NAPA COUNTY BOARD OF SUPERVISORS
Board Agenda Letter

TO: Board of Supervisors

FROM: Mark Gregersen - Director
Human Resources

REPORT BY: Caryn Fagundes, Benefits Administrator, 253-4488

SUBJECT: Professional Services Agreement with ABD Insurance & Financial Services

RECOMMENDATION

Human Resources Director requests approval of and authorization for the Chair to sign an agreement with ABD Insurance and Financial Services for a maximum of $48,500 for the term January 15, 2008 through June 30, 2008 to provide employee insurance and benefit services.

EXECUTIVE SUMMARY

Due to the need for aggressive health insurance cost control and strategic benefits planning, Human Resources conducted a Request for Qualifications (RFQ) in January 2004 for employee insurance and benefit services. The RFQ resulted in the selection of ABD Insurance and Financial Services as the new benefit broker.
Today's requested action will formalize the agreement for the term January 15, 2008 through June 30, 2008, with an automatic renewal at the end of each fiscal year unless either party provides written notice of the intent not to renew. Maximum payments under the agreement per fiscal year total $48,500, which will be offset by any commissions paid by insurance companies.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Employee/Retiree Benefits - Fund 1000, Budget Unit 18800, Account 52185000.

The Fiscal Year 2007/2008 fees are $48,500. The $48,500 will be offset and balanced quarterly against any commission income that ABD receives from insurance companies. The maximum out of pocket expense from the County

	is not to exceed $21,000 in FY 07/08.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The County has a need for aggressive health insurance cost control and strategic benefits planning to provide insurance services to our employees efficiently and in a cost effective manner.
Is the general fund affected?	Yes
Future fiscal impact:	The agreement will be automatically renewed at the end of each fiscal year and will be budgeted accordingly.
Consequences if not approved:	The County would not be able to contract with ABD for employee insurance and benefit services and would therefore need to bring services in-house, which would create a significant delay in providing health insurance services to our employees.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The County has a need for aggressive health insurance cost control and strategic benefits planning to provide insurance services to employees efficiently and in a cost effective manner. The County of Napa contracted with Driver Alliant for several years for employee insurance and benefit services. Over the past several years, certain aspects of service levels provided by Driver Alliant were identified as needing improvement, such as timeliness of communication and the firm's ability to provide strategic benefits planning. Therefore, Human Resources conducted an RFQ process in January 2004 and interviewed two benefit brokers. The RFQ process resulted in the selection of ABD Insurance and Financial Services as the new benefit broker.

ABD Insurance and Financial Services has provided many valuable added services. Some examples of these services are strategic benefits planning, full service compliance support, and aggressive cost control. ABD was instrumental in assisting the County with revising and updating the health and flexible spending plan documents and summary plan descriptions. Based on the proposed agreement, ABD's fee for FY 2007/2008 is $48,500. This amount will be offset by commission income and is balanced quarterly against commissions the firm receives from insurance companies. The maximum out of pocket expense from the County is not to exceed $21,000 in FY 07/08.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Karen Collins