MEMORANDUM

To: TARC Board of Directors

From: Ozzy Gibson, Executive Director

Date: July 23, 2025

Re: Resolution 2025-30 Brokerage Consulting of Employee Benefits Program Services (20251900)

Since 2020, TARC's benefits program had been managed and coordinated through our third-party brokerage firm, Mercer. The contract has been in place since October 2020 and will expire in September 2025. Prior to the release of the solicitation, the Procurement Department conducted an independent cost estimate to get an idea of the compensation value. Our current contract annual not-to-exceed spend amount is $150,000 in the form of base commissions funded through insurance carriers and reimbursed by TARC.

On April 2025, the Procurement Department released a Request for Proposals (RFP) 20251900 for Brokerage Consulting of Employee Benefits Program Services seeking for an initial term of four (4) years with three (3) two-year options. The solicitation was published in TARC's Bonfire portal and advertised in TransitTalent. TARC received proposals from four (4) responsive and responsible vendors. A committee of seven (7) TARC stakeholders evaluated and independently scored the four (4) proposals with specific criteria factors prescribed in the solicitation. Factors considered during the evaluation process included technical and quality, qualifications and experience, project references, and revenue/compensation proposals. The two (2) highest scoring vendors progressed to the Step-2 process and were asked to present in-person interviews/presentations with TARC's committee providing a demonstration of their capabilities and expertise. The vendors shortlisted were Mercer and Houchens Insurance Group.

Following the presentations and interviews, the evaluation committee once again evaluated the two (2) proposals as a Step-2 evaluation process using the same prescribed criteria factors. Additionally, a best and final offer (BAFO) was requested from both proposers. After scoring and careful consideration, the evaluation committee recommends an award of the contract to Mercer.

Mercer is a nationally owned firm with a local office in Louisville, KY. For the past 20 consecutive years, it has ranked as a top insurance agency for group benefits. Mercer has been serving TARC as the Benefits Broker & Consulting provider since October 1, 2020.

This Resolution requests the Board of Directors' approval to authorize the Executive Director to negotiate and execute a contract with Mercer Health and Benefits, LLC for an initial term of four (4) years with a not to exceed amount of $424,000. Optional years may be exercised and shall be taken to the Board for authorization at a later time.

RESOLUTION 2025-30
BROKERAGE CONSULTING SERVICES

A Resolution authorizing the Executive Director to negotiate and enter into a contract with Mercer for TARC's Brokerage Consulting Services for Employee Benefits Program Services in the form of commission and funded through the insurance carriers and reimbursed by TARC at an initial term of four (4) years with a not to exceed amount of $424,000. Optional years may be exercised and shall be taken to the Board for authorization at a later time.

WHEREAS, TARC seeks a Brokerage Consulting Services provider to furnish and assist TARC with its Employee Benefits Program Services; and

WHEREAS, two (2) brokerage firms, Mercer and Houchens, of 4 proposals received garnered the highest scores and were deemed the most responsive and responsible; and

WHEREAS, Best and Final Offers were requested from each of the two final proposers; and

WHEREAS, pricing analysis was conducted and the best value proposal price from Mercer was deemed fair and reasonable; and

WHEREAS, the evaluation committee recommends an award to Mercer as the best value solution for TARC; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Transit Authority of River City that:

The Executive Director is hereby authorized to negotiate and enter into a contract with Mercer for TARC's Brokerage Consulting Services for Employee Benefits Program Services in the form of commission and funded through insurance carriers and reimbursed by TARC at an initial term of four (4) years with a not to exceed amount of $424,000. Optional years may be exercised and shall be taken to the Board for authorization at a later time.

ADOPTED THIS 23rd DAY OF JULY 2025

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Ted Smith, Chair of the TARC Board of Directors