



**March 26, 2025**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Sole Source Agreement for Health Insurance Brokerage Services

### **Overview**

The Orange County Transportation Authority contracts with the Public Risk Innovation, Solutions, and Management to participate in a purchasing insurance pool for employee health and welfare insurance benefits. Pool members are required to have Alliant Insurance Services, Inc. as their primary broker of record. To continue participation in the pool, a new broker agreement is necessary. A proposal was solicited and received from Alliant Insurance Services, Inc. as a sole source procurement for health insurance brokerage services. Board of Directors' approval is required for the firm to provide the services.

### **Recommendation**

Authorize the Chief Executive Officer to negotiate and execute sole source Agreement No. C-5-3980 between the Orange County Transportation Authority and Alliant Insurance Services, Inc., in the amount of \$640,000, for a five-year term, effective June 1, 2025 through May 31, 2030, to provide health insurance brokerage services.

### **Discussion**

The Orange County Transportation Authority (OCTA) uses a broker of record to assist the Benefits section of the Human Resources Department to implement and maintain OCTA's benefit programs for its employees. The broker of record provides marketing and placing of coverage, assists OCTA in developing comprehensive, cost-effective health and welfare programs, and supports and assists OCTA in resolving any health insurance carrier problems. Additionally, the broker of record informs OCTA of new legislation that may affect OCTA, performs research and analysis as requested, develops benefit communication pieces, and assists with open enrollment.

OCTA entered into a Joint Powers Agreement with Public Risk Innovation, Solutions, and Management (PRISM) in 2016 to participate in a purchasing insurance pool with other California counties and public entities for employee health and welfare insurance benefits. Alliant Insurance Services, Inc. (Alliant) is the exclusive broker of record for all PRISM programs, with exclusive rights to consult, underwrite, distribute, and service all PRISM programs and its members. The delivery of the PRISM programs is contractually provided based on the knowledge and expertise of the Alliant program and service teams. PRISM requires that OCTA and other pool members utilize Alliant as the primary broker of record. This is a normal rule of engagement for entry into risk sharing pools and programs.

The PRISM pool 2025 renewal rate was an increase of 4.8 percent from 2024. The market trend for insurance premiums for comparable size organizations to OCTA were increases averaging 12 percent in 2025. Therefore, it is in OCTA's best interest to remain a member of the PRISM insurance pool due to favorable insurance rates and to contract with Alliant as its primary broker of record in accordance with the PRISM Joint Powers Agreement.

### ***Procurement Approach***

This procurement was handled in accordance with OCTA's Board of Directors-approved policies and procedures for a sole source procurement.

Alliant is the exclusive broker of record for all PRISM public agency risk-sharing programs and the sole entity to consult, underwrite, distribute, and service all PRISM programs and its members. Therefore, Alliant is the sole source firm that can provide broker and consulting services to implement and maintain employee benefit programs. Alliant has represented PRISM since 1979 and the firm's core clientele are public agencies, including several located in Southern California. Based on its technical ability and financial status, Alliant is deemed responsible.

Alliant's proposal was reviewed by staff from the Contracts Administration and Materials Management and Human Resources Departments to ensure compliance with the contract terms and conditions, as well as the technical requirements.

In accordance with OCTA's sole source procurement procedures, a sole source over \$50,000 requires OCTA's Internal Audit Department to conduct a price review of Alliant's proposed pricing. The Internal Audit price review report compared the rates proposed by Alliant to comparable contract rates with the City of San Bernardino, escalated by the 12-month Employment Cost Index rate

for December 2024 and found that Alliant's quoted pricing is lower. Therefore, the quoted price is deemed fair and reasonable.

Based on the above, the award is recommended to Alliant.

**Fiscal Impact**

Funds are included in OCTA's Fiscal Year 2024-25 Budget, People and Community Engagement Division, Human Resources Department, Account No. 1340-7519-A2307-FBE, and is funded through the Local Transportation Fund.

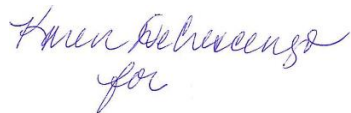
**Summary**

Staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute sole source Agreement No. C-5-3980 between the Orange County Transportation Authority and Alliant Insurance Services, Inc., in the amount of \$640,000, to provide health insurance brokerage services, for a five-year term, effective June 1, 2025 through May 31, 2030.

**Attachment**

None.

**Prepared by:**



Bea Maselli  
Section Manager III, Benefits  
714-560-5825



Pia Veasapen  
Director, Contracts Administration and  
Materials Management  
714-560-5619

**Approved by:**



Maggie McJilton  
Executive Director, People and  
Community Engagement  
714-560-5824