

Request to Approve Aon Consulting, Inc. to Provide Actuarial and Consulting Services to the Health Service Board and San Francisco Health Service System

Recommendation

It is recommended that the Health Service Board (HSB) approve, ratify and confirm the contract award to Aon Consulting, Inc. (Aon) to provide Actuarial and Consulting Services to the HSB and the San Francisco Health Service System (SFHSS) and authorize SFHSS to proceed with the negotiation of a contract with Aon.

Aon received the highest score from the evaluation panel that consisted of five (5) City managers: two (2) from the Office of the Controller, two (2) from SFHSS, and one (1) from the San Francisco Employee Retirement System.

Request for Proposals (RFP)

The RFP required respondents to confirm several new conditions and contractual requirement including the following:

- Detailed provisions regarding consent to reassign personnel at the request of SFHSS
- Restrictions on performing services concurrently for other City Departments
- Comprehensive transition planning prior to contract termination
- Heightened performance guarantees
- A thorough preemptive legal review of the Form P-600 City services agreement (eff. 2017)

Selection Process

The RFP issued on 2/8/2018 and pre-proposal meeting and conference call held on 2/21/2018. Ten (10) individuals including prospective actuaries from five (5) actuarial firms participated.

Questions were submitted from five (5) firms and an addendum was issued on 3/9/2018.

Proposals were received on 3/23/2018 from Deloitte Consulting LLP, Dickerson Employee Benefits, Inc., Willis Towers Watson, and Aon Consulting, Inc.

SFHSS staff reviewed the proposals for minimum qualifications

All four (4) written proposals were submitted to evaluation panel for a review and scoring. All four (4) firms participated in oral interviews where they responded to two (2) hypothetical scenarios. The scores were combined with the scores from the written evaluation. The top scoring firm was Aon.

Evaluation Criteria – 600 total points

Evaluation of written proposals (300 points) included evaluation of:

- Clarity of cover letter, table of contents, executive summary
- Supervising actuary and key staff experience
- Project approach and strategy to services
- Pricing for services
- Review of contract form, specifications, proposed performance guarantees

Oral Interviews (300 points)

- Introduction of firm and Closing Statement
- Response to each hypothetical scenario
 - Approach to problem solving
 - Communications and Collaboration
 - Subject-matter and management expertise
 - Management expertise

Panel Rankings

Results of panel evaluation:

1. Aon Consulting Services
2. Willis Towers Watson
3. Deloitte Consulting LLP
4. Dickerson Employee Benefits, Inc

Protest period begins on 5/11/2018 and ends on 5/17/2018

If there is no protest, SFHSS will begin negotiations with Aon

If SFHSS is unable to negotiate a satisfactory contract with Aon within a reasonable time, SFHSS, with approval from the Health Service Board, may terminate negotiations and begin contract negotiations with the next highest ranked firm.