

COUNTY OF MILWAUKEE
DEPARTMENT OF HUMAN RESOURCES
INTER-OFFICE COMMUNICATION

DATE : August 15, 2016

To : Chairman Theodore Lipscomb, County Board of Supervisors

FROM : Matthew Hanchek, Director of Benefits, Department of Human Resources *MH*

SUBJECT: **Report from the Director of Benefits & HR Metrics, Department of Human Resources, requesting authorization for a 3-year contract extension for Consulting and Actuarial Services.**

Issue/Background

Milwaukee County contracts with Willis of Wisconsin for consulting and actuarial services for our non-pension benefit plans. Some of the items within the scope of services include biennial calculation of the County's OPEB liability, forecasting of health care expenses, assistance with sourcing benefit plan vendors, and plan design modeling to assess the impact of budget options.

Willis has been a critical partner in the success of Milwaukee County's employee benefit plan administration, both in vendor negotiations and budget planning. As an example, in 2014 Milwaukee County, Milwaukee Public Schools, Milwaukee County Transit System, and the City of Milwaukee were able to leverage our combined market strength by having Willis coordinate a cooperative RFP process. The end result of this effort saved Milwaukee County in excess of \$13,000,000 in healthcare costs over the 2015 and 2016 plan years. The other participating public employers saw similar results.

Willis has consistently demonstrated strong knowledge of the local health care provider and insurance market, as well as the Wisconsin regulatory environment. Willis also bring us the market power of one of the largest brokerage books of business in the world. The recent acquisition of Towers Watson adds to the leverage and depth of consulting knowledge.

Terms

Milwaukee County will continue to utilize the account team, including actuarial support, from the local office located in Brookfield. All contract terms remain the same, with the following exceptions:

- References to "Willis" or "Willis of Wisconsin" will be replaced with Willis Towers Watson to reflect the post-acquisition company name.

- Fees will increase 4.8% from the current cost of \$165,000 to \$173,000. Note: There has not been a fee increase since the original contract in 2012.
- Deletes reference to annual renegotiation of fees. This locks in the \$173,000 proposed annual rate for the entire contract term.

Requested Board Action

Authorization for the Director of Benefits & HR Metrics, Department of Human Resources to execute an extension of the Willis contract from March 1, 2017 through February 28, 2020.

CC: County Executive Chris Abele
Raisa Koltun, Chief of Staff, County Executive's Office
Kerry Mitchell, Chief Human Resources Officer
Supervisor Schmitt, Chairman, Personnel Committee
Supervisor West, Chairwoman, Finance & Audit Committee
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Colleen Foley, Corporation Counsel
Teig Whaley-Smith, Director of Administrative Services
Steve Kreklow, Director, Performance, Strategy, and Budget
Scott Manske, Comptroller
Stephen Cady, Comptroller's Office