

Cleveland Public Library

Human Resources Committee
May 20, 2010

RESOLUTION TO APPROVE HEALTH CARE CONSULTANT

- WHEREAS,** The Library is required by its labor contracts and Human Resources Manual to provide health insurance, and
- WHEREAS,** The Library believes it is prudent to retain experts in the insurance field to help the Library evaluate and negotiate competitive pricing and benchmarking with current health, life and short term disability insurance providers, and
- WHEREAS,** The Library has benefited from lower insurance rates due to the actuarial services and negotiation skills of Herbruck Alder, and
- WHEREAS,** The Library Administration recommends that the services of Herbruck Alder be engaged for a fourth year, beginning May 1, 2010 through April 30, 2011 to provide consulting including the negotiation of current health plan renewals and to provide actuarial services for benchmarking purposes including evaluation of health plans at time of renewal and mid-year; and to provide customer service support and provide support for insurance issues in upcoming labor negotiations and a dependent audit for a fee of \$36,600 for a one year contract, now therefore be it
- RESOLVED,** That the Director be authorized to sign the agreement with the expenditures being charged to General Fund Account 53710: Professional Services.

Cleveland Public Library

To Felton Thomas
From T Diamond, S Tufts, L Novotny
Date May 7, 2010
Subject Benefits Consultant Recommendation

The current contract for a benefits consultant ends May 31, 2010. The Human Resources Administrator sent out Request for Proposals to three respected firms, Herbruck Alder, Fedeli Group, and Pinkney-Perry. All three firms submitted written proposals. The bids were evaluated by the Spec. Asst. to Director, HR Administrator and Asst. HR Administrator. The firms' representatives were also given the opportunity to present their credentials in a face-to-face meeting. All the bids were found to be of high quality.

The recommendation is for Herbruck Alder and to include a dependent audit option. Their bid was the lowest cost. They take no broker fees or bonuses from Library business. Their capabilities have been demonstrated to the Library in the last several years. In 2006 they identified United Healthcare to replace Qualchoice with no rate increase; in 2007 recommended a move from Prudential to Sun Life for Life & Short Term Disability saving \$97,000; in 2008 negotiated renewal savings of \$197,000 and provided advice on setting up a Flexible Spending Account Plan, in 2009 assisted with an RFP that lead to Kaiser Permanente as a full replacement carrier saving \$184,000 for the Library and its employees.

Herbruck Alder also is a large enough firm that they offer many additional services if the Library would like to expand the scope of services.