



**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:** 13

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

**REQUEST(S):** That the Board approve the recommendation to negotiate a new agreement with Gallagher Benefit Services 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 Gallagher Benefit Services (GBS) for their consulting 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.

GBS has been the SJVIA consultant since inception of the SJVIA, with the first agreement entered into effective January 1, 2010. GBS has provided services related to strategic planning, financial monitoring and reporting, renewal services, renewal underwriting and rate setting, vendor management, compliance services, member agency support services and program marketing and promotion. GBS has provided these services at a fee of \$4.00 per employee per month (PEPM).

Staff released the RFP for health benefits consultation and administration services on June 23, 2014. While this RFP was not the result of dissatisfaction with current services, it is imperative that the SJVIA exercise due diligence to ensure continued quality of services at competitive pricing.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** August 22, 2014

Several vendors expressed interest in providing consulting services, and proposals were reviewed by staff. Finalist interviews were scheduled with GBS and Aon Consulting Services, Inc. (Aon) and conducted on August 12, 2014. Both of these vendors presented well and their proposals were competitive. However, after careful review and consideration, it was determined that the SJVIA should negotiate a new agreement with GBS, the incumbent vendor.

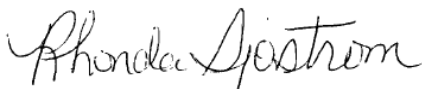
GBS has been the consultant since the inception of the SJVIA and therefore understands both the challenges and opportunities facing the SJVIA. The GBS proposal also recognizes the efficiencies achieved since the implementation of the SJVIA and reduced the cost from \$4.00 PEPM to \$3.75 PEPM, making them the lowest cost bidder. The presence of a local team also favored GBS in comparison with Aon, whose account team were based out of Northern and Southern California.

It is staff's recommendation to negotiate an agreement with GBS for an additional three years, taking advantage of the lower pricing achieved and maintaining the stability of operation achieved.

**FISCAL IMPACT/FINANCING:**

The current fee for these services is \$4.00 PEPM totaling approximately \$441,600 annually. A reduction in the fee to \$3.75 PEPM will be effective January 1, 2015 for a savings of approximately \$90,000 over three years.

**ADMINISTRATIVE SIGN-OFF:**



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Rhonda Sjostrom  
SJVIA Manager



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Paul Nerland  
SJVIA Assistant Manager