



# Oak Park Elementary School District 97

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TO: Dr. Albert G. Roberts, Superintendent of Schools  
District 97 Board of Education

FROM: Steve Cummins, Director of Human Resources

CC: Therese O'Neill, Assistant Superintendent for Finance

SUBJECT: Benefit Consultant/Broker RFP (Request for Proposal)

DATE: January 23, 2014

This memo is to update you on the status of our insurance broker request for proposal. Shortly after my arrival, per direction from you, I constructed an RFP for District Benefit Consultant/Broker Services. This RFP was issued on December 9, 2013 with a due date of January 7, 2014. Given that school was closed that day due to severe weather, we extended the due date until January 8, 2014. We received five responses and the firms choosing to submit a response are delineated below:

- The Bjork Group (current vendor)
- BBC (Benefit Broker Consultants)
- CBC (Corporate Benefit Consultants)
- GBS (Gallagher Benefits Services)
- The Horton Group

The Board member assigned to the Benefits Committee (Peter Traczyk), Therese O'Neill, and I formed an evaluation committee and reviewed in detail all five responses. Prior to meeting, we each identified (in priority order) the eight criteria listed in the RFP for evaluation. The agreed upon ranking of the RFP response criteria was consensus-built as follows:

1. Financial Planning and Cost Containment Strategies
2. Service Team
3. Client Structure and Philosophy
4. References
5. New Client Implementation
6. Healthcare Reform
7. Client Support Services
8. Pricing

Based upon our review, discussion and analysis (utilizing the above weighted criteria), we identified three of the five vendors (CBC, Gallagher and Horton) for finalist interviews. These interviews were conducted on Friday, January 17, 2014. All three firms bring a wealth of school district experience, ranging from 29 to 140 school districts. All delineated service teams that would serve Oak Park District 97 well. The interview team determined all three firms could successfully serve our District.

Gallagher, not only by reputation but also by content of their RFP and the representatives included in the interview have broad experience in all arenas of insurance, especially with cooperatives (which we may wish to pursue in the not too distant future); however, their annual cost to the district was \$75,000 annually, whereas Horton was \$40,000 (exclusive of over-ride fees) and CBC was \$42,000 net of all commissions. One of the other firms (BBC), which we chose not to interview because of their very limited school district experience, quoted annually fees of \$ 43,000 in the first year and \$41,000 in years 2-3. So the market for the scope of service desired was confirmed between \$40,000 and \$43,000.

Currently we are in the stage of contacting school district references provided by Horton and CBC. We wish to hear from other school district clients regarding the RFP criteria jointly identified as priorities to consider. We will determine to what extent each vendor has been successful with other school districts in regards to financial planning and cost containment strategies. We will get feedback regarding the services team's effectiveness in working with the school district, the central office staff, benefits committee, and employees regarding the benefit plans.

Following the reference checking process, the three-member committee will be recommending the employment of either Horton or CBC at an annual fee of \$40,000 and \$42,000 respectively. This will represent a significant cost savings to the District in brokerage/consultant fees. We further recommend entering into a 3-year commitment and then re-opening the process in the third year. Earlier mentioned was the notion of exploring the benefits of becoming a member of a cooperative and, if we believe this is the route to pursue, it may be wise to do an RFP again, with emphasis on firms who are experienced working with cooperatives, of which Gallagher clearly has the most expansive history.

This final recommendation would return to the Board for approval at its February 11, 2014 meeting.