

REQUEST FOR LEGISLATIVE ACTION

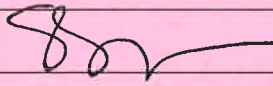
Completed by County Counselor's Office:

Res/~~Ord~~ No.: 18491

Sponsor(s): Theresa Garza Ruiz

Date: April 28, 2014

SUBJECT	<p>Action Requested <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance</p> <p>Project/Title: <u>Authorizing the County Executive to sign an agreement with Garry & Associates effective July 1, 2014 through June 30, 2015 for broker and consulting services in connection with County health, dental and life insurance programs.</u></p>										
<p>BUDGET INFORMATION</p> <p><i>To be completed By Requesting Department and Finance</i></p>	<table border="1"> <tr> <td>Amount authorized by this legislation this fiscal year:</td><td>\$0</td></tr> <tr> <td>Amount previously authorized this fiscal year:</td><td>\$45,000</td></tr> <tr> <td>Total amount authorized after this legislative action:</td><td>\$</td></tr> <tr> <td>Amount budgeted for this item * (including transfers):</td><td>\$45,000</td></tr> <tr> <td>Source of funding (name of fund) and account code number; FROM / TO</td><td>FROM ACCT TO ACCT</td></tr> </table> <p>* If account includes additional funds for other expenses, total budgeted in the account is: \$</p> <p>OTHER FINANCIAL INFORMATION:</p> <p><input type="checkbox"/> No budget impact (no fiscal note required) <input type="checkbox"/> Term and Supply Contract (funds approved in the annual budget); estimated value and use of contract: Department: Estimated Use: \$</p> <p>Prior Year Budget (if applicable): Prior Year Actual Amount Spent (if applicable):</p>	Amount authorized by this legislation this fiscal year:	\$0	Amount previously authorized this fiscal year:	\$45,000	Total amount authorized after this legislative action:	\$	Amount budgeted for this item * (including transfers):	\$45,000	Source of funding (name of fund) and account code number; FROM / TO	FROM ACCT TO ACCT
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PRIOR LEGISLATION	<p>Prior ordinances and (date):</p> <p>Prior resolutions and (date):</p>										
CONTACT INFORMATION	<p>RLA drafted by (name, title, & phone): Shelley Kneuvean, Chief Operating Officer</p>										
REQUEST SUMMARY	<p>In the spring of 2013, the County issued a Request for Proposals (RFP) No. 11-13 for broker and consulting services in connection with County health, dental and life insurance programs. Garry & Associates was awarded this contract approved in mid July 2013 for a one year term, with four renewals.</p> <p>As a part of the RFP, payment for services was to be directly paid by the county and not to include incentives or bonuses, awards, overrides, or rebates from the providers as a result of the consultants work with the County. In lieu of renewing this contract for an additional year, the County Executive seeks to negotiate a successor agreement to revise the method of payment. Garry & Associates had proposed this alternative payment structure as a part of their proposal. In the new arrangement, the consultant will not be paid as listed in the RFP but instead will be paid directly by the insurance provider (Blue Cross and Blue Shield) a flat specific non standard commission of .5% of the total premium frozen at the current rate (\$5,833 per month). BCBS has agreed to maintain this commission rate through the term of their agreement. This results in a savings to the county of \$45,000 for FY2014. Additionally, BCBS has been charging the County an administrative fee which is based on</p>										

	<p>the total number of persons covered which typically is remitted to the broker of record. BCBS will begin remitting this amount directly to the broker. This will not impact the County's insurance rates.</p> <p>Garry & Associates has agreed to provide full disclosure of the compensation received by BCBS or its subsidiaries. Additionally, when the insurance programs are rebid next year, the commission will be a variable in the award consideration to ensure the County's interests are being protected and all compensation fully disclosed. This is the method by which the County currently compensates the broker for the property insurance (Lockton), making these brokerage agreements more consistent.</p> <p>As such, this legislation would authorize a new agreement with Garry & Associates for July 1, 2014 through June 30, 2015 at no cost to the County.</p>	
CLEARANCE	<input type="checkbox"/> Tax Clearance Completed (Purchasing & Department) <input type="checkbox"/> Business License Verified (Purchasing & Department) <input type="checkbox"/> Chapter 6 Compliance - Affirmative Action/Prevailing Wage (County Auditor's Office)	
ATTACHMENTS		
REVIEW	Department Director: _____ Finance (Budget Approval): _____ <i>If applicable</i> Division Manager:  County Counselor's Office: _____	Date: _____ Date: _____ Date: 4/21/14 Date: _____

Fiscal Information (to be verified by Budget Office in Finance Department)

- ☐ This expenditure was included in the annual budget.
- ☐ Funds for this were encumbered from the _____ Fund in ____.
- ☐ There is a balance otherwise unencumbered to the credit of the appropriation to which the expenditure is chargeable and there is a cash balance otherwise unencumbered in the treasury to the credit of the fund from which payment is to be made each sufficient to provide for the obligation herein authorized.
- ☐ Funds sufficient for this expenditure will be/were appropriated by Ordinance # _____
- ☐ Funds sufficient for this appropriation are available from the source indicated below.

Account Number:	Account Title:	Amount Not to Exceed:

- ☐ This award is made on a need basis and does not obligate Jackson County to pay any specific amount. The availability of funds for specific purchases will, of necessity, be determined as each using agency places its order.
- ☐ This legislative action does not impact the County financially and does not require Finance/Budget approval.