

PERALTA COMMUNITY COLLEGE DISTRICT
Board of Trustees Agenda Report
For the Trustee Meeting Date of December 9, 2014

ITEM TITLE: *(Please define the subject; e.g., change order – Berkeley City College)*

Acceptance of the Agreement between Keenan & Associates Employee Benefits Insurance Broker and Consulting Services and the District.

SPECIFIC BOARD ACTION REQUESTED:

Recommendation to approve the contract of the Employee Benefits Insurance Broker and Consulting Services between Keenan & Associates and the District, effective December 16, 2014 through June 30, 2016. The contract is \$135,000, annually, The current annual cost (\$40,000) for the web-based benefit enrollment product, Benefits Bridge, will become part of the consultancy, and is no longer a separate cost to the District.

ITEM SUMMARY: *(PLEASE DISCUSS THIS ITEM. IF A VENDOR IS INVOLVED, PLEASE INCLUDE THE COMPANY NAME AS WELL AS THE INDIVIDUAL.)*

On October 3, 2014, the District's current consultant/broker, PSW Benefits Resources, notified the District that owner Peter Wantuch is retiring on December 31, 2014, and as a result, PSW Benefits will cease its business operations. The District, in collaboration with members of the District's Health Benefits Committee, ("Committee") representative of all constituency groups (Local 1021, Peralta Federation of Teachers, Local 39, Management, Confidentials and Retirees), reviewed and provided feedback to the proposed scope of services, ranked bid packages, interviewed bidders, and reviewed work samples and deliverables. Four bids were submitted. After ranking, the panel interviewed all four applicants (Burnham Benefits Insurance Services, Alliant Insurance Services, National Benefits Pros, Keenan & Associates). The Committee also conducted verification of references as part of the selection process, and with guidance from the Purchasing Department, engaged in the Request for Proposal Process to select a new broker.

The scope of services required by the District of our next broker includes:

- Acting as District agent to negotiate sustainable and responsible rates and renewals with our group insurance carriers and providers: Kaiser, CoreSource, Caremark, Voya Insurance Services, Delta Dental, United Health Care;
- Providing management reports;
- Providing customer service support to current and retired Peralta employees;
- Ensuring that the District is compliant with internal and external regulations;
- Supporting our compliant requirements in view of emerging changes in the benefits administration landscape;
- Incorporating technology and actively engaging electronic resources to improve record keeping sustainability efforts;
- Partnering with the District to develop short-term and long-term strategic, fiscal goals;
- Positive work relationships with internal and external constituent groups;
- Ongoing support of emerging technologies (interactive benefit enrollment, efforts to go-green); and

- Integrating the marketing and branding of voluntary benefits to our employees.

Through this process, Keenan & Associates (Keenan) was the successful bidder and was selected to be our consultant/broker effective December 16, 2014. In its role as a consultant, Keenan will partner with the District and serve as our agent for negotiating rates for medical, dental, life, long-term disability, and employee assistance plan expenses, and deliver high-quality customer service to over 2,000 employees, retirees, and their eligible dependents. The medical (employees, retirees and eligible dependents) and dental benefits expenses for 2013-2014 were about \$30,000,000 annually.

The contract is \$135,000 annually. The current annual cost (\$40,000) for Benefits Bridge online enrollment will be included in the services provided by Keenan, and will no longer be a separate cost to the District.

The District seeks approval to execute this agreement through December 31, 2016.

Keenan was the lowest responsive responsible bidder based on its ranking by the committee, references, and work samples.

Keenan has been serving the public sector since 1972, and currently is the broker of record for California Community College Districts.

Key Transitional Dates:

Introduction to Benefits Fringe Committee:	December 10, 2014
Receive District collateral from prior consultant:	December 15, 2014
Change Broker of record:	December 16, 2014
Reprint Marketing Materials:	December 16, 2014
Customer Service Available:	December 16, 2014

SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):

General Funds: Our new contract is for \$135,000 .

BACKGROUND/ANALYSIS:

The annual medical and dental benefits expenses are approximately \$30,000,000. The District serves over 2,000 active and retired employees and their eligible dependents. The District had been in partnership with PSW Benefits Resources, Peter S. Wantuch, Sole Proprietor, since 2007. PSW has provided high quality and direct customer service to our employees. Subsequent to our notification of dissolution of the business, the District Benefits Office assessed immediate, current, and long-range needs which include, but are not limited to, maintaining:

- a high level of customer service in resolving complex benefit issues; and
- compliance in the emerging requirements brought forward through the Affordable Care Act.

A partner with Community College service experience is helpful to the District as we balance fiscal responsibilities with service commitments, and the District could benefit from best practices brought forward for our consideration in our environment.

DELIVERABLES AND SCOPE OF WORK:

The Scope of Work, as posted, can be found on the Peralta Purchasing website:

[HTTP://WEB.PERALTA.EDU/PURCHASING/FILES/2012/06/14-15-09-EMPLOYEE-BENEFITS-INSURANCE-BROKER-AND-CONSULTING-SERVICES-RFP-DOCUMENT.1.PDF](http://web.peralta.edu/purchasing/files/2012/06/14-15-09-employee-benefits-insurance-broker-and-consulting-services-rfp-document.1.pdf)

We enlist the consultancy to:

- Act as District agent to negotiate rates and renewals with our group insurance carriers and providers: Kaiser, CoreSource, Caremark, Voya Insurance Services, Delta Dental, United Health Care;
- Provide management reports;
- provide customer service support to current and retired Peralta employees;
- ensure that the district is compliant with internal and external regulations;
- support our compliant requirements in view of emerging changes in the benefits administration landscape;
- incorporate technology and actively engage electronic resources to improve record keeping sustainability efforts;
- partner with the district to develop short-term and long-term strategic, fiscal goals;
- positive work relationships with internal and external constituent groups;
- ongoing support of emerging technologies (interactive benefit enrollment, efforts to go-green); and
- integrate the marketing and branding of voluntary benefits to our employees.

Further considerations:

- Keenan is our current partner for the electronic benefit enrollment management system, Benefits Bridge. The District will recognize a savings of \$3333.00/month because the \$40,000 annual expenses are now part of the Keenan portfolio of services.
- Internet access to current documents, forms and resources reside on Benefits Bridge as an integral part of the web-based online enrollment system currently in use by our current consultant.

ANTICIPATED COMPLETION DATE:

We will commence an agreement from December **2014 –June 2016.**

ALTERNATIVES/OPTIONS:

Under the Public Contract Code, should we not accept the Agreement or Independent Consultant Contract, then the District will need to re-engage in the formal bidding process, re-evaluate and redraft the scope of services, and be non-represented during the Request for Proposal time.

EVALUATION AND RECOMMENDED ACTION:

THE BENEFITS OFFICE RECOMMENDS APPROVAL

OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):

YES _____ No X

COMMENTS:

WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING? (VICE CHANCELLOR)

VICE CHANCELLOR TRUDY LARGENT

(*****Board contract approval is subject to negotiation and execution by the Chancellor.)

DOCUMENT PREPARED BY:

Prepared by: Trudy Largent, Vice Chancellor Date: 12/01/14
[Trudy Largent, Vice Chancellor]

DOCUMENT PRESENTED AND APPROVED BY:

Presented and approved by: Trudy Largent Date: 12/01/14
[Trudy Largent, Vice Chancellor]

FINANCE DEPARTMENT REVIEW

Finance review required Finance review *not* required

If Finance review is required, determination is: Approved Not Approved

If not approved, please give reason: _____

Signature: _____
Susan Rinne, Interim Vice Chancellor for Finance and Administration

GENERAL COUNSEL (Legality and Format/adherence to Education Codes):

Legal review required Legal review *not* required

If Legal review is required, determination is: Approved Not Approved

Signature: _____
Thuy Thi Nguyen, General Counsel

CHANCELLOR'S OFFICE APPROVAL

Approved, and Place on Agenda Not Approved, but Placed on Agenda

Signature: José M. Ortiz
Dr. José M. Ortiz, Chancellor