other assigned staff’s availability and accessibility, including the location of the office that will be servicing our account.
5. The experience, professional credentials and references of those persons who will actually be servicing our account.
6. Broker’s conceptual approach and ideas related to service, as well as how you will manage our account.
7. Broker’s ability to provide proactive support to the District’s Human Resources function including dissemination of current general and legal updates as well as time sensitive insurance carrier information.

SECTION 6. SUBMISSION REQUIREMENTS

Responses must be received no later than _____ via US mail, courier or email. No faxes shall be accepted. Responses received after that date and time shall not be accepted.

The Consultant must provide one original and three copies of the proposal at the time of submission to:

Jennifer Larkin
Administrative Services Manager
Fair Oaks Recreation and Park District
4150 Temescal Street
Fair Oaks, CA 95628

Submissions that are received late or misdirected will not be accepted for evaluation. The District will take no responsibility for mail service delivery failure. Responses received later than 3 PM will be considered ineligible for consideration - NO

EXCEPTIONS.

All questions regarding the RFQ should be directed to Jennifer Larkin at (916) 966-1036 or jlarkin@forpd.org

SECTION 7. SELECTION PROCESS AND SCHEDULE

The Contract award will be made after selection of one (1) respondent's proposal from among all respondents with implementation of services to follow. However, this RFQ does not indicate a commitment by the District to award a contract to any successful respondent. An award of contract is estimated to occur within approximately sixty (60) calendar days after receipt of proposals. The District intends to evaluate the proposed services based upon the data presented in response to the RFQ. The proposals will then be reviewed based on qualifications, specific experience, references, familiarity with the services and pricing, and then rated according to which company best meets the District's requirements.

Those firms whose proposals most closely meet the needs of the District will be required to attend an interview with District staff on **xxxxxxx**. Failure to attend this meeting, if selected, may give cause to have your proposal declared non-responsive, at the District's discretion.

SECTION 8. ADDITIONAL INFORMATION

The District reserves the right to:

- Reject any and all consultants;
- Waive an informality in the submissions; and
- Accept the consultants that best meets the District needs.

All completed work becomes the property of the District.