



Date: April 12, 2022
Current Meeting: April 21, 2022
Board Meeting: April 28, 2022

BOARD MEMORANDUM

TO: Indianapolis Public Transportation Corporation (IPTC) Board of Directors
THROUGH: President/CEO Inez P. Evans
FROM: Vice President for Human Resources Jeff Brown
SUBJECT: Consideration and approval to negotiate a contract with LHD Benefit Advisors

ACTION ITEM A – 2

RECOMMENDATION:

In a manner consistent with IPTC procurement and contract award standards, we request that the Board authorize the President/CEO to negotiate and enter into a three-year contract (with two option years) with LHD Benefit Advisors to serve as a benefits insurance broker with a total cost of \$299,961.

BACKGROUND:

IPTC has utilized the services of a benefit insurance broker to provide assist in negotiating health and welfare benefit plans and to provide consulting and project management services required to support the employee benefits programs which include, but is not limited to, the following: medical, dental, vision, on-site clinic, wellness program, term life, accidental death & dismemberment, short and long-term disability, FMLA and Employee Assistance Program (“EAP”).

DISCUSSION:

IPTC issued a request for qualifications solicitation for a licensed Insurance broker to provide brokerage services for insurance coverages including employee medical, dental, vision, life, disability, and wellness programs. LHD Benefit Advisors scored the highest of all vendors for the following reasons:

- LHD Benefit Advisors is the incumbent and has the strongest reputation in the Indiana benefit insurance market.
- LHD Benefit Advisors provided known cost savings to IPTC.
- LHD Benefit Advisors has provided very sound, valued services to IPTC.
- LHD Benefit Advisors were instrumental in helping IPTC negotiate changes to the health plan design with the ATU Local 1070 which achieve substantial costs savings to IPTC.
- LHD Benefit Advisors have institutional knowledge invaluable to achieving efficiency and cost savings.

Following the February 24, 2022, Board of Directors meeting and resolution, IPTC sought a cost proposal from LHD Benefit Advisors and began negotiating costs. Based on those negotiations, LHD Benefit Advisors offered the most comprehensive and cost-effective proposal.

ALTERNATIVES:

The Board could choose not to award this contract to the recommended vendor and direct the CEO to negotiate with another vendor.

FISCAL IMPACT:

The total cost of this procurement for benefits broker was budgeted for and projected to be \$299,961. The cost breakdown is as follows:

Year 1: \$96,987
Year 2: \$99,987
Year 3: \$102,987

In addition, LHD negotiated with Anthem an annual \$17,000 subsidy for the Vital Incite Data Analytics that IPTC utilizes for claims analysis which will further reduce the cost of this procurement. Human Resources will work with Finance to manage the funding of this procurement with the existing budget for each year of the contract.

DBE/XBE DECLARATION:

This contract will be funded locally and therefore, it requires "XBE" participation goals. LHD Benefit Advisors' bid included two certified subcontractors: 308 Communications with a seven percent (7%) utilization and Engaging Solutions with a fifteen percent (15%) utilization.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

This action will be reviewed by the Finance Committee on April 21, 2022.