



County of San Mateo

Inter-Departmental Correspondence

Department: HUMAN RESOURCES

File #: 21-1015

Board Meeting Date: 12/14/2021

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Rocio Kirczun, Human Resources Director
Kim Pearson, Benefits Manager

Subject: Employee Benefits Consulting Agreement with Alliant Insurance Services, Inc

RECOMMENDATION:

Adopt a resolution authorizing the execution of an agreement with Alliant Insurance Services, Inc., to provide employee benefits consulting services to the County of San Mateo for the period of January 1, 2022, through December 31, 2026, with the aggregate amount not to exceed \$850,000.

BACKGROUND:

The County of San Mateo provides a broad array of benefits to its employees and retirees, including medical insurance, dental insurance, vision insurance, life, accident and disability insurances, employee assistance program, etc. The magnitude of the County's benefits program includes over 5,619 employees and 2,979 retirees, almost 18,000 lives including dependents, and almost \$120 million in annual costs.

Employee benefits consultants are almost universally employed to help plan sponsors, such as the County, navigate the complex landscape of the Internal Revenue Code, Department of Labor laws and regulations, and State regulatory agencies including the Department of Insurance and the Department of Managed Care. In addition, employee benefits consultants help plan sponsors design and procure benefits packages that align strategically with organizational priorities and with labor contracts and negotiations. Consultants also broker communications and information between providers (e.g., Kaiser, Blue Shield and Cigna Dental), the County, and our plan participants.

Alliant Insurance Services, Inc., has been the County's employee benefits consultant since 2010. Alliant specializes in the public sector with over 1,000 public-sector clients, primarily in California.

The County's current agreement with Alliant expires on December 31, 2021. Accordingly, Human Resources solicited pricing proposals from five employee benefits consultants, including Alliant, for the scope of services currently provided by Alliant to the County.

DISCUSSION:

Human Resources solicited proposals from five employee benefits consultants (Alliant, NFP, Segal, PwC and Rael-Letson), providing Alliant's current scope of services and the County's current contract with Alliant.

Both NFP and Rael-Letson provided notification that they would not be submitting a proposal. Neither Segal nor PwC responded to the solicitation.

Alliant's proposal was to continue the same scope of services at the current-year pricing of \$170,000 per year for the next five years.

Alliant has been a dependable partner for the County during their past 12-year tenure. Most recently, Alliant has attended and supported all meetings of the County's labor-management Benefits Committee and its ad hoc subcommittees. Alliant has also provided valuable technical support during many contract negotiations. Despite Alliant submitting the sole proposal, based on discussions with peer agencies, Human Resources believes that Alliant's combination of scope of services and pricing is very aggressive and represents high value in the County's administration of its employee benefits program.

This resolution contains the County's standard provision allowing amendment of the County's fiscal obligations by a maximum of \$25,000 (in aggregate).

County Counsel has reviewed and approved this resolution as to form.

PERFORMANCE MEASURES:

Measure	2021 Actual	2022 Projected
County's Satisfaction of Alliant's Execution of Scope of Services	100%	100%
County's Satisfaction of Alliant's Support to Staff	100%	100%

Note: Alliant places 20% of its annual consulting fee at risk for satisfaction below 100%.

FISCAL IMPACT:

The total costs from January 1, 2022, through December 31, 2026, would be \$850,000. The annual consulting fee of \$170,000 continues the current-year fee for another five years.