

Item Title: Approval of a Multi-Year Agreement for Self-Insurance Program Actuarial Review Services with Financial Risk Analysts, LLC

Specific Action Requested:

That the Board of Commissioners authorizes the County Manager to execute a three-year contract, with two optional one-year extensions, with Financial Risks Analysts, LLC for the annual review of the County's self-insurance program and findings, subject to terms and conditions acceptable to the County Attorney.

Item Summary:

Purpose: The Board of Commissioners must approve multi-year contracts.

Background: The County utilizes an independent actuarial consultant to provide annual estimates of self-insured risk management claim costs at the end of each fiscal year and funding indications for self-insured claim costs for subsequent fiscal years. The result of the annual analysis includes a comprehensive report detailing the findings and methodologies used, supported by calculation exhibits. This action approves a three-year contract for these services.

Board Goal: This action supports routine County operations.

Fiscal Impact: \$26,250 over three years. Fees are included in the County budget, and no budget increase is anticipated.

Additional Information:

At the end of fiscal year 2018, PricewaterhouseCoopers advised the County that they would no longer provide actuarial review services in North Carolina. The County contacted risk management colleagues in North Carolina and was referred to Financial Risk Analysts, LLC (FRA), an actuarial consulting firm with offices in North Carolina. The County entered in to a one-year contract with FRA. Despite short notice and additional set-up of historical data required for a first-time analysis, FRA's fee was \$10,000, representing a savings of \$7,700 from the prior year fee of \$17,700, and they completed the report promptly.

With a limited number of providers of this service for North Carolina, staff and decided to negotiate directly with FRA for a longer-term contract rather than bid this service.

The County and FRA have reached agreement on both the terms and pricing for the contract, subject to approval of the County Attorney. The proposed contract will be for an initial term of three years with the option for two additional one-year extensions. The County was satisfied with the services provided by FRA and seeks to continue the relationship under the terms and pricing of the proposed contract.

Attachments:

1. Contract, including pricing terms