

Agenda Item # 25

Distribution
County Board
OMB
Human Resources
Central Services

STATE OF ILLINOIS)
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COUNTY OF LAKE)

COUNTY BOARD, LAKE COUNTY, ILLINOIS

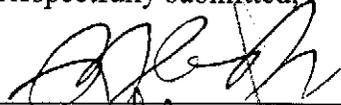
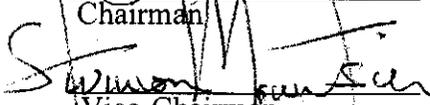
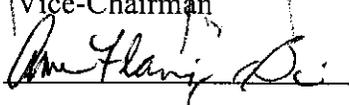
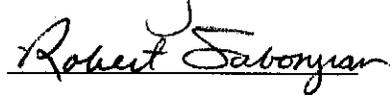
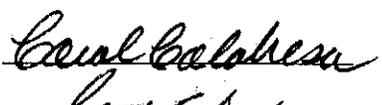
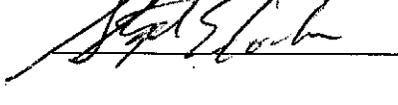
ADJOURNED REGULAR SEPTEMBER, A.D., 2005 SESSION

MARCH 14, A.D., 2006

MADAM CHAIRMAN AND MEMBERS OF THE COUNTY BOARD:

Your Financial and Administrative Committees present herewith a Resolution authorizing the Chairman of the Board to execute a contract with Buck Consultants, Chicago, IL for Benefits Consulting Services in the amount of \$96,000 for the remainder of 2006, and \$116,000 for each one year renewal period charging the costs thereof to 510-1430010-71150-000-000-000-00000, request its adoption.

Respectfully submitted,

	<u> X </u>	<u> </u>
Chairman		
	<u> X </u>	<u> </u>
Vice-Chairman		
	<u> ✓ </u>	<u> </u>
	<u> a </u>	<u> </u>
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	<u> ✓ </u>	<u> </u>
Financial & Administrative Committee	<u> </u>	<u> </u>

RESOLUTION

WHEREAS, in accordance with Section 5-102 of the Lake County, Purchasing Ordinance, Request for Proposal #25129 was called for by publication for Benefits Consulting Services for Human Resources; and

WHEREAS, subsequent to said publication, request for proposals were extended to twenty- two (22) vendors; and

WHEREAS, sealed proposals were received and opened from nine (9) vendors in the County Building, Waukegan, Illinois, on Thursday, December 22, 2005, at 2:00 p.m.; and

WHEREAS, in accordance with the Evaluation Criteria as established in the Request for Proposal, the Selection Review Committee has determined that the proposal submitted by Buck Consultants, is the most favorable proposal for Lake County;

NOW, THEREFORE, BE IT RESOLVED, by this County Board of Lake County, Illinois, that the Director of Central Services is hereby directed to enter into a contract with Buck Consultants, Chicago, IL, for Benefit Consulting Services for Human Resources in the amount of \$96,000 for the remainder of 2006, and \$116,000 for each one year renewal period charging the costs thereof to 510-1430010-71150-000-000-00000.

DATED, at WAUKEGAN, LAKE COUNTY, ILLINOIS, on this 14th day of March, A.D., 2006.

AGREEMENT #25129 BENEFITS CONSULTING SERVICES for LAKE COUNTY

This AGREEMENT is entered into by and between Lake County and Buck Consulting Services, One North Dearborn, Suite 1400, Chicago, IL 60602 (hereafter "Contractor").

RECITALS

WHEREAS, Lake County is seeking a Contractor to perform Benefits Consulting services for Human Resources; and

WHEREAS, the Contractor is a professional provider of benefits consulting services; and

WHEREAS, Central Services issued Request for Proposal Number 25129 in connection with this procurement; and

WHEREAS, Central Services and the selection committee have determined that the Proposal submitted by the Contractor on December 22, 2005 best serves the interests of the County; and

WHEREAS, the Lake County Board passed a resolution at its regular meeting on March 14, 2006, authorizing the Director of Central Services to execute this Agreement;

NOW, THEREFORE, Lake County and the Contractor agree as follow:

SECTION 1. AGREEMENT DOCUMENTS

The Agreement Documents that constitute the entire agreement between the County and the Contractor are:

- A. This Agreement
- B. Request for Proposal (RFP) Number 25129
- C. Contractor Response to Request for Proposals #25129 dated December 22, 2005

In the event of conflict between or among the above Documents, the Documents listed above are in order of precedence.

SECTION 2. SCOPE OF WORK

Lake County is seeking a consultant with significant experience in benefits analysis to evaluate the County's options to reduce costs, reduce future risks, improve service delivery and provide data analysis. The consultant will provide related services, including but not limited to, the following:

I. First Quarter Tasks

- Evaluate CDHP's and provide report with recommendations on plan designs to benefit the County in the next plan year
- Present plan design recommendations and cost analysis findings to Lake County's Administrator and/or County Board

II. On-Going Tasks

- Negotiate and resolve open issues with the County's current medical providers
- Provide claim assistance for problematic claims
- Assist the County with internal implementation and communication of employee insurance plan offerings

- Provide the following assistance during open enrollment periods:
 - Internal/external communication
 - Employee Data collection (preferably online)
- Quarterly analysis of the County's medical plans to evaluate costs, market competitiveness, and employee/employer needs. Spotlight areas where the County's costs exceed industry norms and analyze the cost impact of modifying existing design
- Assist the County in modifying and editing the certificates of coverage when necessary
- Evaluate cost and risk implications related to plan design changes
- Implement and monitor cost containment strategies and evaluate the pros and cons of new benefit options and initiatives, i.e. disease management, child wellness, adult wellness, and Physical, Speech, and Occupational Therapy coverage
- Assist in the solicitation and evaluation of reinsurance coverage
- Assist in evaluating the County's wellness initiatives on a quarterly basis, identifying areas needing to be addressed based on analysis of high claim costs and apparent risk factors.
- Provide any other service within the scope of the employee benefit program that the County may request
- Analyze data and summarize results so that recommendations for improvements may be developed

III. Annual Tasks

- Provide annually an actuarial analysis addressing cost projections based on claims experience, recommending plan funding, with concern for both protection and cash flow, identifying recommended run outs and reserve requirements
- Evaluate annual renewal offerings, applicable risk coverage and administrative charges from the County's insurance carrier and aggressively negotiate with the current carriers or future carriers to achieve the most favorable cost basis for the County, including Group Life and AD&D policies

SECTION 3. DURATION:

The contract will commence upon execution of the contract. The Contractor shall complete quarterly tasks by end of first quarter; the actuarial analysis by end of first quarter succeeding of the next year; annual insurance carrier negotiations shall be completed each year by June 15th. This contract shall be in effect for a one (1) year period. Lake County reserves the right to renew this contract for four (4) additional one (1) year periods, subject to acceptable performance by the Contractor and upon appropriation of sufficient funds. At the end of any contract term, Lake County reserves the right to extend this contract for a period of sixty (60) days for the purpose of getting a new contract in place. For any year beyond the initial year, this contract is contingent on the appropriation of sufficient funds; no charges shall be assessed for failure of the County to appropriate funds in future contract years.

SECTION 4. AGREEMENT PRICE

Contractor shall be paid an amount of \$80,000 for benefit consulting tasks plus an estimated amount of \$16,000 in 2006 for additional services and \$36,000 for additional services as needed in subsequent years.

SECTION 5. PURCHASE ORDER, INVOICES AND PAYMENTS

The County will issue a Purchase Order for the work to be performed in accordance with this Agreement. The Contractor shall submit monthly invoices for completed On-Going tasks up to \$25,000; for completed First Quarter tasks up to \$25,000; for completed Annual tasks up to \$30,000 and for additional services as requested at an hourly rate of \$275 upon completion and acceptance of the deliverables. The Contractor shall not exceed 10 hours per month of additional hourly services without prior written authorization. The Contractor shall submit invoice(s) detailing the services provided based upon receipt and acceptance of project deliverables.

Deliverables for each period identified (first quarter, quarterly, and annual) must be received and accepted prior to the monthly invoice for that period of time. Identify the Purchase Order number of all invoices. Payments shall be made in accordance with the Local government Prompt Payment Act.

SECTION 6. JURISDICTION, VENUE, CHOICE OF LAW:

This Agreement shall be governed by and construed according to the laws of the State of Illinois. Jurisdiction and venue shall be exclusively found in the 19th Judicial Circuit Court, State of Illinois.

SECTION 7. TERMINATION

The County reserves the right to terminate this contract, or any part of this contract, upon thirty (30) days written notice. In case of such termination, the Contractor shall be entitled to receive payment from the County for work completed to the termination date in accordance with terms and conditions of this contract. The County shall provide written notice indicating if the Contractor is in default of this Agreement and the Contractor shall have thirty (30) days to cure such default after receipt of written notice. In the event that this Contract is terminated due to Contractor's default, the County shall be entitled to purchase substitute items and/or services elsewhere and charge the Contractor with any or all losses incurred, including attorney's fees and expenses.

SECTION 8. INDEPENDENT CONTRACTOR

The Contractor is an independent contractor and no employee or agent of the Contractor shall be deemed for any reason to be an employee or agent of Lake County.

SECTION 9. ASSIGNMENT

Neither the Contractor nor Lake County shall assign any duties of performance under this Agreement without the express prior written consent of the other.

SECTION 10. MODIFICATION

This Agreement may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought.

SECTION 11. DISPUTE RESOLUTION

All issues, claims, or disputes arising out of this Agreement shall be resolved in accordance with the Appeals and Remedies Provisions in Article 9 of the Lake County Purchasing Ordinance.

SECTION 12. NO IMPLIED WAIVERS

The failure of either party at any time to require performance by the other party of any provision of this Agreement shall not affect in any way the full right to require such performance at any time thereafter. Nor shall the waiver by either party of a breach of any provision of this Agreement be taken or held to be a waiver of the provision itself.

SECTION 13. SEVERABILITY

If any part of this Agreement shall be held to be invalid for any reason, the remainder of this Agreement shall be valid to the fullest extent permitted by law.

SECTION 14. TAXES

Lake County is not subject to Federal Excise Tax. Per Illinois Compiled Statutes, 35 ILCS 120/2-5, Lake County is exempt from state and local taxes.

SECTION 15. DELIVERABLES

- First quarter evaluation, report, and presentation on plan designs to benefit the County in the next plan year
- Present plan design recommendations and cost analysis findings to Lake County's Administrator and/or County Board
- Report with recommendations regarding benefits information and the County's opportunities to reduce costs and improve the delivery of benefit services, including any "best practices" benchmarks.
- Recommendations regarding alternative service delivery and benefit options
- Annual actuarial analysis

SECTION 16. HOLD HARMLESS CLAUSE

The Contractor agrees to indemnify, save harmless and defend Lake County, its agents, servants, employees, and each of them against and hold it and them harmless from any and all lawsuits, claims, demands, liabilities, losses, and expenses; including court costs and attorney's fees for or on account of any injury to any person, or any death at any time resulting from such injury, or any damage to property, which may arise or which may be alleged to have arisen out of, or in connection with the work covered by this project. The foregoing indemnity shall apply except if such injury is caused directly by the willful and wanton conduct of Lake County, its agents, servants, or employees or any other person indemnified hereafter.

IN WITNESS HEREOF, the undersigned have caused this Agreement to be executed in their respective names on the dates hereinafter enumerated.

Lake County:

Buck Consultants:

JONI F. YOUNG, C.P.M.
Director of Central Services

MARK R. ORZECOWSKI
Principal, Health & Welfare

Date

Date