

CITY OF LONG BEACH

DEPARTMENT OF HUMAN RESOURCES

333 West Ocean Boulevard 13th Floor • Long Beach, CA 90802

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ALEJANDRINA R. BASQUEZ
DIRECTOR

May 22, 2018

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. RFP HR17-104 and award a contract to Alliant Insurance Services, Inc., of Newport Beach, CA, for healthcare, employee benefits consulting, and actuarial services, in an annual amount not to exceed \$350,000, for a period of five years with the option to renew for three additional one-year periods, at the discretion of the City Manager; and

Authorize the City Manager, or designee, to issue a Blanket Purchase Order to Alliant Insurance Services, Inc., of Newport Beach, CA, for healthcare, employee benefits consulting, and actuarial services provided during the procurement process and additional months of transition, in the amount of \$140,000. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with Alliant Insurance Services, Inc., (Alliant) for healthcare, employee benefits consulting, and actuarial services. The Human Resources Department administers the City of Long Beach's (City) employee benefits healthcare program, which provides group health, dental, vision and life plans, long and short-term disability insurance coverage, long term care, and flexible spending pre-tax accounts (health and dependent care). The healthcare program covers approximately 4,000 active employees, 2,000 retirees, and 7,400 dependents. The City utilizes a benefits consulting firm to provide technical expertise to assist the City with maintaining a valuable and cost effective employee benefit program.

The City is committed to providing comprehensive, high quality, and cost-effective benefit plans and programs that provide optimum value to the City, its employees, retirees, and their families. The City's objective is to establish a strategic partnership with a consulting firm with a strong service model and comprehensive services that will support a methodical and outcome-based approach for the continued development and forecasting of the City's Employee Benefits Program, while maintaining state and federal regulatory requirements.

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The RFP was advertised in the Long Beach Press-Telegram on June 13, 2017, and 4,941 potential proposers were notified of the opportunity. Of those proposers, 34 downloaded the RFP via the City's electronic bid system. The RFP was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 22 local, minority, and women-owned business groups. Seven proposals were received by the August 15, 2017 deadline. Of those seven proposers, none were Minority-owned Business Enterprises (MBEs), none were Women-owned Business Enterprises (WBEs), none were certified Small Business Enterprises (SBEs), and one was a Long Beach businesses (Local).

The selection committee determined that Alliant, of Newport Beach, CA (not a MBE, WBE, SBE, or Local), was the most qualified firm and that their solution provided the best overall value for the City. Alliant's comprehensive response clearly demonstrated high level competencies in the core functions of these services, which are critical to the benefits administration of the City's self-funded and fully-insured plans. Their interview further demonstrated the strong qualifications and professional cohesiveness of among the Alliant team members.

Alliant has significant public agency benefits consulting experience, which is important to the City due to the additional public sector requirements pertaining to administration, transparency, and legislation, as well as regulations related to public retirement systems and collective bargaining. Alliant has an in-house actuarial team that works in concert with the day-to-day account management team to ensure their outlined strategic approach, which includes subjective analysis as well as objective formulas and methods, is maintained to support plan design, renewal strategy, and alternative funding recommendations. This is in addition to full-service contractual actuarial support for special projects. They offer a data warehouse with a proprietary analytics tool for self-funded plans that reviews claims, assesses risk and predicts future exposure, which can also help the City align outreach, care coordination, and disease management with predictive modeling and financial analysis when determining short- and long-term benefits strategic planning goals. Alliant's solution provides the City with significant compliance support via a dedicated team of attorneys and compliance specialists assisting with regulatory burden and enforcement, as well as access to quarterly webinars, in-house seminars, e-mail alerts, compliance communications, and access to additional external resources.

Alliant will also provide the City with sophisticated employee communication capabilities and support, with engaging materials on various health and benefits topics to successfully communicate to employees. These include a mobile application, e-mail blasts, campaign themes, flip-page technology, printed booklets, presentations, customized video, postcards, and newsletters.

Local Business Outreach

In alignment with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the Bids Online database to download the RFP specifications. Through outreach, 563 Long Beach vendors were notified to submit proposals, of which 7 downloaded the RFP and one submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Principal City Attorney Gary J. Anderson on May 7, 2018 and by Interim Budget Manager Grace Yoon on April 19, 2018.

TIMING CONSIDERATIONS

City Council action is requested on May 22, 2018, to allow continued healthcare consulting and actuarial services without interruption.


FISCAL IMPACT

The annual contract cost of \$350,000 is budgeted in the Employee Benefits Fund (IS 391) in the Citywide Activities Department (XC). The contract cost is allocated to all funds and departments based on employee payroll expense. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


ALEJANDRINA BASQUEZ
DIRECTOR OF HUMAN RESOURCES


JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:


PATRICK H. WEST
CITY MANAGER