

BOARD OF BIDS AND CONTRACTS MARCH 29, 2018

2. ACTUARIAL and BROKER REVIEW SERVICES for HEALTH CARE PLAN -- HUMAN RESOURCES

FUNDING -- HUMAN RESOURCES

(Request sent to five vendors)

RFP #18-1002 Contract

	IMA, Inc.	Segal Consulting	USI Insurance Services
Actuarial and broker review service fees	\$40,000.00*	\$50,000.00	\$45,000.00*
Acknowledge addendum	Y	Y	Y
	Gallagher Benefit Services	Lewis & Ellis, Inc.	Lockton Dunning Benefits
Actuarial and broker review service fees	\$30,000.00*	\$21,000.00 - \$40,000.00 plus \$1,700.00 per person per site visit*	\$45,000.00*
Acknowledge addendum	Y	Y	N

On the recommendation of Joe Thomas, on behalf of Human Resources, Talaya Schwartz moved to **accept the best proposal from IMA, Inc. for service fees in the amount of \$40,000.00 for one (1) year with a one (1) year option to renew.** Jennifer Dombaugh seconded the motion. The motion passed unanimously.

An evaluation committee comprised of Connie McAfee, Eileen McNichol, Becky Page and Heather Poorman - Human Resources, Lindsay Poe Rousseau - Finance, Tim Kaufman - Public Services and Joe Thomas - Purchasing reviewed and scored the responses based on criteria set forth in the RFP. All proposers with the exception of Segal Consulting were shortlisted for further review and requested to send best and final offers for final evaluation.

Sedgwick County is seeking proposals from qualified Brokerage and/or Actuarial firms to serve as a consultant to review recommended Health Plan design changes and proposed costs for 2020. The selected firm will assist in determining competitive insurance coverage, provide analysis of proposed designs and costs, recommend changes and assist with the County's RFP for a Health Insurance provider for 2020.

IMA, Inc. received the highest score and is being recommended for award. IMA, Inc. provided a well-rounded process and strategy, including identifying the Direct Primary Care model, which we have included in our modeling. IMA, Inc. also scored high in the ability of their key personnel who will be assigned to the county for this project.

*Best and final offers

Questions and Answers

Linda Kizzire: My first question would be, there's a \$10,000.00 price difference between IMA and Gallagher Benefit Services, and if we ask for best and final I'm just curious as to why we're going with the higher bid?

Eileen McNichol: I'm Eileen McNichol, Chief Human Resources Officer and there's a matrix that we use that is standard that Joe Thomas provided for us. There is a calculation that is including the price and they're giving weighted values on that, so Gallagher had the lowest price so they had to highest score for that component of the matrix.

Joe Thomas: And to provide you with more detail, there were five criteria and the one that dealt with cost was 20 points out of 100.

Tom Stolz: What was the other four?

Joe Thomas: The other four were: a. firms experience with public sector entities and that was 15 points, b. demonstrated ability to key personnel 20 points, c. demonstration of understanding scope of services 20 points, d. process and strategy for providing required services 25 points, and then e. cost competitiveness was for 20 points.

Tom Stolz: And is that a hundred point scale?

Joe Thomas: Yes sir.

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Tom Stolz: And give us IMA versus Gallagher.

Joe Thomas: Under the best and final IMA had an overall score of 91.5 and Gallagher was real close at 90.5.

Talaya Schwartz: Can you tell us why Segal Consulting was not shortlisted?

Eileen McNichol: They just rated lower than the rest of them.

Tom Stolz: Did we do the matrix on three companies?

Joe Thomas: We did the matrix on all of the evaluated proposers.

Tom Stolz: Give us the other matrix.

Joe Thomas: Segal Consulting, which we did not include was below 80, they were 79.17.

Talaya Schwartz: Was that mainly due to cost?

Joe Thomas: Looks like their low score might have been in the area of the firm's experience. I am just looking at six different evaluators, just to give you an overall. The biggest disparity was the score for the process of strategy which they scored low on.

Talaya Schwartz: Thank you.

Joe Thomas: And then of course with their amount which was \$50,000 they gave them the lowest points for the cost competitiveness. For IMA 91.5, Segal Consulting 79.17, USI 84, Gallagher 90.5, Lewis & Ellis 85.3, and Lockton Dunning 85.17.

Tom Stolz: So there's a natural break here. You have Segal Consulting which is low, then you have three that are very close, then you have two that rise to the top and are very close?

Joe Thomas: Correct.

Tom Stolz: Where is the one point of differential that IMA exceeded Gallagher? Where is the one point of difference, can you tell by the matrix?

Joe Thomas: Basically since it was an average, I am going to give you an example. Just look at the cost competitiveness and to show you this has been rated exactly mathematically. Gallagher received 20 points the full maximum amount of points because they were the lowest cost. IMA had 15 points for their cost. So it was a 5 point differential for cost points. However the overall average was based on the 30 scores, 6 evaluators times 5 criteria.

Tom Stolz: Is it fair to say that IMA, on the other component other than cost, scored better than Gallagher? Universally is it fair to say that?

Joe Thomas: I would say they scored better consistently. Wouldn't you say that Eileen?

Eileen McNichol: Yes.

Tom Stolz: And just give me some history on both of these companies? IMA has done business with Sedgwick County in the past, we have experience with them. Has Gallagher done business with the Sedgwick County?

Eileen McNichol: I think they have, but I don't know for sure. I would have to research that and get back with you on it.

Tom Stolz: So, to summarize it seems that...and I'm trying to get back to Linda's question, there's a \$10,000.00 difference here. Qualitatively, the selection group was impressed more with IMA than Gallagher?

Joe Thomas: Correct.

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Eileen McNichol: With the proposal.

Tom Stolz: With the proposal. Quantitatively, it favors Gallagher because it is cheaper.

Joe Thomas: But because that was just one, even though cost was competitive it was just one of the five. It was close but...because the five point advantage made Gallagher an advantage on that particular area but since it was one of the five point overall that is why it brought them down. Since IMA, like you mentioned, qualitatively was better.

Talaya Schwartz: Is IMA located here in Wichita?

Eileen McNichol: Yes.