

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE)	RESOLUTION NO. 03-3377
ISSUANCE OF REQUEST FOR PROPOSAL)	
04-1085-HR, METRO AGENT OF RECORD)	Introduced by Chief Operating Officer
AND CONSULTANT FOR EMPLOYEE HEALTH)	Michael J. Jordan, with the concurrence
AND WELFARE PLANS)	of Council President David Bragdon

WHEREAS, Metro Code Metro 2.04.26 (D.) states "Any contract for personal services for a term greater than 12 months and in an amount greater than \$50,000" must be approved by Council.

WHEREAS, the Metro Council adopted Resolution No. 92-1709, "For the Purpose of Approving a Request for Proposals Document for Agent or Record and Authorizing the Executive Office to Execute the Contract" on November 24, 1992.

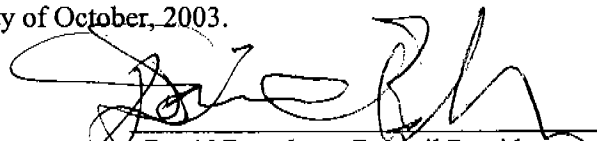
WHEREAS, the Executive Officer contracted with Willis Corroon for Agent of Record services and Consultant services for the Employee Health and Welfare Plans.

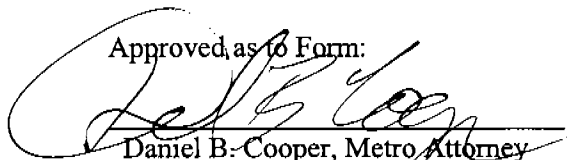
WHEREAS, the contractual agreement with Willis Corroon was extended to December 31, 2003 on December 14, 2001.

WHEREAS, the contractual agreement with Willis Corroon will expire on December 31, 2003, and cannot be extended further.

BE IT RESOLVED, that the Metro Council hereby authorizes the issuance of the Request for Proposal (04-1085-HR) attached as to form as Exhibit A for a personal services agreement for the Metro Agent of Record and Consultant for Employee Health and Welfare Plans. The Metro Council further authorizes the Chief Operating Officer (or his designee) to execute a contract with the most responsive Proposer as recommended by the HR Director in a form substantially similar to the contract in Exhibit A.

ADOPTED by the Metro Council this 23rd day of October, 2003.


David Bragdon, Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney



**RFP-04-1085-HR
REQUEST FOR PROPOSALS
METRO AGENT OF RECORD AND CONSULTANT
FOR EMPLOYEE HEALTH AND WELFARE PLANS**

I. INTRODUCTION

Metro is a directly elected regional government that services more than 1.2 million residents in Clackamas, Multnomah and Washington counties and the 24 cities in the Portland Metropolitan area.

Metro is responsible for regional growth management, transportation and land use planning; regional environmental management; operation of the Oregon Zoo; regional parks and green spaces programs; and technical services to local governments. Through the Metropolitan Exposition-Recreation Commission, Metro manages the Oregon Convention Center, the Portland Center for Performing Arts and the Expo Center.

Metro is requesting proposals from qualified firms to provide consulting services and act as Metro's Agent of Record for its Employee Health and Welfare Plans. The Agreement will be for a three-year period commencing January 1, 2004 to December 31, 2006 with possible extensions of three one-year periods unless terminated or extended as provided in this agreement. Proposals will be due on Friday, November 28, 2003 at noon, PST in Metro's Benefits office, located at 600 NE Grand Avenue, Portland, Oregon 97232-2736.

II. GENERAL INFORMATION

The Metro-sponsored employee benefit plan consists of medical, dental, vision, prescription drug, life, dependent life, accidental death and dismemberment and long term disability insurances. Metro employees also participate in the Public Employees Retirement System (PERS). Eligible employees also have the option to participate in the 401(k) Employee Salary Savings Plan and an IRC, 125 pre-tax medical expense reimbursement plan and an IRC 129 pre-tax dependent care reimbursement program.

The Metro-sponsored benefit plan is offered to all regular non-represented employees; and the members of the American Federation of State, County and Municipal Employees (AFSCME) Locals 3580 and 3580-1; and all full-time members of International Union of Operating Engineers (IUOE) Local 701; and the Laborers International Union (LIU) Local 483. Members of LIU have the option to participate in the Metro-sponsored plan, or to receive their health and welfare benefits through the Oregon Laborer's Trust.

Through the collective bargaining process, a Labor-Management Benefit Committee has been established to review plan costs and administration, potential plan design changes, and may make recommendations regarding the Metro employee benefit plans. The collective bargaining contract year is from July 1 through June 30.

III. 2003-2004 PLAN AND PARTICIPANT INFORMATION

Current Employee Participation:

Medical:

Kaiser Permanente		364
ODS Indemnity	272	
OLT		<u>32</u>
		668

Dental:

ODS		470
Kaiser Permanente		166
OLT		<u>32</u>
		668

Vision:

Kaiser Permanente		364
Vision Service Plan		272
OLT		<u>32</u>
		668

Life, AD&D, LTD:

MetLife		668
---------	--	-----

Current Premiums:

Kaiser Permanente (includes vision)	\$476.58
ODS Indemnity	\$574.61
Kaiser Permanente Dental	\$ 85.41
ODS Dental	\$ 90.82
Vision Service Plan	\$ 13.28
MetLife Insurance:	
Life	\$. 17/\$1,000 up to 1 ½ times annual salary, capped at \$50,000
AD&D	\$. 03/\$1,000 up to 1 ½ times annual salary, Capped at \$50,000
LTD	\$.74/\$100

IV. MINIMUM QUALIFICATIONS AND EXPERIENCE

Qualified proposers shall as a minimum:

- A. Be licensed by the Insurance Commission of the State of Oregon.

- B. Have had at least five years experience providing employee benefit consulting to public sector clients.
- C. Maintain a main or branch office in the Portland metropolitan area.

V. SCOPE OF WORK

Activities performed for Commissions

- A. Contractor shall assist in the placement of all employee health and welfare insurance including:
 - 1. Development of marketing specifications.
 - 2. Evaluation of proposals.
 - 3. Identifications of market conditions pertinent to successful carrier negotiations.
- B. Contractor shall assist in management of employee benefit insurance including:
 - 1. Underwriting analyses for annual contract renewal negotiations.
 - 2. Annual financial projections for Metro's budget decision-making process.
 - 3. Review, analysis, and costing of proposed plan amendments.
- C. Contractor shall prepare an annual benefit cost management report including:
 - 1. Statement of projected financial requirements of all employee benefits for the coming plan year with updated cost history and cost trends.
 - 2. Summary of health and welfare insurance carriers and administrator performance evaluations.
 - 3. Identification of areas for additional cost savings with estimated projected savings.
 - 4. Recommendations regarding carrier renewals.
- D. Contractor shall record and provide specific information regarding existing, new or impending legal or tax requirements that may affect Metro's health and welfare plans.
- E. Contractor shall conduct or assist, as requested, in the annual negotiations of medical, dental, and vision benefits with potential providers

Activities Performed For Negotiated Hourly Rate

- F. Contractor will provide information or perform special studies on an ad hoc basis as requested by the Chief Operating Officer, Director of Human Resources, or Benefits Manager.
- G. Upon request by Metro, the Consultant will provide a written fee estimate, with a guaranteed maximum cost for any special study or project outside this Scope of Work. If approved by Metro, the consultant shall thereafter perform such special studies or the parties may negotiate projects at the written estimate price or such fee as.

VI. COMPENSATION

For services falling within this Scope of Work, Activities performed for commissions, the consultant will be compensated by receiving commissions directly from the insurance companies providing employee benefit insurance to Metro. Metro shall not be directly obligated for payment to the consultant.

The annual aggregate commission paid from Metro's health and welfare insurance carriers to the consultant for the ending to-year contract per plan year was \$33,000. If the billable time for services was less than \$33,000 in any given plan year, the excess commission compensation was carried forward and applied directly to the following plan year's services.

On a monthly basis, the Consultant will provide to Metro a statement of commissions received from each insurance carrier and provide a detailed explanation of all billable hours incurred for special services performed on an Ad-Hoc basis. Invoices shall state the period the work was performed and summarize the work accomplished. Billing shall not exceed the agreed upon fee without prior written approval by Metro. Invoices shall be sent to Metro's Accounting Office at 600 NE Grand Ave., Portland, OR 97232.

VII. GENERAL PROPOSAL/CONTRACT CONDITIONS

- A. Limitation and Award – This RFP does not commit Metro to the award of a contract, nor to pay any costs incurred in the preparation and submission of proposals in anticipation of a contract. Metro reserves the right to accept or reject any or all proposals received in whole or in part as the result of this request, to negotiate with all qualified sources, or to cancel all or part of this RFP.
- B. Contract Type – Metro intends to award a Personal Services Agreement with the firm selected to provide service. A copy of the standard form contract which the successful consultant will be required to execute is attached.
- C. Billing Procedures -- Proposers are informed that the billing procedures of the selected firm are subject to the review and prior approval of Metro before reimbursement of services can occur. A monthly billing, accompanied by a progress report, will be prepared by the consultant for review and approval.
- D. Validity Period and Authority – The proposal shall be considered valid for a period of at least ninety (90) days and shall contain the name, title, address and telephone number of an individual or individuals with authority to bind any company contacted during the period of which Metro is evaluating the proposal.

VIII. PROPOSAL CONTENT REQUIREMENTS

The proposal should contain information which describes the ability of the consultant to perform the work requested, as outlined below: (The proposal should be submitted on recyclable, double-sided recycled paper (post consumer content). No waxed page dividers or non-recyclable materials should be included in the proposal).

- A. Name and address of your organization, the date established, and a brief description of its historical background.
- B. The name, title, address, and phone number of the individual preparing the response and the name of the contact for this RFP.
- C. A description of the business experience and professional, achievements of the principals of your firm who would be assigned to work on Metro's account. Attach resumes or summarized credentials of the account manager and all other staff who would be assigned to Metro's account.

- D. Provide a list of other Oregon public sector employers for which you provided similar services to those contained within this Scope of Work within the past five years. Include the names, titles and phone numbers of appropriate contacts at these organizations that are able to discuss in detail the services your agency provided.
- E. Briefly describe your organizations expertise in the following areas (please note those services available through your Portland office):
 - 1. Health plan design and financing.
 - 2. Underwriting and actuarial service.
 - 3. Employee benefit legislation, tax issues and requirement for public sector employers.
 - 4. IRC 125 and 129 Plans.
 - 5. Collective bargaining.
- F. Present the proposed cost of the project.
- G. Provide any other information that you feel would assist Metro in the process of evaluating your proposal.

IX. PROPOSAL INSTRUCTIONS

A. Deadline and Submission of Proposals

- 1. Three (3) copies of the proposal shall be furnished to Metro addressed to:

Kerry Gilbreth, Benefits Manager
Metro
600 NE Grand Avenue
Portland, OR 97232-2736

The deadline for receipt of all proposals is Friday, November 28, 2003 at 12:00 p.m. (Noon), PST. Proposals must be contained in a sealed envelope clearly marked, RFP# 03-1085-HR, "Proposal Employee Health and Welfare Plans." Metro may request the top proposers provide an oral presentation to a Selection Committee.

B. Basis for Proposals

This RFP represents the most definitive statement Metro will make concerning the information upon which proposals are to be based. Any verbal information which is not contained in this RFP will not be considered by Metro in evaluation of the proposal. All questions relating to the RFP must be submitted in writing to Kerry Gilbreth, Benefits Manager, 600 N.E. Grand Avenue, Portland, OR 97232-2736. You may fax questions to Kerry Gilbreth at (503) 797-1796. Please include a return fax number. Any questions which in the opinion of Metro warrant a written reply or RFP amendment will be furnished to all parties receiving a copy of this RFP. Metro will not respond to questions received after Friday, November 14, 2003.

C. Information Release

All proposers are hereby advised that Metro may solicit and secure background information based upon the information, including references, provided in response to this RFP. By submission of a proposal all proposers agree to such activity and release Metro from all claims arising from such activity.

D. Minority and Women-Owned Business Program

In the event that any subcontracts are to be utilized in the performance of this agreement, the proposer's attention is directed to Metro Code provisions 2.404.100.

Copies of that document are available from the Risk and Contracts Management, Metro, Metro Regional Center, 600 NE Grand Avenue, Portland, Oregon 97232 or by calling (503) 797-1816.

X. EVALUATION & SELECTION CRITERIA

Only proposals prepared in full conformance with these RFP instructions will be evaluated. The evaluation will take place using the evaluation criteria identified in the following section. The evaluation process will result in Metro developing a short list of the firms who, in its opinion, are most qualified. Interviews with these firms will be requested prior to final selection of one firm.

- A. Accepted proposals will be reviewed by a screening committee who will evaluate proposals and will rank them based upon the following evaluation criteria:
 - 1. General (10 pts.)
 - (a) Organization of proposal
 - (b) Responsiveness to the purpose and scope of services
 - 2. Personnel (25 pts.)
 - (a) Experience and qualifications of principals assigned to this project.
 - (b) Availability of personnel assigned.
 - (c) Additional professional resources available.
 - 3. Organization, Experience and Services of Firm (25 pts.)
 - (a) Previous history and experience with similar types of government agencies.
 - (b) Previous history and experience in the appropriate insurance fields.
 - (c) Structure of services provided and appropriateness to Metro's needs.
 - (d) Favorable references from similar public sector clients for which you have provided similar services.

4. Technical Expertise (15 pts.)
 - (a) Knowledge and skill in the areas of underwriting/actuarial services and products plan design and financing, IRC 125 and 129 plans, public sector benefit requirements, benefits law, insurance placement and carrier negotiations.
5. Creativity (10 pts)
 - (a) Ability to design and implement effective, timely and cost conscious solutions to employee benefit problems.
6. Communication and Interpersonal Skills: (15 pts.)
 - (a) Ability to work and communicate effectively with Metro staff and management, union representatives and committees, insurance carriers, and provide compelling testimony when necessary.

All firms submitting a proposal will be notified when a consultant has been selected. Metro reserves the right to reject any or all proposals, to waive irregularities and technicalities and to accept the proposal deemed most advantageous to Metro.

XI. RFP ATTACHMENT

The following attachments are included with this RFP.

- A. A copy of the Personal Services Agreement your organization will be required to sign prior to the award of this Contract. You will note that this document includes the required levels and types of insurance the consultant must purchase and maintain during the life of this Agreement.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION 03-3377, FOR THE PURPOSE OF AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSAL 04-1085-HR, AGENT OF RECORD AND CONSULTANT FOR EMPLOYEE HEALTH AND WELFARE PLANS

Date: 10/03/03

Prepared by: Kerry Gilbreth

PROPOSED ACTION

Issue RFP 04-1085-HR, Agent of Record and Consultant for Employee Health and Welfare Plans.

EXISTING LAW

Metro Code 2.04.26 “ Notwithstanding any other provisions of this chapter, the Chief Operating Officer, Metro Attorney, or Auditor must obtain authorization by the Council prior to execution of the following types of contracts: (D.) Any contract for personal services for a term greater than 12 months and in an amount greater than \$50,000.”

BACKGROUND AND ANALYSIS

Metro issued RFP 92-1089, request for Agent of Record and Consultant for Employee Health and Welfare Plans in November of 1999. The contract was awarded to Willis Corroon on January 1, 1999 and was extended through December 31, 2003 on December 14, 2001. Under Metro Code no further extensions are allowed.

FISCAL IMPACT:

The cost to administer this plan is \$33,000 per year. The consultant will be compensated by receiving commissions directly from the insurance companies providing employee benefit insurance to Metro. Metro shall not be directly obligated for payment to the consultant.

RECOMMENDED ACTION

The Chief Operating Officer recommends Council issue RFP 04-1085-HR.