

CONSENT AGENDA ACTION ITEM

Governing Board Agenda

Meeting Date: February 24, 2009

Item Number	Item Title	Responsible Agents
	Selection of Employee Benefit Consultant	Mr. Al Crusoe

Recommendation

It is recommended the Governing Board approve selection of Segal Company to provide actuarial analyses, financial forecasting, RFP evaluations, negotiations, insurance contracting, benefit compliance, and preparation of plan documents for the employee medical and benefit insurance programs.

Justification

The employee benefit consulting services must be rebid every 5 years per AZ law. The last RFP for these services occurred in 2004. A formal RFP was issued and a six member evaluation committee scored the six proposals submitted. The 2 vendors with the highest scores were interviewed. The “best and final” proposal was negotiated with the finalist and resulted in an 11% decrease in vendor fees.

In 2009, MCCCCD will be rebidding all employee insurance programs to comply with the AZ 5 year procurement regulations. The last time the employee insurance programs were bid was 2004. The Segal Company will prepare, evaluate, negotiate pricing, and review insurance contracts for 8 employee insurances. The insurances to be bid include the following: medical/pharmaceutical, dental, life, disability, accidental death, behavioral health, employee assistance program, and medical stop loss. The technical expertise of the Segal Company to provide these services can result in savings of several million for MCCCCD. The total cost to facilitate and manage the RFP process for the employee insurances, and provide the annual actuarial analyses and financial forecasting was negotiated on a “not to exceed” contract of \$162,000.

When MCCCCD self-insured their medical plan in 2005, it became necessary to hire a consultant to prepare actuarial and underwriting analyses normally performed by the medical insurance company. For succeeding years, the annual actuarial and analyses, financial forecasting, benefit compliance, and plan document preparation will be based upon an hourly rate of \$285.00 with up to a 4% annual increase. The Segal Company has many other educational organizations as clients; therefore, giving them the background knowledge needed to handle educational entities. The Segal Company proposed the lowest hourly fees of all proposals received.

Funding	Approvals/Certifications
<p><u>Source:</u></p> <p><u>Account Identification:</u></p>	<p>Chancellor _____</p> <p>Academic & Student Affairs _____</p> <p>Business Services _____</p> <p>Human Resources _____ ITS _____</p> <p>Res Dev & Cmty Relations _____</p> <p>College President _____</p>