

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 9/22/2021

Staff Report No. 20-408a

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: Contract Award for Benefits Broker Consultant Services

ACTION ITEM

RECOMMENDED ACTION(S):

Consider approving the award of a five-year contract to Alliant for employee benefits brokerage and consulting services.

STRATEGIC IMPORTANCE:

Initiative - Financial Efficiency and Revenue Maximization

The resulting contract will help ensure financial stability and resiliency of the District by providing cost effective and comprehensive employee benefits

BUDGETARY/FISCAL IMPACT:

The execution of this contract will cost \$105,000 per year for a total of \$525,000 over the five-year life of the contract. Funding will be included in the operating budget each year.

BACKGROUND/RATIONALE:

The District issued a Request for Proposal (RFP 2022-1543) for Employee Benefits Brokerage and Consulting Services on July 8, 2021, with a deadline date of August 5, 2021. The Procurement and Materials Department solicited fifty-three (53) potential firms but only seven (7) firms downloaded the solicitation and only one firm, Alliant, the current benefits brokerage firm, submitted a proposal.

Due to the lack of proposals, the Procurement and Materials Department requested no-bid responses from the firms who downloaded the solicitation but did not submit a proposal. Responses ranged from firms not meeting the requirements to not allocating sufficient time to submit a proposal.

Alliant's proposal was evaluated based on the following four criteria: (1) The completeness and overall organization and clarity of the proposal; (2) The technical solutions to meet the scope of services; (3) The experience and qualifications of key personnel; and (4) The overall pricing and billing methodology of the contract. Additionally, Alliant's cost proposal was determined to be fair and reasonable.

Over the past five years, Alliant has provided highly experienced personnel who deliver excellent customer

service and support. Alliant has consistently negotiated lower premiums for the District. For Fiscal Years 2015-16, 2016-17, and 2017-18, Alliant negotiated with Health Net to decrease the District's medical premiums from 32.86% to 24.39% resulting in a 6.19% savings over the course of three years. For Fiscal Year 2018-19, Alliant negotiated with Health Net to not increase the District's medical insurance premiums. In addition to the annual renewals and Open Enrollment, the Alliant team is able to research, problem solve and provide guidance to staff regarding many benefits issues such as the Affordable Care Act, COBRA, HIPAA and IRS Section 125 and 132 flexible spending plans.

ADVANTAGES/DISADVANTAGES:

The District's contract with Alliant will expire on September 30, 2021. Awarding the benefit broker contract to Alliant ensures the continuation of excellent employee benefits consulting services.

ALTERNATIVES ANALYSIS:

One alternative is to allow the contract with Alliant to expire and the District would not have a Benefits Brokerage firm to provide consulting services for annual renewals, open enrollment and other complex benefits related issues.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Report 15-274a

Board Policy 465 - Procurement Policy

ATTACHMENTS:

None

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Approved/Reviewed by:

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