



**April 26, 2023**

**To:** Finance and Administration Committee

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

**Subject:** Amendment to Agreement for Health Insurance Brokerage Services

**Overview**

On May 22, 2020, the Orange County Transportation Authority Board of Directors approved an agreement with Alliant Insurance Services, Inc., for health insurance brokerage services for a three-year initial term with a two-year option term. Board of Directors' approval is requested to exercise the option term effective June 1, 2023 through May 31, 2025.

**Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Agreement No. C-0-2078 between the Orange County Transportation Authority and Alliant Insurance Services, Inc., to exercise the two-year option term effective June 1, 2023 through May 31, 2025, in the amount of \$238,000, to continue providing health insurance brokerage services. This will increase the maximum obligation of the agreement to a total contract value of \$580,000.

**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 the agency, 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/programs.

As a member of the PRISM pool, staff recommends that the Board of Directors (Board) approve an amendment to exercise the option term to continue to contract with Alliant as its primary broker of record in accordance with the PRISM Joint Powers Agreement.

***Procurement Approach***

The original procurement was handled in accordance with OCTA's Board-approved policies and procedures for a sole source procurement. The original agreement included a three-year initial term for \$342,000 and a two-year option term.

The proposed Amendment No.1 is to exercise the option term of the agreement through May 31, 2025. The budget for this amendment in the amount of \$238,000 is based on the current and anticipated use of the services, and will increase the maximum obligation by \$238,000, bringing the total contract value to \$580,000. The option term pricing will remain as originally negotiated for the agreement. Exercising the option term will allow Alliant to continue providing health insurance brokerage services for an additional two years effective June 1, 2023 through May 31, 2025.

**Fiscal Impact**

Funds are included in OCTA's Fiscal Year 2022-23 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 Amendment No. 1 to Agreement No. C-0-2078 between the Orange County Transportation Authority and Alliant Insurance Services, Inc., to exercise the two-year option term in the amount of \$238,000, to continue providing health insurance brokerage services, effective June 1, 2023 through May 31, 2025. This amendment increases the maximum obligation of the agreement to a total contract value of \$580,000.

**Attachment**

- A. Alliant Insurance Services, Inc., Agreement C-0-2078 Fact Sheet

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