

RESOLUTION NO. 2006-68

AUTHORIZING AN INCREASE TO CONTRACT NO. 2006-036 WITH MERCER HUMAN RESOURCE CONSULTING TO PROVIDE ADDITIONAL BENEFITS CONSULTING SERVICES IN AN AMOUNT NOT TO EXCEED \$40,000.00 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$65,000.00 (GENERAL FUND – HUMAN RESOURCES 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 Mercer Human Resource Consulting, located at 200 Public Square, Suite 900, 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 cost projections and benefit option pricing for 2007, health and productivity management and assistance with 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, physician, surveyor, appraiser, investigator, court reporter, adjuster, advertising consultant, or licensed broker, or involves the special skills or proprietary knowledge required for the servicing of specialize equipment owned by the regional transit authority; and

WHEREAS, the General Manager/Secretary-Treasurer deems it in the best interest of the Authority to obtain these additional services through Mercer Human Resource Consulting; 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/Secretary-Treasurer'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 Mercer Human Resource Consulting to continue benefits consulting services, as negotiated, be and the same is hereby accepted.

Section 2. That the General Manager/Secretary-Treasurer of the Authority be and he is hereby authorized to amend Contract No. 2006-036 with Mercer Human Resource Consulting to provide additional benefits consulting services.

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Section 3. That said amendment shall be payable from the General Fund, Human Resources Department budget in an amount not to exceed forty thousand & 00/100 dollars (\$40,000.00) for a total contract amount not to exceed sixty-five thousand & 00/100 dollars (\$65,000.00).

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 18, 2006

President

Attest: _____
CEO, General Manager/Secretary-Treasurer



TITLE/DESCRIPTION: AUTHORIZING AN INCREASE TO CONTRACT NO. 2006-036 WITH MERCER HUMAN RESOURCE CONSULTING TO PROVIDE ADDITIONAL BENEFITS CONSULTING SERVICES IN AN AMOUNT NOT TO EXCEED \$40,000.00 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$65,000.00 (GENERAL FUND – HUMAN RESOURCES DEPARTMENT BUDGET)

Resolution No.:
2006-68

Date:
April 13, 2006

Initiator: Human
Resources Department

ACTION REQUEST:

Approval Review/Comment Information Only Other _____

- 1.0 **PURPOSE/SCOPE:** This action will allow the Authority to enter into a change order with Mercer Human Resource Consulting 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 2006 and to recommend design changes for future health care plans. It has now identified the need to continue their services to provide 2007 cost projections and benefit option pricing, health and productivity management and 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, 2007.
- 3.0 **PROCUREMENT BACKGROUND:** In September 2005, the Authority entered into a small purchase contract with Mercer Human Resource Consulting for benefit consulting services in a negotiated amount not to exceed \$25,000.00. Rates for additional consulting services were also negotiated in anticipation of the upcoming 2006 ATU bargaining agreement renewal along with the desire for focused disease management and other wellness initiatives. Subsequently, the Authority has now determined that these additional services are required. The increase to this contract is exempted from competitive bidding as authorized by Section 306.43H(6) of the Ohio Revised Code. Mercer Human Resource Consulting will also assist in the review, analysis and evaluation of the health care request for proposals to support the January 1, 2007 effective date. An additional \$40,000.00 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 has determined the negotiated rates to be fair and reasonable.
- 4.0 **AFFIRMATIVE ACTION/DBE 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 from the General Fund, Human Resources Department budget in an amount not to exceed forty thousand & 00/100 dollars (\$40,000.00) for a total contract amount not to exceed sixty-five thousand & 00/100 dollars (\$65,000.00). This is the budgeted amount for this increase.

- 7.0 ALTERNATIVES: Reject this bid. Rejection of this change order would delay procurement of additional Benefits Consulting Services which would negatively affect the timeline that the Authority has established to procure Health Care Services.
- 8.0 RECOMMENDATION: This change order was discussed by the Board of Trustees Finance Committee at their April 4, 2006 meeting. It is recommended that the change order be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer 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