

RESOLUTION 2017-038

RESOLUTION SELECTING AND AUTHORIZING A FIVE-YEAR AGREEMENT WITH WILLIS INSURANCE SERVICES OF CALIFORNIA, INC. TO PROVIDE HEALTH BENEFIT BROKER AND CONSULTING SERVICES FOR AN AMOUNT NOT TO EXCEED \$162,000 PER YEAR AND A TOTAL OF \$810,000 FOR THE PERIOD FROM MAY 1, 2017 THROUGH APRIL 30, 2022

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the legislature in 1962 pursuant to Harbors and Navigation Code Appendix 1, (Port Act); and

WHEREAS, the Board of Port Commissioners (BPC) adopted BPC Policy No. 110 to establish a policy governing the processing and administration of public projects, consulting and service agreements, the purchasing of supplies, materials, and equipment, and grants; and

WHEREAS, the District is seeking a benefits broker/consultant to help find affordable health care coverage for its employees, retirees, and dependents; and

WHEREAS, the District's employee benefits consultant plays an important role in helping to balance the desire to provide a benefits package that attracts and retains quality employees with the goal of overall long-term sustainability of the benefits offered by the District; and

WHEREAS, historically, the District's benefits consultant has been paid through commissions built into the premium where employees and retirees share in the cost and this commission has been capped at an annual maximum compensation level to ensure that the consultant would recommend the best possible vendors with the best possible rates rather than the vendors who pay higher commissions and any commissions paid in excess of this cap have been rebated to the District for use in providing employees a healthy work environment, such as purchasing additional gym equipment; and

WHEREAS, as required by BPC Policy No. 110, staff issued a request for proposals (RFP) on December 7, 2016; and

WHEREAS, 221 prospective vendors were notified, and 12 downloaded solicitation documents. Proposals were due on January 17, 2017, and five (5) responsive proposals were received; and

WHEREAS, a panel comprised of District staff, including bargaining unit representatives reviewed the proposals and conducted finalist interviews with two

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(2) companies on February 8, 2017. The panel ranked the firms based on the criteria established in the RFP; and

WHEREAS, the panel ranked Willis Towers Watson as the top firm. Willis Towers Watson provided a well-prepared proposal showing a thorough and thoughtful approach to the services; and

WHEREAS, Willis Towers Watson is the District's incumbent broker. The current agreement was started when the firm was known as Willis Insurance. In 2016 a merger was completed between Willis Insurance and Towers Watson, also a broker and consulting firm, creating Willis Towers Watson. The merger has significantly increased the resources available and used to support the District's plans. During reference checks, other Willis Towers Watson clients noted their experience of increased resources from the merger as well.

NOW, THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District, as follows:

That the Executive Director or her designated representative is hereby authorized on behalf of the San Diego Unified Port District to select and enter into a five-year agreement with Willis Insurance Services of California, Inc. to provide health benefit broker and consulting services for an amount not to exceed \$162,000 per year and a total of \$810,000 for the period from May 1, 2017 through April 30, 2022.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL



By: Assistant/~~Deputy~~ General Counsel

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PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 11th day of April, 2017, by the following vote:

AYES: Moore, Nelson, Castellanos, Malcolm, Merrifield and Valderrama

NAYS: None.

EXCUSED: Bonelli

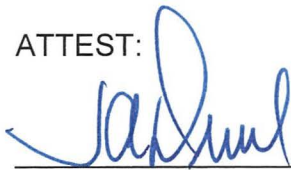
ABSENT: None.

ABSTAIN: None.



Robert Valderrama, Chair
Board of Port Commissioners

ATTEST:



Timothy A. Deuel
District Clerk

(Seal)