

AUTHORIZING AN INCREASE TO CONTRACT 2002-041
WITH WILLIAM M. MERCER, INC. TO PROVIDE ADDITIONAL BENEFITS
CONSULTING SERVICES AT A PRICE NOT TO EXCEED \$35,828.00 –
(GENERAL FUND, HUMAN RESOURCE DEPARTMENT BUDGET)

WHEREAS, the Authority required a consultant to provide an analysis of current health care benefit plans and change recommendations for the new solicitation; and

WHEREAS, after negotiations, a small purchase contract was entered into with William M. Mercer, Inc. located at One Cleveland Center, Suite 2500, 1375 East Ninth Street, Cleveland, Ohio 44114 for this purpose at a price not to exceed \$25,000.00; and

WHEREAS, the Authority has now identified the need to increase this contract to provide additional benefits consulting services regarding the solicitation and analysis of health benefit services proposals; and

WHEREAS, the Ohio Revised Code, Section 306.43H(6) provides that competitive bidding is not required when the expenditure substantially involves services of a personal, professional, highly technical, or scientific nature, including but not limited to the services of an attorney, physical, surveyor, appraiser, investigator, court reporter, adjuster, advertising consultant, or licensed broker, or involves the special skills or proprietary knowledge required for the servicing of specialized equipment owned by the regional transit authority; and

WHEREAS, the General Manager has deemed it to be in the best interest of the Authority to obtain these services through William M. Mercer, Inc.; and

WHEREAS, it is necessary to amend the current contract and increase the price for this purpose; and

WHEREAS, said increase will exceed the General Manager's small purchase authority.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the offer of William M. Mercer, Inc. to continue benefits consulting services, as negotiated, be and the same is hereby accepted.

Section 2. That the General Manager of the Authority be and he is hereby authorized to amend Contract 2002-041 with William M. Mercer, Inc. to provide additional benefits consulting services.

Section 3. That said amendment shall be payable from the General Fund, Human Resources Department budget in the amount of thirty five thousand eight hundred twenty-eight and 00/100 dollars (\$35,828.00), for a total contract price not to exceed sixty thousand eight hundred twenty-eight and 00/100 dollars (\$60,828.00).


Section 4. That all other terms and conditions of said contract shall remain unchanged.

Section 5. That this resolution shall become effective immediately upon its adoption.

Adopted: April 16, 2002



President

Attest: 

CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: AUTHORIZING AN INCREASE TO CONTRACT 2002-041 WITH WILLIAM M. MERCER, INC. TO PROVIDE ADDITIONAL BENEFITS CONSULTING SERVICES AT A PRICE NOT TO EXCEED \$35,828.00 – (GENERAL FUND, HUMAN RESOURCES DEPARTMENT BUDGET)	Resolution No.: 2002- 62
	Date: April 2, 2002
	Initiator: Human Resource Department
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

- 1.0 **PURPOSE/SCOPE:** This action will allow the Authority to enter into a change order with William M. Mercer, Inc. to continue to provide benefits consulting services.
- 2.0 **DESCRIPTION/JUSTIFICATION:** The Authority initially awarded a small purchase contract to assist in the analysis of our proposed renewal rates for 2002 and to recommend design changes for future health care plans. It has now identified the need to continue their services to assist in the planning, development and technical review of the Health Care Plan request for proposals. New Health Care contracts will take effect January 1, 2003.
- 3.0 **PROCUREMENT BACKGROUND:** In November 2001, the Authority entered into a small purchase contract with William M. Mercer, Inc. for benefit consulting services at a negotiated price not to exceed \$25,000.00. Subsequently, the Authority has determined that additional services are required to assist in the further review and evaluation of current benefit plans with updated claims and eligibility information and to provide plan design recommendations. The increase to this contract is exempted from competitive bidding as authorized by Section 306.43H(6) of the Ohio Revised Code. William M. Mercer, Inc. will also assist in the review, analysis and evaluation of the health care request for proposals. An additional \$35,828.00 will be required to fund this extension at the original contract bill rates. Since this amount exceeds the small purchase limit, Board authorization is required.

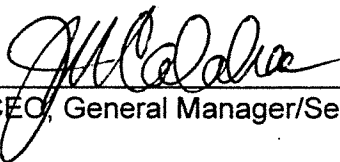
 A cost/price analysis has been performed and the Procurement Department has determined the negotiated rates to be fair and reasonable.
- 4.0 **DBE/AFFIRMATIVE ACTION BACKGROUND:** The Office of Business Development does not conduct Affirmative Action reviews or establish goals on small purchases or any procurement that was initially \$25,000.00 or less.
- 5.0 **POLICY IMPACT:** Does Not Apply.
- 6.0 **ECONOMIC IMPACT:** This procurement will be funded through the General Fund, Human Resources Department budget in an amount of thirty five thousand eight hundred twenty-eight and 00/100 dollars (\$35,828.00), for a total contract price not to exceed sixty thousand eight hundred twenty-eight and 00/100 dollars (\$60,828.00).

STAFF SUMMARY AND COMMENTS

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- 7.0 ALTERNATIVES: Reject this contract. Rejection of this contract would delay procurement of Benefit Consulting Services which would negatively affect the timeline that the Authority has established to procure Health Care Services.
- 8.0 RECOMMENDATION: It is recommended that the change order be accepted and the resolution passed authorizing the General Manager to modify the contract.
- 9.0 ATTACHMENTS: None.

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.



CEO, General Manager/Secretary-Treasurer