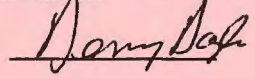



AGENDA BILL

**Beaverton City Council
Beaverton, Oregon**

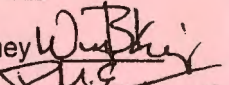
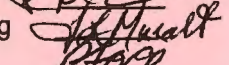
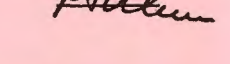
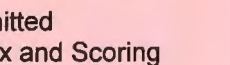
SUBJECT: Contract Award – Employee Benefit
Insurance Agent of Record

FOR AGENDA OF: 12/12/17 **BILL NO:** 17243

Mayor's Approval: 

DEPARTMENT OF ORIGIN: HR 

DATE SUBMITTED: 11/29/17

CLEARANCES: City Attorney 
CAO 
Purchasing 
Finance 

PROCEEDING: CONSENT AGENDA
(CONTRACT REVIEW BOARD)

EXHIBITS: 1. Proposals Submitted
2. Evaluation Matrix and Scoring

BUDGET IMPACT

EXPENDITURE	AMOUNT	APPROPRIATION
REQUIRED \$32,000	BUDGETED \$-0-	REQUIRED \$-0-

USI Insurance Services, LLC (USI) has proposed an annual fee of \$64,000 per year with an anticipated 4 1/2 year contact. This is a flat fee, with no commissions on all related group-billed health and welfare plans. For the remainder of FY 2017-18, USI will earn monthly commissions on the existing health and welfare plans through June 30, 2017 that were negotiated by the previous agent of record. The City anticipates that the earned commissions will more than offset \$32,000 flat fee for the remainder of this fiscal year and any remaining earned commissions will accrue to the next plan year's (FY 2018-19) fee. Also, USI proposes that up to 15% of their annual fee be made contingent upon their ability to meet mutually agreed upon metrics and provide proactive solutions that meet our benefits criteria. Beginning in FY 2018-19 the \$64,000 fee for their services will be budgeted in the Insurance Agency Fund in Account 706-40-0016-511.

RECOMMENDED ACTION:

City Council acting as Contract Review Board, authorizes the award of a personal service contract to USI Insurance Services, LLC of Portland, Oregon, in a form acceptable to the city attorney to serve as the city's health and welfare insurance agent of record through FY 2021-22 based upon Council's approval of each subsequent year's budget through FY 2021-22.

HISTORICAL PERSPECTIVE:

The employee benefit insurance agent of record serves as the City's representative to the health and welfare insurance market. This representation includes bidding coverage, marketing, financial and actuarial consulting, and negotiations with carriers. The City's current agent of record is Mercer and our contact with them expires December 31, 2017.

INFORMATION FOR CONSIDERATION:

A Request for Proposal (RFP) for employee benefit insurance agent of record services was advertised in the Daily Journal of Commerce on October 6, 2017. Eighteen firms or individuals viewed and/or downloaded the RFP from the City's website. The City received proposals from three companies: Mercer, USI, and Brown & Brown Northwest, which staff opened on October 27, 2017, at 2:00 PM. A selection committee apprised of representatives from management, SEIU, BPA evaluated the proposals based on criteria that included knowledge, experience and qualifications; services and deliverables; M/W/SDV/ESB program; and contract price. Based on the evaluation of the three proposals, the City opted to interview all three firms. Upon conclusion of the interviews, the scoring revealed that USI best met the evaluation criteria, as shown on the attached evaluation and scoring matrix.

USI is an independent broker and consultant and is the third largest privately-held independent insurance broker and the eighth largest broker overall in the United States. USI serves more government entity clients than any other broker in the state of Oregon.

The City expects to pay USI approximately \$64,000 during FY 2018-19. For the remainder of FY 2017-18 (through June 30, 2017), USI's services are expected to total one-half (\$32,000) of the annual flat amount. This portion of the annual fee will be paid through the commissions earned on the City's existing health and welfare insurance plans that the prior agent of record negotiated. The City expects that the commission earnings will offset USI's \$32,000 flat fee for the remainder of FY 2017-18. Any additional commissions earned over the \$32,000 flat fee will offset the fees owed for FY 2018-19.

**CITY OF BEAVERTON
PROPOSALS RECEIVED**

**Project: EMPLOYEE BENEFIT INSURANCE AGENT OF RECORD #
3271-18B**

Closing Date: October 27, 2017 @ 2:00 PM

Proposals Submitted:

- 1. USI Insurance Services – Portland, OR**
- 2. Brown & Brown Northwest – Portland, OR**
- 3. Mercer – Portland, OR**

Employee Benefit Insurance Agent of Record Solicitation #3271-18B			
Evaluation Committee Score Sheet for Interview			
Company Name	Evaluation Factor	Total Possible	TOTAL
Brown & Brown NW	1. Knowledge, Experience & Qualifications of Project Team Members and Firm	28	23.6
	2. Services and Deliverables	40	32.8
	3. M/W/SDV/ESB Program	12	1
	4. Contract Price	20	20
	Total Maximum Points	100	77.4
USI Insurance	1. Knowledge, Experience & Qualifications of Project Team Members and Firm	28	27
	2. Services and Deliverables	40	38.6
	3. M/W/SDV/ESB Program	12	0
	4. Contract Price	20	20
	Total Maximum Points	100	85.6
Mercer	1. Knowledge, Experience & Qualifications of Project Team Members and Firm	28	27.2
	2. Services and Deliverables	40	31.6
	3. M/W/SDV/ESB Program	12	1
	4. Contract Price	20	10
	Total Maximum Points	100	69.8