

# **Request to Approve Contract Award to Aon Consulting Inc. to Provide Actuarial and Consulting Services to the Health Service Board and the San Francisco Health Service System**

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Presented by:

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Health Service Board Meeting

June 8, 2023

## 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.

## EVALUATION PANEL

Aon was ranked the highest scoring Respondent, as a result of the cumulative scores delivered by the evaluation panel.

The evaluation panel consisted of the following:

- Three (3) SFHSS subject-matter experts
- Two (2) non-SFHSS City subject-matter experts
- Three (3) external (non-City/non-SFHSS) subject matter experts

## SCOPE OF SERVICES

The RFP required respondents to identify their experience and subject-matter expertise across multiple areas, including:

- Actuarial services, rating and premium contributions
- Plan and benefit audits and analysis
- Trust analysis and recommendation
- Regulatory reporting, compliance and research
- Strategic planning and forecasting

## REVIEW AND EVALUATION PROCESS

- RFP issued January 30th.
- Addenda were issued on February 21st and March 7th.
- Proposals received from Aon Service Corporation (Aon) and The Segal Group, Inc. (Segal).
- The eight-member evaluation panel reviewed the proposals from Aon and Segal.
- Both Aon and Segal participated in oral interviews where they responded to three (3) benefit scenarios.
- Proposal and oral interview scores were combined to determine the final evaluation panel recommendation.

# EVALUATION CRITERIA

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. Highest Ranked Respondent: Aon Service Corporation
2. Second Highest Ranked Respondent: The Segal Group, Inc.

**Protest period** begins on 6/1/2023 and ends on 6/7/2023

- 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 with Aon and begin contract negotiations with The Segal Group, Inc.

# Questions & Discussion

## RECOMMENDATION

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