



Date: February 15, 2022  
Current Meeting: February 17, 2022  
Board Meeting: February 24, 2022

**BOARD MEMORANDUM**

**TO:** Indianapolis Public Transportation Corporation (IPTC) Board of Directors  
**THROUGH:** President/CEO Inez P. Evans  
**FROM:** Vice President for Human Resources Jeff Brown  
**SUBJECT:** Consideration and approval to negotiate a contract with LHD Benefit Advisors

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**ACTION ITEM A – 9**

**RECOMMENDATION:**

In a manner consistent with IPTC procurement and contract award standards, we request that the Board authorize the President/CEO to seek a cost proposal from LHD Benefit Advisors to serve as a benefits insurance broker.

**BACKGROUND:**

IPTC has utilized the services of a benefit insurance broker to provide assist in negotiating health and welfare benefit plans and to provide consulting and project management services required to support the employee benefits programs which include, but is not limited to, the following: medical, dental, vision, on-site clinic, wellness program, term life, accidental death & dismemberment, short and long-term disability, FMLA and Employee Assistance Program (“EAP”).

**DISCUSSION:**

IPTC has made significant progress in the area of health and wellness programs, disease management and on-site clinic utilization. To this end, IPTC issued a solicitation for a licensed Insurance Broker to provide brokerage services for insurance coverages including employee medical, dental, vision, life, disability, and wellness programs. On November 10, 2021, a pre-bid meeting was held. Roughly a dozen vendors submitted proposals on December 6, 2021, and of those proposals, the four (4) highest scoring proposals were selected for an interview with IPTC. LHD Benefit Advisors, AON, Mercer, and McGriff were the four vendors selected for an interview. Proposals were based on the following criteria: long-range planning, industry reputation, plan design and rate negotiation, plan management, on-going management support, and employee benefit regulatory affairs. Based on these guidelines, LHD Benefit Advisors proposal is the suggested for the following reasons:

- LHD Benefit Advisors is the incumbent and has the strongest reputation in the Indiana benefit insurance market. Other proposals could not match its reputation.
- LHD Benefit Advisors provided several examples of known cost savings provided to IPTC. IPTC engaged LHD benefit advisors to serve as its broker and procure a vendor to provide group health insurance premiums and coverage.
- LHD Benefit Advisors has provided very sound, valued services to IPTC for almost a decade and are familiar with our workforce.
- LHD Benefit Advisors were instrumental in helping IPTC negotiate changes to the health plan design with the ATU Local 1070 which achieve substantial costs savings to IPTC.
- As the incumbent, LHD Benefit Advisors have institutional knowledge that is invaluable for helping achieve efficiency and cost savings.

In summary, IPTC engaged LHD Benefit Advisors offered the best and most comprehensive proposal.

**ALTERNATIVES:**

The Board could choose not to authorize the President/CEO to seek a cost proposal and initiate contract negotiations to the recommended vendor, and therefore, direct the CEO to negotiate with another vendor.

**FISCAL IMPACT:**

Because this procurement is a request for qualifications, the total cost of this procurement for a benefits insurance broker has not been determined. Human Resources will work with Procurement and Finance to not only negotiate the contract but also to manage the funding of this procurement with the existing budget for each year of the contract.

**DBE/XBE DECLARATION:**

This contract will be funded locally and therefore, it requires "XBE" participation goals. LHD Benefit Advisors' bid included two certified subcontractors: 308 Communications with a seven percent (7%) utilization and Engaging Solutions with a fifteen percent (15%) utilization.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

This action will be reviewed by the Service Committee on February 17, 2022.