

**Bid2021-149 Health & Dental Insurance Consultant**

- 4 bids received

CODE: 75-188 Employee Benefits/Health Insurance Consultant

MANNER OF AWARD: \$18,000.00  
From date of award to Health Fund award

RECOMMEND: Marsh & McLennan Agency

Health Benefit Advisors  
275 West Natick Road  
Suite 900  
Warwick, RI 02886

Robert F. Calise  
Hilb Group of New England, LLC  
931 Hefferson Blvd., Suite 3001  
Warwick, RI 02886

Marsh & McLennan Agency  
50 Park Row West  
Providence, RI 02903

Lockton Companies  
76 Batterson Park Road  
3<sup>rd</sup> Floor  
Farmington, CT 06032

Description	Health Benefit Advisors	Hilb Group of New England, LLC	Marsh & McLennan Agency	Lockton Companies
Cost for this services as outlined in this RFP (Section II)	\$12,000.00	\$15,000.00	\$18,000.00	\$45,000.00
Additional Costs (if applicable)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Total Cost	\$12,000.00	\$15,000.00	\$18,000.00	\$45,000.00



STEVEN M. ROTONDO  
PERSONNEL DIRECTOR



JOSEPH J. SOLOMON  
MAYOR

**CITY OF WARWICK**  
**DIVISION OF PERSONNEL**  
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**To:** Patricia Peshka, Purchasing Agent  
**From:** Steven M. Rotondo, Director of Personnel  
**Date:** October 30, 2020  
**Subject:** Health and Dental Insurance Consultant

The City issued RFP2021-149 seeking health and dental insurance consultant services to assist us with soliciting, reviewing, evaluating and recommending a health and dental insurance plan administrator for the City. The consultancy will provide expertise and dense data analysis necessary to obtain the most qualified and cost effective health and dental administrator for the fiscal year beginning July 1, 2021.

The term of the City's insurance consultant contract will begin at the time of the award and conclude with the selection and final approval of the Health and Dental Insurance Carriers by the City Council. The four respondents are represented in the table below.

<b>Company</b>	<b>Bid</b>
Health Benefit Advisors	12,000
Hilb Group, New England	15,000
Lockton	45,000
Marsh & McLennan Agency	18,000

The Personnel Director reviewed the bidders' experience based on the criteria defined in the RFP and then calculated a score based on the following four criteria (see Attachment A).

Stability of the Firm	20 points
Experience of the Principals assigned to Warwick	20
Other qualifications	20
Cost	<u>40</u>
Maximum Rating	100

Stability of the Firm – At least 15 years of experience providing health and dental insurance consultative services to city and town municipalities.



Experience of the Principals assigned to Warwick – In this category the score is based on the individual expertise of the principals that will be assigned to our project. Each principal should possess a minimum of 10 years of pertinent experience.

Other Qualifications – This category measures technical competence as evidenced by the respondent's understanding of the work required, skill in dense data analysis of active and retiree health insurance, and experience in consulting on health insurance proposals.

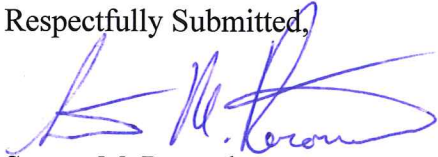
Health Benefits Advisors is the low bidder. The firm was established in July, 2009 and does not possess the 15 year record of health and dental insurance consulting as required per the RFP. In addition, the firm is comprised of a principal and a partner – their proposal did not indicate any other participants in the project. The lack of redundancy is concerning in the event either team member becomes unable to complete the project due to unforeseen circumstances. Finally, the expertise of the firm appears to be focused on stop-loss insurance, and the selling of products such as tele-medicine. It does not appear to have performed bulk, data analysis and consultative services of the kind and level necessary to the success of this project. While both members of HBA possess impressive credentials, each of the above concerns, standing alone, can be disqualifying.

The Hilb Group, New England scored highest in our assessment and is the second high bidder. The firm possess the skills necessary to perform the work. However, Hilb Group has an annual consulting contract worth \$25,000 - \$50,000 with West Bay Community Health, the City's current health and dental plan administrator. This presents a conflict of interest. It is not appropriate to select the Hilb Group for this particular project while this conflict exists.

We recommend Marsh & McLennan Agency. They have considerable experience in the municipal sector in RI and MA, to include the Boston Water and Sewer Commission. They are a full service insurance, retirement and risk management firm that provide comprehensive data analytics to inform decision making in employee benefits, including health insurance and pharmacy plans. The M & M Agency performed this function for the City of Warwick last year and provided service that met or exceeded expectations. They are part of a world-wide network and have considerable resources to draw upon, which gives us confidence in firm stability and continuity of service.

The City budgeted \$18,000 for this service in our FY 2021 budget. The budget code is 75-188. Please reach out to me if you have any questions.

Respectfully Submitted,



Steven M. Rotondo

Attachment

## ATTACHMENT A - Bid Evaluation – Health and Dental Insurance Consultant – RFP 2021-149

Qualifications – Experience of Consultants. The following is an evaluation of the Qualifications and Experience the firm and principal consultants should possess, based on 6.2 of the bid specifications.

Rating Schematic: 0 = does not meet criteria; 1 = meets or exceeds criteria

	Firm - 15 years experience health & dental insurance consulting.	Firm - 10 years experience consulting with minimum of 3 RI or similar municipalities.	Principals – 10 years health & dental consulting.	Principals – 5 years consulting with RI or similar municipalities.	Municipalities Served
Health Benefit Advisors	0	1	1	1	3 – City of Pawtucket & PSD, City of Cranston & CSD, Coventry School Dept.
Hilb Group, New England	1	1	1	1	6 - Warwick & WPSD, Cranston School Dept, Cumberland and CSD, North PVD & NPSD, E. PVD, West Greenwich
Lockton	1	1	1	1	28 – municipal clients in CT.
Marsh & McLennan Agency	1	1	1	1	2 – Warwick and Providence, multiple municipal clients including Boston Water & Sewer.

Evaluation of Responders. Rating schematic: stability of the firm = 20; experience of the principals assigned to Warwick = 20; other qualifications = 20; and cost = 40.

	Stability	Experience	Other	Cost	Cost Score	Total
Health Benefit Advisors	14.67	20	10	12,000	40	84.67
Hilb Group, New England*	20	20	15	15,000	32	87
Lockton	20	20	20	45,000	10.67	76.67
Marsh & McLennan Agency	20	20	20	18,000	26.67	86.67

\*The Hilb Group provides consulting services to WB Community Health, the City's current health and dental plan administrator, with annual fees between \$25,000 and \$50,000. This presents a conflict of interest.