

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF APPOINTING A ) RESOLUTION NO. 90-1271  
BROKER OF RECORD FOR EMPLOYEE )  
BENEFITS ) Introduced by Rena Cusma,  
 ) Executive Officer

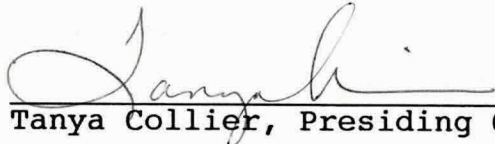
WHEREAS, Section 2.04.053 of the Metro Code requires  
the Council must approve contract documents for certain contracts;  
and

WHEREAS, The contract for Broker of Record for Employee  
Benefits requires Council approval, and the proposal document has  
been approved by the Council of the Metropolitan Service District;  
now therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District  
approves the contract documents for Broker of Record for Employee  
Benefits attached as Exhibit A hereto and authorizes that the  
Executive Officer enter into a contract with William M. Mercer,  
Incorporated.

ADOPTED by the Council of the Metropolitan Service  
District this 10th day of May, 1990.

  
Tanya Collier, Presiding Officer

sk:bkrresol  
04/23/90

PERSONAL SERVICES AGREEMENT

THIS AGREEMENT dated this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, is between the METROPOLITAN SERVICE DISTRICT, a municipal corporation, hereinafter referred to as "METRO," whose address is 2000 S.W. First Avenue, Portland, OR 97201-5398, and William M. Mercer, Incorporated, hereinafter referred to as "CONTRACTOR," whose address is 900 Southwest Fifth Avenue, Suite 1000, Portland, Oregon 97204, for the period of June 1, 1990, through December 31, 1992, and for any extensions thereafter pursuant to written agreement of both parties.

W I T N E S S E T H :

WHEREAS, This Agreement is exclusively for Personal Services;

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

CONTRACTOR AGREES:

1. To perform the services and deliver to METRO the materials described in the Scope of Work attached hereto;
2. To provide all services and materials in a competent and professional manner in accordance with the Scope of Work;
3. All applicable provisions of ORS chapters 187 and 279, and all other terms and conditions necessary to be inserted into public contracts in the State of Oregon, are hereby incorporated as if such provision were a part of this Agreement, including but not limited to ORS 279.310 to 279.320.

Specifically, it is a condition of this contract that Contractor and all employers working under this Agreement are subject employers that will comply with ORS 656.017 as required by 1989 Oregon Laws Chapter 684.

4. To maintain records relating to the Scope of work on a generally recognized accounting basis and to make said records available to METRO at mutually convenient times;

5. To indemnify and hold METRO, its agents and employees harmless from any and all claims, demands, damages, actions, losses and expenses, including attorney's fees, arising out of or in any way connected with its performance of this Agreement, with any patent infringement arising out of the use of CONTRACTOR'S designs or other materials by METRO and for any claims or disputes involving subcontractors;

6. To comply with any other "Contract Provisions" attached hereto as so labeled; and

7. CONTRACTOR shall be an independent contractor for all purposes, shall be entitled to no compensation other than the compensation provided for in the Agreement. CONTRACTOR hereby certifies that it is the direct responsibility employer as provided in ORS 656.407 or a contributing employer as provided in ORS 656.411.

In the event CONTRACTOR is to perform the services described in this Agreement without the assistance of others, CONTRACTOR hereby agrees to file a joint declaration with METRO to the effect that CONTRACTOR services are those of an independent contractor as provided under Chapter 864 Oregon Laws, 1979.

METRO AGREES:

1. The the CONTRACTOR will be compensated by receiving commissions directly from the insurance companies providing employee benefit insurance to Metro; and

2. To provide full information regarding its requirements for the Scope of Work.

BOTH PARTIES AGREE:

1. That METRO may terminate this Agreement upon giving CONTRACTOR five (5) days written notice without waiving any claims or remedies it may have against CONTRACTOR;

2. That, in the event of termination, METRO shall not be liable for indirect or consequential damages;

3. That, in the event of any litigation concerning this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs, including fees and costs on appeal to an appellate court;

4. That this Agreement is binding on each party, its

successors, assigns, and legal representatives and may not, under any condition, be assigned or transferred by either party; and

5. That this Agreement may be amended only by the written agreement of both parties.

WILLIAM M. MERCER, INCORPORATED

METROPOLITAN SERVICE DISTRICT

By: \_\_\_\_\_ By: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

APPROVED AS TO FORM:

By: \_\_\_\_\_

Date: \_\_\_\_\_

AMH:jp  
CONTRACT.FOR  
10/19/89



METRO

2000 SW First Avenue  
Portland, OR 97201-5398  
(503) 221-1646  
Fax 241-7417

March 26, 1990

To: Holders of the Request for Proposals for  
Metro's Broker of Record for Employee  
Benefits due 5:00 p.m. PST, March 28, 1990

Please make the following deletions in your RFP:

Executive Officer  
Rena Cusma

**Metro Council**

Tanya Collier  
Presiding Officer  
District 9

Gary Hansen  
Deputy Presiding  
Officer  
District 12

Mike Ragsdale  
District 1

Lawrence Bauer  
District 2

Jim Gardner  
District 3

Richard Devlin  
District 4

Tom DeJardin  
District 5

George Van Bergen  
District 6

Ruth McFarland  
District 7

Judy Wyers  
District 8

Roger Buchanan  
District 10

David Knowles  
District 11

SECTION IV. QUALIFICATIONS AND EXPERIENCE:

C. Shall maintain an office in the Metro area consisting of at least two brokers licensed by the State of Oregon, ~~together with a trained office staff including safety personnel.~~

SECTION VII. GENERAL PROPOSAL AND CONTRACT CONDITIONS:

C. Validity Period and Authority - The proposal shall be considered valid for a period of at least ninety (90) days and shall contain a statement to that effect. ~~The proposal shall contain the name, title, address and telephone number of an individual or individuals with authority to bind any company contacted during the period in which Metro is evaluating the proposal.~~

Sincerely,

Sarah Keele  
Benefits Analyst

7. Upon request by Metro, Contractor will provide a written fee estimate, with guaranteed maximum cost for any special study or project outside this Scope of Work. If approved by Metro, Contractor shall thereafter perform such special studies or projects at the written estimate price or such fee as may be negotiated by the parties.

#### IV. QUALIFICATIONS AND EXPERIENCE

The successful proposer must possess the following minimum qualifications and experience:

- A. Shall be licensed by the Insurance Commissioner of the State of Oregon and shall be in good standing
- B. Shall have had at least five years active experience in the insurance fields of health care coverage, accidental death and dismemberment, and life insurance. The experience should preferably include writing insurance for public agencies.
- C. Shall maintain an office in the Metro area consisting of at least two brokers licensed by the State of Oregon, together with a trained office staff including safety personnel.
- D. Shall furnish satisfactory evidence that firm carries an Error and Omissions Policy with a minimum limit of not less than \$1,000,000.

#### V. CONTENTS OF PROPOSAL

##### A. General Information

1. Provide name, address of firm, date established and brief description of agency's historical background
2. State the number of personnel in your office and their general duties.
3. Describe the business experience and professional achievements of principals of your firm who would be assigned to work on Metro's account. Include resumes of individuals proposed for this contract.

EXHIBIT "A"

III. SCOPE OF WORK

A. Contractor to perform duties as Metro's Broker of Record and provide the following services:

1. Assist in the placement of all employee health and welfare insurance as requested by Metro's representative, hereby known as the Project Manager, including:
  - development of marketing specifications
  - evaluation of proposals
  - identification of market conditions pertinent to successful carrier negotiations.
2. Assist in the management of employee benefit insurance requested by the Project Manager, including:
  - underwriting analyses for annual contract renewal negotiations
  - quarterly contract compliance audits
  - annual financial projections for Metro's budget decision-making process
3. Prepare an annual benefit cost management report including:
  - summary of carrier performance evaluations
  - evaluation of proposals
  - identification of areas for additional cost savings with estimated projected savings.
4. Provide information of existing or impending legal and tax requirements relative to Metro.
5. Provide information on an ad hoc basis regarding:
  - alternative funding analyses (medical, dental, life, and vision).
  - cooperate with the administration in the examination of policies to determine that such policies meet the requirements of the specifications.
6. Be available to the Executive Officer and Personnel Manager for insurance counseling.



4. List three clients of each category listed below serviced through your office which are political subdivisions or accounts that may be similar to Metro that are: 1) new clients; 2) clients who have been with your firm more than three years; 3) and ones no longer with your firm.

B. Evidence of Insurance Agent/Broker Errors and Omissions Insurance.

State the name of the insurer, liability limit and the deductible. The successful vendor will be requested to provide a copy of the certificate of such insurance.

C. Services Provided by Agent/Broker

Briefly describe your firm's expertise in the following areas (please note those services that are directly available in the Metro area office):

1. health plan design and financing
2. employee benefit communications
3. employee benefit legislation and tax issue review and advice.

D. Affirmative Action Plan

State if your office has an Affirmative Action Plan.

E. Proposed Marketing Plan

Discuss in detail how your firm would market Metro's insurance program. Your proposed plan will be received in confidence and shall not be divulged to other brokers.

F. Other Information

Include any other information which you feel will aid Metro in evaluating the proposal from your firm.

G. COMPENSATION

Contractor 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 Contractor.

State what service will be provided for through commission compensation paid by insurance carriers and what part, if any, described in the Scope of Work that would not be performed for commission compensation.

Metro's estimated annual premium for health, vision, dental and life insurance coverage for AFSCME members, and non-reperesented regular and regular part-time employees during FY 1990-91 is \$726,500. This annual premium does not include the premium paid to Oregon Laborer's Trust for employees who are members of LIU Local 483.

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 90-1211 FOR THE PURPOSE OF  
APPROVING CONTRACT DOCUMENTS FOR A BROKER OF RECORD FOR  
EMPLOYEE BENEFITS

---

Date: April 22, 1990

Presented by: Sarah Keele

FACTUAL BACKGROUND AND ANALYSIS

In 1987, the Metropolitan Service District awarded a three year contract for its Broker of Record for Employee Benefits to William M. Mercer, Inc. The contract expires May 31, 1990.

The Broker of Record for Employee Benefits provides health and welfare insurance placement; insurance management; cost control reports; information on existing or impending legal or tax requirements affecting the District's employee benefits; and administration counseling on an ad hoc basis.

THE PROCESS

In accordance with Section 2.04.033(b) of the Metro Code, a Request for Proposals for the services of a Broker of Record for Employee Benefits was prepared and filed with the Council Clerk. On February 2, 1990 and February 20, 1990, the Council Finance Committee reviewed the RFP. On February 22, the RFP was presented to the Council and approved (Resolution No. 90-1211).

Metro requested proposals from fourteen firms of which five were MBE/WBE's. In addition, a public notice was published on March 14, 1990 in the Daily Journal of Commerce, the Skanner, and the Portland Observer. Six firms responded to the RFP:

Corroon & Black  
Foster Higgins  
Gales Creek Insurance  
J B L & K  
Les Morton Agency/Standard Insurance  
William M. Mercer, Inc.

The proposals were evaluated and scored by John Leahy, Personnel Manager; McKay Rich, Assistant Zoo Director; Sarah Keele, Benefits Analyst; and Kathy Rutkowski, Budget Analyst. Evaluations were based on the general organization and responsiveness to the proposal, experience, qualifications, and resources available to personnel, and organization and experience of the firm.

Staff Report  
Broker of Record for Employee Benefits  
Page 2

Reference checks were conducted by Sarah Keele, Benefits Analyst and Lisa St. Helen, Personnel's Administrative Secretary. Reference checks were evaluated by Sarah Keele. In the Request for Proposals, respondents were to provide references from clients that were political subdivisions or similar to Metro, having a relationship with the Broker of less than one year; more than three years; and were no longer with them.

The firms contacted were asked about their relationship with the broker; quality and level of service; expertise of staff; and the responsiveness and availability of their representatives.

Interviews were held with all firms that responded. The interview team consisted of: McKay Rich, Assistant Zoo Director; John Leahy, Personnel Manager; and Sarah Keele, Benefits Analyst. Areas of concern included availability of staff; government benefit experience; plan designs and cost containment; method of communicating current legislation and laws which apply to Metro's benefit plans; and ensuring plan compliance with current laws and tax issues.

Based on the proposal evaluations, reference checks, and interviews, the composite results are as follows:

RANK	PROPOSAL SCORE AVG.	INT. SCORE AVG.	REFERENCE POINTS	TOTAL
1) MERCER	71.50	54.67	20.00	146.17
2) FOSTER HIGGINS	61.75	49.67	20.00	131.42
3) JBL&K	57.75	41.00	20.00	118.75
4) CORROON & BLACK	56.25	39.67	15.00	110.92
5) MORTON/STANDARD	48.50	28.67	15.00	92.17
6) GALES CREEK	38.00	34.67	10.00	82.67

RECOMMENDATION

Based on the proposal evaluations, reference checks, and interview scores, William M. Mercer, Inc., is recommended to be Metro's Broker of Record for Employee Benefits. The contract period will be a two and one-half year period from June 1, 1990 to December 31, 1992.

The contract with the Broker of Record for Employee Benefits has historically been for a three year period; June, 1 as its starting date and May, 31 as the termination date. A two and one-half year period between June, 1 and December, 31 will assure that the Broker of Record for Employee Benefits RFP won't be in progress concurrently with the Metro's RFP process for health and welfare carriers. Our health and welfare contracts are renewed at the beginning of each fiscal year.

Staff Report  
Broker of Record for Employee Benefits  
Page 3

William M. Mercer, Inc., has been Metro's Broker of Record for Employee Benefits since 1987. During this time, they have provided exceptional service through a very capable and competent staff. William M. Mercer, Inc., is a locally managed firm with national and international resources; a broad experience base which will enable them to serve Metro's current and anticipated needs; and have many public agencies as clients in Oregon with similar requirements as Metro.

The Contractor will be compensated by commissions paid directly by the insurance companies providing employee benefit insurance to Metro. Metro shall not be directly obligated for payment to the Contractor. Anticipated annual commissions will be approximately \$12,000 to \$14,500.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of the contract with William M. Mercer, Inc., for the Broker of Record for Employee Benefits for the period June 1, 1990 through December 31, 1992.



# GRANT/CONTRACT SUMMARY

METROPOLITAN SERVICE DISTRICT

(No direct Metro expense)

GRANT/CONTRACT NO. 901250 BUDGET CODE NO. 010 - 042000 - 521490 - 00000  
 FUND: All DEPARTMENT: \_\_\_\_\_ (IF MORE THAN ONE) \_\_\_\_\_  
 SOURCE CODE (IF REVENUE) \_\_\_\_\_

### INSTRUCTIONS

- OBTAIN GRANT/CONTRACT NUMBER FROM CONTRACTS MANAGER. CONTRACT NUMBER SHOULD APPEAR ON THE SUMMARY FORM AND ALL COPIES OF THE CONTRACT.
- COMPLETE SUMMARY FORM.
- IF CONTRACT IS —
  - SOLE SOURCE, ATTACH MEMO DETAILING JUSTIFICATION.
  - UNDER \$2,500, ATTACH MEMO DETAILING NEED FOR CONTRACT AND CONTRACTOR'S CAPABILITIES, BIDS, ETC.
  - OVER \$2,500, ATTACH QUOTES, EVAL. FORM, NOTIFICATION OF REJECTION, ETC.
  - OVER \$50,000, ATTACH AGENDA MANAGEMENT SUMMARY FROM COUNCIL PACKET, BIDS, RFP, ETC.
- PROVIDE PACKET TO CONTRACTS MANAGER FOR PROCESSING

1. PURPOSE OF GRANT/CONTRACT To provide consulting services to Metro staff for employee benefits

2. TYPE OF EXPENSE  PERSONAL SERVICES  LABOR AND MATERIALS  PROCUREMENT  
 PASS THROUGH AGREEMENT  INTER-GOVERNMENTAL AGREEMENT  CONSTRUCTION  
 OTHER

OR

TYPE OF REVENUE  GRANT  CONTRACT  OTHER

3. TYPE OF ACTION  CHANGE IN COST  CHANGE IN WORK SCOPE  
 CHANGE IN TIMING  NEW CONTRACT

4. PARTIES William M. Mercer, Incorporated/Metropolitan Service District

5. EFFECTIVE DATE June 1, 1990 TERMINATION DATE December 31, 1992  
 (THIS IS A CHANGE FROM \_\_\_\_\_)

6. EXTENT OF TOTAL COMMITMENT: ORIGINAL/NEW **\*\* \$12,000 to \$14,500**  
 PREV. AMEND annually  
 THIS AMEND \_\_\_\_\_

TOTAL

7. BUDGET INFORMATION **\*\*This amount to be paid to William M. Mercer, Inc. by the insurance companies through commissions.**  
 \$ n/a

A. AMOUNT OF GRANT/CONTRACT TO BE SPENT IN FISCAL YEAR 198-8 \$ n/a

B. BUDGET LINE ITEM NAME \_\_\_\_\_ AMOUNT APPROPRIATED FOR CONTRACT \$ n/a

C. ESTIMATED TOTAL LINE ITEM APPROPRIATION REMAINING AS OF \_\_\_\_\_, 19   \$ n/a

### 8. SUMMARY OF BIDS OR QUOTES (PLEASE INDICATE IF A MINORITY BUSINESS ENTERPRISE)

Coroon & Black; JBL&K; Gales Creek Insurance; \$ \_\_\_\_\_  MBE  
 SUBMITTED BY \_\_\_\_\_ AMOUNT  
Poster Higgins; and Les Morton/Standard Ins. \$ \_\_\_\_\_  MBE  
 SUBMITTED BY \_\_\_\_\_ AMOUNT  
 SUBMITTED BY \_\_\_\_\_ AMOUNT  MBE

9. NUMBER AND LOCATION OF ORIGINALS \_\_\_\_\_

4. APPROVED BY STATE/FEDERAL AGENCIES?  YES  NO  NOT APPLICABLE
5. IS THIS A DOT/UMTA/FHWA ASSISTED CONTRACT  YES  NO
11. IS CONTRACT OR SUBCONTRACT WITH A MINORITY BUSINESS?  YES  NO  
IF YES, WHICH JURISDICTION HAS AWARDED CERTIFICATION \_\_\_\_\_
12. WILL INSURANCE CERTIFICATE BE REQUIRED?  YES  NO
13. WERE BID AND PERFORMANCE BONDS SUBMITTED?  YES  NOT APPLICABLE  
TYPE OF BOND \_\_\_\_\_ AMOUNT \$ \_\_\_\_\_  
TYPE OF BOND \_\_\_\_\_ AMOUNT \$ \_\_\_\_\_
14. LIST OF KNOWN SUBCONTRACTORS (IF APPLICABLE)
- |            |               |                              |
|------------|---------------|------------------------------|
| NAME _____ | SERVICE _____ | <input type="checkbox"/> MBE |
| NAME _____ | SERVICE _____ | <input type="checkbox"/> MBE |
| NAME _____ | SERVICE _____ | <input type="checkbox"/> MBE |
| NAME _____ | SERVICE _____ | <input type="checkbox"/> MBE |
15. IF THE CONTRACT IS OVER \$10,000
- A. IS THE CONTRACTOR DOMICILED IN OR REGISTERED TO DO BUSINESS IN THE STATE OF OREGON?  
 YES  NO
- B. IF NO, HAS AN APPLICATION FOR FINAL PAYMENT RELEASE BEEN FORWARDED TO THE CONTRACTOR?  
 YES DATE \_\_\_\_\_ INITIAL \_\_\_\_\_
16. COMMENTS:

## GRANT/CONTRACT APPROVAL

<p>INTERNAL REVIEW</p> <p><i>[Signature]</i></p> <p>DEPARTMENT HEAD</p> <p><i>Donald R. [Signature]</i></p> <p>FISCAL REVIEW 4/25/90</p> <p><i>[Signature]</i></p> <p>BUDGET REVIEW 4-24-90</p>	<p>CONTRACT REVIEW BOARD (IF REQUIRED) DATE _____</p> <p>1. _____ COUNCILOR</p> <p>2. _____ COUNCILOR</p> <p>3. _____ COUNCILOR</p>	<p>COUNCIL REVIEW (IF REQUIRED)</p> <p>DATE _____</p>
---	---	---

LEGAL COUNSEL REVIEW AS NEEDED:

- A. DEVIATION TO CONTRACT FORM \_\_\_\_\_
- B. CONTRACTS OVER \$10,000 \_\_\_\_\_
- C. CONTRACTS BETWEEN GOVERNMENT AGENCIES \_\_\_\_\_