

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 3.35
(ID # 19656)

MEETING DATE:
Tuesday, August 30, 2022

FROM : HUMAN RESOURCES:

SUBJECT: HUMAN RESOURCES: Approval of Amendment No. 5 to the Professional Service Agreement with Aon Consulting, Inc. for Employee Benefits Consulting and Actuarial Services; All Districts. [\$160,000, 100% Departmental Budgets]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve Amendment No. 5 to the Professional Service Agreement with Aon Consulting, Inc. for Employee Benefits Consulting and Actuarial Services to extend the period of performance an additional year-and-a-half through December 31, 2023 with no change in the original contract amount of \$160,000 annually; and
2. Authorize the Chair of the Board to sign three (3) copies of the Amendment, and the Clerk to retain one and return two to Human Resources for distribution.

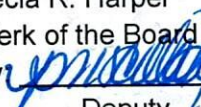
ACTION:


Michael Bowers, Assistant HR Director 7/21/2022

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: August 30, 2022
xc: HR

Kecia R. Harper
Clerk of the Board
By 
Deputy

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| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost |
|---|-----------------------------|--------------------------|---------------------------------------|---------------------|
| COST | \$ 160,000 | \$ 80,000 | \$ 240,000 | \$ |
| NET COUNTY COST | \$ 0 | \$ 0 | \$ 0 | \$ |
| SOURCE OF FUNDS: 100% Department Budgets | | | Budget Adjustment: No | |
| | | | For Fiscal Year: FY22/23-23/24 | |

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On June 28, 2011 Agenda Item 3.73, the Board of Supervisors approved the Benefits Consulting and Actuarial Professional Service Agreement with Aon Consulting, Inc. ("Aon"). The Agreement contained the scope of services and the fees associated with the consulting and actuarial services provided by Aon.

On December 15, 2015 (Agenda Item 3.23), the Board approved Amendment No. 3, which extended the period of performance, amended language to allow additional services to be funded through commissions where permissible, revised indemnification requirements, and adjusted the annual compensation provision to \$160,000.

Approval of this Amendment No. 5 would further extend the period of performance through December 31, 2023. At which time the Department plans to have completed a study of all employee benefits, drafted an all-encompassing scope of work, released and awarded a request for proposal, and signed a new contract for these services.

Prev. Agn. Ref.: 06/28/11 3.73; 12/15/15 3.23

Impact on Residents and Businesses

There is no direct impact on residents or businesses.

Additional Fiscal Information

Contract fees for health plans, life insurance, and long-term and short-term disability, are paid out of commissions from employee paid benefit premiums. The County is invoiced and Departments pay for actuarial services and other County paid benefits, which include actuarial evaluations of unemployment insurance, 401(a) Part-Time Temporary Retirement plan, and Other Post-Employment Benefits (OPEB) reporting as required by the Government Accounting Standards Board (GASB).

Contract History and Price Reasonableness

County Purchasing, on behalf of Human Resources, released a Request for Proposal (RFP HRARC-040) for Employee Benefits Consulting and Actuarial Services, mailing solicitations to

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thirty-six (36) organizations and advertising on the County's internet site. Eight organizations submitted bids in response to the RFP. The initial bids ranged from \$283,000 for partial services to \$1,072,000 for all services requested in the RFP.

The proposals were reviewed by a team of Human Resources Department personnel based on the following criteria: response to RFP requirements, experience and qualifications, technical ability, project methodology, overall cost, references, experience in representing public agencies comparable to the County, financial status, and clarifications and exceptions.

Best and final negotiations were conducted with four finalists. After granting significant cost concessions Aon Consulting, Inc. was selected as the most responsive bidder at an annual cost of \$566,000 in fees and commissions.

All services are included and paid from agreed upon commissions, with the exception of Other Retirement and Underwriting Services, which were approved with Amendment No. 3 and paid at an annual rate not to exceed \$160,000, including all expenses.

There is no increase to that amount for this Amendment.

ATTACHMENT A

Aon Consulting Amendment No. 5


Suzanna Hackley, Assistant Director of Purchasing and Fleet Service

7/25/2022


Meghan Hahn, Senior Management Analyst

8/18/2022


Cynthia M. Gurzel, Chief Deputy County Counsel

7/25/2022

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AMENDMENT NO. 5 TO THE PROFESSIONAL SERVICE AGREEMENT
WITH
AON CONSULTING, INC.

2. On page 3 of the Agreement, amend Section 2.1 and all reference to the period of performance through December 31, 2013 to a period of performance through December 31, 2023.
3. Section 19.6 of the Agreement is hereby deleted in its entirety and replaced with the following:

“The total aggregate liability of either party to the other party for any and all damages, costs and expenses (including but not limited to attorney’s fees) in connection with this Agreement shall be limited to the sum of three million dollars (\$3,000,000). The limitations on each party’s liability to the other contained in the preceding sentence will not apply to losses arising from: (i) a party’s willful, fraudulent, or criminal misconduct; (ii) bodily injury including death, or damage to the tangible personal or real property incurred while CONTRACTOR is performing the services and to the extent caused by the negligent or willful acts or omissions of CONTRACTOR’s personnel or agents in performing the services; (iii) a party’s infringement of the proprietary rights of a third party. In no event will either party be liable to the other party for incidental, consequential, special, or punitive damages (including loss of profits, data, business or goodwill, or government fines, penalties, taxes, or filing fees), regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranty, failure of essential purpose, statutory liability or otherwise, and even if advised of the likelihood of such damages.”
4. All other terms and conditions of the Agreement not modified herein shall remain unchanged.
5. The “Effective Date” of this Amendment No. 5 shall be July 1, 2022.
6. This Amendment No. 5, Amendment Nos. 1 through 4 listed above, and the Agreement taken together with the amendments contain the entire understanding of the Parties. There are no other oral or written representations, understandings, ancillary covenants, undertakings, or agreements that are not contained or expressly referred to within this Amendment No. 5.
7. The Parties agree to execute such other documents and to take such other actions as may be necessary to further the purpose of this Amendment No. 5 and the Agreement.
8. USE OF ELECTRONIC SIGNATURES: This Amendment may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each party of this Amendment agrees to the use of electronic or digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (“the Act”) Cal. Civ. Code §§ 1633.1-1633.17), for executing this Amendment. The parties further agree that the electronic or digital signatures of the parties included in this Amendment are intended to authenticate this writing and to have the same force and effect as manual signatures. The Act authorizes use of an electronic signature for transactions and contracts among parties in California, including governmental agencies.

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WITH
AON CONSULTING, INC.

| | |
|--|---------------------------------------|
| Original Contract Term: | May 1, 2011 through December 31, 2013 |
| Previous Contract Term: | May 1, 2011 through June 30, 2022 |
| Effective Date of Amendment: | July 1, 2022 |
| Contract Term Extended To: | December 31, 2023 |
| Original Annual Maximum Contract Amount: | \$160,000 |
| Original Contract ID: | HRARC-91840-001-03/12 |
| Amended Contract ID: | HRARC-91840-001-12/21 |

This Amendment No. 5 to the Professional Service Agreement for Employee Benefits Consulting and Actuarial Services is entered into by and between the County of Riverside, a political subdivision of the State of California, on behalf of its Human Resources Department (“COUNTY”) and AON CONSULTING, INC., a New Jersey Corporation (“CONTRACTOR”), effective July 1, 2022. COUNTY and CONTRACTOR are collectively referred to herein as the “Parties”, and individually as the “Party”.

RECITALS

WHEREAS, COUNTY and CONTRACTOR entered into that certain Professional Service Agreement (Contract ID HRARC-91840-001-03/12) for Employee Benefits Consulting and Actuarial Services (the “Agreement”) for a contract term of May 1, 2011 through December 31, 2013, with the option to renew for two (2) additional years, renewable in one year increments by written amendment, unless terminated earlier; and

WHEREAS, the Parties have since amended the Agreement four (4) times as follows:

- a. **Amendment No. 1** effective on January 1, 2014, extended the period of performance through December 31, 2014; and
- b. **Amendment No. 2** effective on January 1, 2015, extended the period of performance through December 31, 2015; and
- c. **Amendment No. 3** effective on January 1, 2016, extended the period of performance through December 31, 2021, amended language to allow additional services to be funded through commissions where permissible, adjusted the compensation provision not to exceed \$160,000 annually, and revised to include language consistent with the County specific indemnification requirements.
- d. **Amendment No. 4** effective on January 1, 2022, extended the period of performance only for six months through June 30, 2022.

WHEREAS, the Parties now desire to extend the period of performance through December 31, 2023, unless terminated earlier.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

1. The above recitals are true and correct and are incorporated herein by reference.

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For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Amendment.

COUNTY OF RIVERSIDE, a political
subdivision of the State of California

AON CONSULTING, INC., a New
Jersey corporation

By: Jeff Hewitt
Jeff Hewitt, Chair
Board of Supervisors

By: Rebecca Bodek Feldman
Rebecca Feldman,
Sr. Vice President – Health Solutions Risk Mgr.

Dated: AUG 30 2022

Dated: Jul 25, 2022

ATTEST:
Kecia R. Harper
Clerk of the Board

[Proof of Delegated Authority Received]

By: Priscilla Rasso
Deputy

APPROVED AS TO FORM:
County Counsel

By: Synthia M. Gunzel
Synthia M. Gunzel,
Chief Deputy County Counsel

CORPORATE SIGNERS: Pursuant to California Corporations Code Section 313, please provide signature of chairperson of the board, president, or any vice president, and the secretary, any assistant secretary, the chief financial officer, or any assistant treasurer. If providing only one signature, please also provide a resolution or other proof of delegated authority that shows signer can legally bind the corporation.