


**Date:** May 24, 2023  
**To:** Board of Directors  
**From:** Sam Desue, Jr.   
**Subject:** **RESOLUTION NO. 23-05-19 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH MERCER HEALTH AND BENEFITS LLC (MERCER) FOR BENEFITS CONSULTING SERVICES**

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**1. Purpose of Item**

This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager or his designee to execute a contract with Mercer Health and Benefits LLC (Mercer) for Benefits Consulting Services (Contract).

**2. Type of Agenda Item**

- Initial Contract
- Contract Modification
- Other:

**3. Type of Contract Procurement**

- Low Bid / Invitation to Bid (ITB)
- Request for Proposals (RFP) (inc. CM/GC)
- Request for Qualifications (RFQ) (Personal Services)
- Other: Sole Source

**4. Reason for Board Action**

Board authorization is required for all goods and services contracts obligating TriMet to pay in excess of \$1,000,000.

**5. Type of Action**

- Resolution
- Ordinance 1<sup>st</sup> Reading
- Ordinance 2<sup>nd</sup> Reading
- Other \_\_\_\_\_

**6. Background**

TriMet offers comprehensive health benefits (benefits) for all employees, eligible dependents, and eligible retirees. As with most businesses today, state and federal regulatory requirements associated with TriMet’s benefit plans have become increasingly complex. In order to provide benefits in a financially responsible manner, TriMet requires specialized technical expertise, up-to-date information on legislative changes and the broad experience and exposure to the marketplace provided by specialized industry consultants. While TriMet staff oversee the design and administration of TriMet’s benefit plans, the assistance of external consultants with specialized benefits expertise is necessary.

TriMet currently has a contract for benefits consulting services with Mercer that expires on May 31, 2023. That contract resulted from a competitive Request for Proposals and was authorized by the Board at its February 2018 meeting via Resolution 18-02-20.

**7. Description of Procurement Process**

TriMet issued an RFP for Benefits Consulting Services on February 22, 2023, with proposals due on March 15, 2023. A total of 296 firms were notified of the RFP via TriMet’s eProcurement System (TriP\$), and TriMet received proposals from four (4) firms: Alliant Employee Benefits (Alliant), Aon Risk Service (Aon), Mercer, and Personal Growth Network Companies, LLC (PGN).

A Source Evaluation Committee (SEC) comprised of members of TriMet’s Labor Relations and Human Resources division evaluated the proposals. The evaluation criteria included: (1) qualifications of proposer, (2) qualifications of key staff, (3) workforce diversity, (4) understanding the work, and (5) Price.

The SEC determined that three of the firms (Alliant, Aon, and Mercer) were in the competitive range. While the SEC found that interviews were not necessary, the Committee requested Best and Final Offers (BAFO) from the three firms. The BAFOs were received on April 17, 2023.

Final scores for all proposers are summarized in the table below:

<b>Criterion (maximum points possible)</b>	<b>Alliant</b>	<b>Aon</b>	<b>Mercer</b>	<b>PGN</b>
Qualifications of Proposer (10 max)	8.25	8.75	10	4.5
Qualifications of Staff (20 max)	17.5	17.5	19.25	10.5
Diversity (10 max)	7.25	9.25	10	0
Understanding of Work (40 max)	33.5	31	38	12
<b>Subtotal Technical Score (80 max)</b>	<b>66.5</b>	<b>66.5</b>	<b>77.25</b>	<b>27</b>
Price Score (20 max)	20	12	13.8	Not Opened
<b>Total Score</b>	<b>86.5</b>	<b>78.5</b>	<b>91.05</b>	<b>27</b>

The proposed Contract with Mercer will be for a five-year term, with TriMet retaining the unilateral option to terminate for convenience for any reason during that period. The total amount of the Contract will not exceed \$1,409,700 for the Contract term. TriMet staff has determined that Mercer’s pricing is fair and reasonable in relation to the local market for the type of work, in comparison with rates for similar services, and in comparison to other price proposals received.

**8. Diversity**

Mercer’s total employee count is 6,193, and its workforce is 21% minority and 60% female. Mercer will self-perform the work under the Contract.

**9. Financial/Budget Impact**

The Contract price is included within the Labor Relations and Human Resources budget for FY 2024.

#### **10. Impact if Not Approved**

Adoption of this Resolution will promote TriMet's progress in optimizing resources to provide competitive benefits and enhance the agency's ability to attract and retain qualified employees. In addition, Mercer was found to offer the highest level of services of the proposers, and its proposed price was determined to be fair and reasonable based on adequate price competition. While the Board could disapprove the Resolution and direct staff to issue a new RFP, a new procurement process is not likely to result in superior services or a lower price.

**RESOLUTION NO. 23-05-19**

**RESOLUTION NO. 23-05-19 OF THE TRI-COUNTY METROPOLITAN  
TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A  
CONTRACT WITH MERCER HEALTH AND BENEFITS LLC (MERCER) FOR  
BENEFITS CONSULTING SERVICES**

**WHEREAS**, TriMet has authority under ORS 267.200 to enter into a contract with Mercer Health and Benefits, LLC for benefits consulting services (Contract); and

**WHEREAS**, by Resolution No. 22-05-35, dated May 22, 2022, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring the Board to authorize contracts obligating TriMet to pay in excess of \$1,000,000; and

**WHEREAS**, the value of the Contract exceeds the amount of \$1,000,000;

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Contract shall conform with applicable law.
2. That the General Manager or his designee is authorized to execute the Contract in an amount not to exceed \$1,409,700, over the Contract's five-year term.

Dated: May 24, 2022



\_\_\_\_\_  
Presiding Officer

Attest:



\_\_\_\_\_  
Recording Secretary

Approved as to Legal Sufficiency:



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Legal Department