



**BOARD OF DIRECTORS**

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**Meeting Location:  
Fresno County Employees' Retirement  
Association Board Chambers  
1111 H Street  
Fresno, CA 93721  
August 22, 2014 9:00 AM**

**AGENDA DATE:** August 22, 2014

**ITEM NUMBER:** 12

**SUBJECT:** Final results of the RFP for Administrative Services and recommendation of vendor selection effective January 1, 2015.

**REQUEST(S):** That the Board approve the recommendation to negotiate a new agreement with Chimienti & Associates effective January 1, 2015

**DESCRIPTION:**

At the July 26, 2013 meeting, [your Board directed staff](#) to execute an amendment to the in force contract with Chimienti and Associates for their administrative services extending it for one year. This action also directed staff to perform an RFP for these services during the 2014 year for a new contract to go into effect January 1, 2015. Staff provided an [update on the RFP process](#) at the July 25, 2014 meeting. At that meeting your Board expressed that caution should be exercised in this process to maintain the stability of the complex operations of the SJVIA.

As discussed at the last Board meeting, the SJVIA received 5 proposals:

- Secova
- BenefitFocus
- Next Generation Enrollment
- Businesssolver
- Chimienti & Associates

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** August 22, 2014

The proposals provided the SJVIA with a variety of service models and pricing. Although some proposals appeared to excel at portions of the SJVIA's administrative needs, not all addressed specifics related to the complexities of the operations. However, after carefully reviewing the proposals and discussion with Gallagher's industry expert, it was determined that the SJVIA should negotiate a new agreement with Chimienti & Associates, the incumbent vendor. Gallagher's Industry Expert shared important background information based on first-hand experience with Clients that have worked with the prospective vendors.

The Chimienti & Associates proposal recognizes the efficiencies achieved since the implementation of the SJVIA and reduced the cost from \$6.50 per employee per month to \$5.20 per employee per month. This represents a 20% reduction in cost and approximately \$145,000 per year. It is staff's recommendation to negotiate an agreement with the the current vendor for an additional three years, taking advantage of the lower pricing achieved and maintaining the stability of operation achieved.

**FISCAL IMPACT/FINANCING:**

Current fees for these services is \$6.50 PEPM totaling approximately \$720,000. A reduction in the fee to \$5.20 PEPM will be effective January 1, 2015 for a savings of approximately \$145,000 or 20%

**ADMINISTRATIVE SIGN-OFF:**



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Rhonda Sjostrom  
SJVIA Manager



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Paul Nerland  
SJVIA Assistant Manager