

**Management Committee**

For the Metropolitan Council meeting of June 24, 2020

**Subject:** Benefits Consulting Services

**Proposed Action**

That the Metropolitan Council authorizes the Regional Administrator to negotiate and award a contract with Aon in the amount of \$700,000 to provide benefits consulting services for a period of five years, July 1, 2020 through June 30, 2025.

**Summary of Committee Discussion/Questions**

Staff answered council member's question.

Motion by Lee and seconded by Musa; motion carried

## Management Committee

Meeting date: June 10, 2020

For the Metropolitan Council meeting of June 24, 2020

**Subject:** 19P388, Benefits Consulting Services

**District(s), Member(s):** All

**Policy/Legal Reference:** Council Policy 3-3 Expenditures – Procurement of Goods and Services over \$500,000

**Staff Prepared/Presented:** Terri Bopp, Benefits Manager, 651-602-1370; Marcy Cordes, Chief Labor Relations Officer, 651-602-1582

**Division/Department:** Regional Administration/Human Resources - Benefits

### Proposed Action

That the Metropolitan Council authorizes the Regional Administrator to negotiate and award a contract with Aon in the amount of \$700,000 to provide benefits consulting services for a period of five years, July 1, 2020 through June 30, 2025.

### Background

The Council receives benefits consulting services including, but not limited to, monitoring the medical and dental self-funded accounts, actuarial projections for premium rate-setting, assistance with benefits insurance RFP's, assistance with benefits legislative changes and expert guidance on benefits plan design options. The current contract expires June 30, 2020 at the end of a five-year contract.

A Request for Proposals was issued on February 11, 2020. The pre-proposal meeting was held on February 20, 2020. There were six (6) registered plan holders, and three (3) proposals were received on March 12, 2020. The proposals received were from the following companies: Aon, CBIZ and Deloitte. Four criteria were used to evaluate the proposals: quality, qualifications, experience, and price. The evaluation panel recommended Aon as the proposer with the proposal most advantageous to the Council.

The Office of Equal Opportunity (OEO) reviewed and did not assign a Metropolitan Council Underutilized Business (MCUB) goal for this project based on the vendors in this market. To advance the Council's commitment to providing opportunity to underutilized Businesses, Procurement staff contacted potential consultants to make them aware of the solicitation as part of due diligence efforts.

### Rationale

The evaluation panel reached the consensus that the proposal submitted by Aon represents the best value to the Council. Aon demonstrated they could meet all Council benefits consulting needs and received outstanding references from three other similarly sized public sector organizations. They are offering to cap the annual rate increase at 3% and cap the total five-year contract amount below the \$700,000 limit.

### Thrive Lens Analysis

Authorization to enter into a contract with Aon supports the Thrive outcome of Stewardship by providing expert benefits guidance that ensures accurate premium rate settings and plan design initiatives to maintain quality benefits at the lowest cost to employees and the Council.

The Office of Equal Opportunity reviewed the scope of work and did not assign an MCUB goal, and no potential MCUB vendors were identified.

### **Funding**

Funding for all services related to self-funding medical and dental plans is considered in the premium rate setting in the self-funded medical and dental reserve accounts. Funding for benefits consulting not related to self-funding medical and dental plans, such as guidance on Medicare plans, is considered in the Human Resource budget.

### **Known Support / Opposition**

No known opposition