

**CONSULTANT SERVICES AGREEMENT**

**BETWEEN THE**

**CITY OF SAN DIEGO**



**AND**

**BUCK GLOBAL, LLC**

**TO PROVIDE BENEFITS CONSULTING SERVICES**

## CONSULTANT SERVICES AGREEMENT

This Consultant Services Agreement (Agreement) is entered into by and between the City of San Diego, a municipal corporation (City), and Buck Global, LLC (Consultant) (collectively, the Parties).

### RECITALS

A. City wishes to retain Consultant to provide all aspects of benefits consulting as further described in the Scope of Work, attached hereto as Exhibit A.

B. Consultant has the experience and personnel necessary to provide the Services.

C. City and Consultant wish to enter into an agreement whereby City will retain Consultant to provide the Services.

D. This Agreement is exempt from competitive bidding requirements pursuant to San Diego Municipal Code (SDMC) section 22.3208(d) because the Purchasing Agent has certified that the award of a sole source contract is necessary under SDMC section 22.3016(a).

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is acknowledged, City and Consultant agree as follows:

### ARTICLE 1 CONSULTANT SERVICES

**1.1 Scope of Services.** Consultant shall provide the Services to City as described in Exhibit A, Scope of Services at the rate described in the Pricing Page therein, attached hereto as Exhibit B, in accordance with the City's General Terms and Provisions attached hereto as Exhibit C.

**1.2 Contract Administrator.** The Risk Management Department (Department) is the Contract Administrator for this Agreement. Consultant shall provide the Services under the direction of a designated representative of the Department as follows:

Quennelle Allen, Deputy Director  
1200 Third Ave, Suite 1000, San Diego, CA 92101  
(619) 236-6185  
[qallen@sandiego.gov](mailto:qallen@sandiego.gov)

**1.3 Written Authorization.** City shall issue a written authorization to proceed before Consultant is authorized to perform Services.

**1.4 Duty to Inform City of Changes in Scope of Services.** Consultant shall immediately advise the City in writing of any anticipated change in the Scope of Services, Compensation and Fee Schedule, or Time Schedule, and shall obtain the City's written consent to the change prior to making any changes. In no event shall the City's consent be construed to relieve Consultant from its duty to render all Services in accordance with applicable law and industry standards.

**1.5 Competitive Bidding.** If applicable, Consultant shall ensure that any plans, specifications, studies, or reports prepared, required, or recommended under this Agreement allow for competitive bidding. Consultant shall prepare such plans, specifications, studies, or reports so that procurement of services, labor or materials are not available from only one source, and shall not prepare plans, specifications, studies, or reports around a single or specific product, piece of major equipment or machinery, a specific patented design, or a proprietary process, unless required by principles of sound engineering practice and supported by a written justification that has been approved in writing by City. Consultant shall submit this written justification to City prior to beginning work on such plans, specifications, studies, or reports. Whenever Consultant recommends a specific product or equipment for competitive procurement, such recommendation shall include at least two brand names of products that are capable of meeting the functional requirements applicable to the Services.

## **ARTICLE 2 DURATION OF AGREEMENT**

**2.1 Term.** This Agreement shall be for an initial term of one (1) year beginning on the January 1, 2023.

**2.2 Effective Date.** This Agreement shall be effective on the date it is executed by the last Party to sign the Agreement and approved by the City Attorney in accordance with San Diego Charter Section 40 (Effective Date).

## **ARTICLE 3 COMPENSATION**

**3.1 Amount of Compensation.** City shall pay Consultant for performance of all Services rendered in accordance with this Agreement in an amount not to exceed \$492,000.00.

**3.2 Additional Services.** City may require Consultant to perform additional Services beyond those described in the Scope of Services (Additional Services). Before Consultant commences such work, the Parties must agree in writing upon a fee for the Additional Services, including reasonably related expenses, in accordance with Section 3.3.

**3.3 Manner of Payment.** City shall pay Consultant in accordance with the Compensation and Fee Schedule. Consultant is not entitled to fees, including fees for expenses, that exceed the amounts specified in the Compensation and Fee Schedule. Consultant shall submit one invoice per calendar month in a form acceptable to City in accordance with the Compensation and Fee Schedule. Consultant shall include with each invoice a description of completed Services, reasonably related expenses, if any, and all other information, including but not limited to the progress percentage of the Scope of Services and/or deliverables completed prior to the invoice date, as required by the City. City will pay undisputed portions of invoices within thirty calendar days of receipt.

**3.4 Additional Costs.** Additional Costs are costs that can be reasonably determined to be related to Consultant's errors or omissions, and may include Consultant, City, or Subcontractor overhead, construction, materials, demolition, and related costs. Consultant shall not be paid for

the Services required due to the Consultant's errors or omissions, and Consultant shall be responsible for any Additional Costs associated with such errors or omissions. These Additional Costs may be deducted from monies due, or that become due, to Consultant. Whether or not there are any monies due, or becoming due, Consultant shall reimburse City for Additional Costs due to Consultant's errors or omissions.

**3.5 Eighty Percent Notification.** Consultant shall promptly notify City in writing of any potential cost overruns. Cost overruns include, but are not limited to the following: (1) where anticipated costs to be incurred in the next sixty calendar days, when added to all costs previously incurred, will exceed 80 percent of the maximum compensation for this Agreement; or (2) where the total cost for performance of the Scope of Services appears that it may be greater than the maximum compensation for this Agreement.

#### **ARTICLE 4 WAGE REQUIREMENTS**

**4.1 Reserved.**

#### **ARTICLE 5 CONSULTANT'S OBLIGATIONS**

**5.1 Right to Audit.** City retains the right to review and audit, and the reasonable right of access to Consultant's and any Subcontractor's premises, to review and audit Consultant's or Subcontractor's compliance with the provisions of this Agreement (City's Right). City's Right includes the right to inspect, photocopy, and retain copies of any and all books, records, documents and any other information (Records) relating to this Agreement outside of Consultant's premises if deemed necessary by City in its sole discretion. City shall keep these Records confidential to the extent permitted by law.

**5.1.1 Audit.** City's Right includes the right to examine Records of procedures and practices that City determines are necessary to discover and verify that Consultant or Subcontractor is in compliance with all requirements under this Agreement.

**5.1.2 Cost Audit.** If there is a claim for additional compensation or for Additional Services, the City's Right includes the right to Records that the City determines are necessary to discover and verify all direct and indirect costs, of whatever nature, which are claimed to have been incurred, or anticipated to be incurred.

**5.1.3 Accounting Records.** Consultant and all subcontractors shall maintain complete and accurate Records in accordance with generally accepted accounting practices. Consultant and Subcontractors shall make available to City for review and audit all Records relating to the Services. Upon City's request, Consultant and Subcontractors shall submit exact duplicates of originals of all requested records to City.

**5.1.4 City's Right Binding on Subcontractors.** Consultant shall include City's Right as described in this Section 5.1 in any and all of their subcontracts and shall ensure that these sections are binding upon all Subcontractors.

**5.2 Subcontractors.** Consultant's hiring or retaining of any third parties (Subcontractors) to perform Services (Subcontractor Services) is subject to City's prior written approval. Consultant shall list all Subcontractors known to Consultant on the Subcontractor List at the time this Agreement is entered. Consultant shall give written notice to the City of the need at least 45 days before entering into a contract for such Subcontractor Services. Consultant's notice shall include a justification, a description of the Scope of Services, and an estimate of all costs for Subcontractor Services. Consultant may request that City reduce the 45-day notice period. City agrees to consider such requests in good faith.

**5.2.1 Subcontractor Contract.** Consultant shall require Subcontractor to obtain and maintain insurance policies as required by City for the duration of this Agreement. Consultant shall determine Subcontractor policy limits and required endorsements proportionate to the services performed by Subcontractor.

**5.2.1.1** Consultant is obligated to pay Subcontractor, for Consultant and City-approved invoice amounts, out of amounts paid by City to Consultant not later than fourteen working days from Consultant's receipt of payment from City. Nothing in this paragraph shall be construed to impair the right of Consultant and any Subcontractor to negotiate fair and reasonable pricing and payment provisions among themselves.

**5.2.1.2** If Subcontractor's performance is deficient, Consultant shall notify City in writing of any withholding of payment to Subcontractor, specifying: (a) the amount withheld; (b) the specific cause under the terms of the subcontract for withholding payment; (c) the connection between the cause for withholding payment and the amount withheld; and (d) the remedial action Subcontractor must take in order to receive the amount withheld. Once Subcontractor corrects the deficiency, Consultant shall pay Subcontractor the amount withheld within fourteen working days of the Consultant's receipt of City's next payment.

**5.2.1.3** City shall not be made a party to any judicial or administrative proceeding to resolve any dispute between Consultant and Subcontractor. Consultant agrees to defend and indemnify the City as described in the City's General Terms and Provisions, attached hereto as Exhibit C, and incorporated by reference, in any dispute between Consultant and Subcontractor should City be made a party to any judicial or administrative proceeding to resolve the dispute in violation of this position.

**5.2.1.4** Subcontractor must comply with the City's Equal Opportunity Contracting Program requirements.

**5.2.1.5** City is an intended beneficiary of any work performed by Subcontractor for purposes of establishing a duty of care between Subcontractor and City.

**5.3 Consultant Award Tracking Form.** Consultant shall submit information to City as requested in Consultant Award Tracking Form. The information shall include the dollar amount awarded during the period covered by the Consultant Award Tracking Form.

**5.4 Consultant and Subcontractor Principals for Consultant Services.** This Agreement is for unique Services. City has retained Consultant based on Consultant's experience as exhibited

by the following members of the Consultant's organization: Jacki Farren, Director – Health; Ron Aniel, Sr. Consultant – Health; Katherine Gidaya, Sr. Consultant – Health; Kevin Penderghest, Director – Consulting Actuary; June Clark – Consulting Actuary; David Kershner – Consulting Actuary; Alan Vorchheimer, Principal – Wealth; Audra Ruffner, Principal – Wealth (the Project Team). Consultant may not delegate the performance of Services to other members of Consultant's organization or to Subcontractors without City's prior written consent. It is mutually agreed that the members of the Project Team are the principal persons responsible for delivery of all Services and may not be removed from the Project without the City's prior written approval provided, however, that Consultant may replace or reassign a member of the Project Team without the City's consent in cases of: (a) promotion or permanent transfer, (b) termination of employment, or (c) illness, death and other personal and compassionate reasons. Except as otherwise provided in this Agreement. City may consider Consultant in default of this Agreement if any member of the Project Team is prevented from providing Services without City's prior written approval. Consultant must consult City as to any replacement if any member of the Project Team becomes unavailable. City may terminate this Agreement if City does not approve of a proposed replacement. Further, City reserves the right, after consultation with Consultant, to require any of Consultant's employees or agents to be removed from providing Services under this Agreement.

**5.5 Consultant Evaluation.** City will evaluate Consultant's performance using the Consultant Evaluation Form.

## **ARTICLE 6 CONTRACT DOCUMENTS**

**6.1 Contract Documents.** This Agreement and its exhibits constitute the Contract Documents. The Contract Documents completely describes the Services to be provided. The exhibits are as follows:

- Exhibit A - Scope of Services
- Exhibit B - Pricing Page
- Exhibit C - City's General Terms and Provisions

**6.2 Submittals Required with the Agreement.** Consultant is required to submit the following forms and information before the Agreement is executed:


- Contractor Standards Pledge of Compliance
- Consultant Award Tracking Form
- Contractors Certification of Pending Actions
- Work Force Report
- Conflict of Interest Certification
- Statement of Economic Interest, Form 700, if required by the City and with the scope as directed by the City
- Insurance Certificates with all endorsements - Proof of Professional Liability Insurance (Errors and Omissions)

**6.3 Counterparts.** This Agreement may be executed in counterparts, which when taken together shall constitute a single signed original as though all Parties had executed the same page.

IN WITNESS WHEREOF, this Agreement is executed by City and Consultant acting by and through their authorized officers.

CONTRACTOR  
Buck Global, LLC.

CITY OF SAN DIEGO  
A Municipal Corporation

By:   
Jon Baeta (Jan 27, 2023 20:26 PST)

By:   
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Name: Jon Baeta

Name: Claudia C. Abarca  
Director, Purchasing & Contracting

Title: Managing Director - US West Region

Date: Jan 27, 2023

Date: Feb 6, 2023

Approved as to form this 6th day of  
February 2023.

MARA W. ELLIOTT, City Attorney

By:   
Thomas J. Brady (Feb 6, 2023 10:47 PST)

Deputy City Attorney

Thomas J. Brady

Print Name

**EXHIBIT A  
SCOPE OF SERVICES**

**1. CORE REQUIREMENTS. Contractor shall be responsible for all of the following specific objectives:**

**1.1. Consultant Services.**

- 1.1.1. To assist in the review, redesign, and implementation of the City's benefits plans. This redesign may include, but not be limited to, consolidation of health, dental, and vision plans in order to optimize plan design and benefits allotment for employees.
- 1.1.2. To provide employee benefits advice as necessary and continuously apprise the City on all federal, state, and insurance industry issues and innovations that could affect its programs.
- 1.1.3. To proactively educate the City on new and proposed employee benefits legislation, as well as analyze the impact of new mandates.
- 1.1.4. To advise and assist the City with compliance issues including, but not limited to, HIPAA, ERISA, ACA, and Medicare Part D reimbursement process.
- 1.1.5. To be fully knowledgeable of the Internal Revenue Service rules and guidelines applicable to the City's benefit plans and provide the City with interpretation and verification of compliance when requested.
- 1.1.6. To serve as a resource to labor and management on any benefit negotiations.
- 1.1.7. To review and recommend updates to the City's Plan Documents, agreements, summary plan descriptions, open enrollment materials, and other communication materials.
- 1.1.8. To assist the City in the analysis and implementation of new employee benefits.

**1.2. Broker Services.**

- 1.2.1. To have access to, and a broad knowledge base of, all insurance markets and to negotiate with insurance companies and HMOs on the City's behalf for the best terms, conditions, and pricing.
- 1.2.2. To coordinate quarterly meetings with the City's health insurance providers in order to assist the City in monitoring the performance of the providers. The selected firm is to act as an advocate for the City, to ensure the City is benefitting from the latest innovations offered by the insurance providers.
- 1.2.3. To maintain an ongoing relationship with City personnel and selected providers acting as liaison to resolve problems between the City and providers.
- 1.2.4. Upon direction by the City, to conduct extensive health market searches complying with the City's Request for Proposal guidelines; assist the City in designing Requests for Proposals from potential insurance carriers; provide analysis and recommendations for potential insurance carriers; review agreements for compliance with proposed benefits and rates; negotiate best price and contract terms; and ensure necessary City



requirements are met.

- 1.2.5. To review and evaluate rate renewal proposals to ensure underlying assumptions are appropriate; negotiate savings on renewals from existing providers; report outcomes and solutions to the City.
- 1.2.6. To research, prepare, and present benefit trends, best practices and recommendations for development of new program or changes to existing programs, which may include attending and presenting to various City stakeholder groups.
- 1.2.7. To conduct a strategic review of the City's current benefit programs and provide written report of recommendations, based on benefit trends and best practices.

### **1.3. Actuarial Services.**

- 1.3.1. To provide actuarial derived premium pricing recommendations for the City's insured health plans to ensure the premiums are accurately determined based on plan design, past and projected experience, and acceptable administrative charges.
- 1.3.2. To be readily accessible and responsive to the City's request for premium calculations based on varying plan design scenarios with the capability to meet the City's strict deadlines.
- 1.3.3. To provide an actuarial valuation of the City's Long-Term Disability Plan for data to be included in the City's Annual Comprehensive Financial Report. This Plan currently includes short and long-term disabilitants.
- 1.3.4. To provide an actuarial valuation of the City's retiree health plans (OPEB) and cash flow report for data to be included in the City's Annual Comprehensive Financial Report.
- 1.3.5. To be prepared to meet increased demand prior to and throughout negotiations with the City's Recognized Employee Organizations (January through April).
- 1.3.6. To finalize actuarial studies by October 1 following fiscal year-end, assuming timely submittal by the City of requested data. Due to the demanding schedule, the selected firm must be flexible in having meetings at least weekly (more frequent meetings may be required as necessary). The City reserves the right to change the date the actuarial studies are to be provided due to any changes in legislative requirements.

### **1.4. Pension Actual Consulting Services**

- 1.4.1. To develop and maintain a pension modeler to assist the City with personnel expenditure projections during the annual budgeting process.
- 1.4.2. To be prepared to meet increased demand prior to and throughout the City's annual budget development cycle (November through June).
- 1.4.3. To provide as-needed actuarial studies to assist the City with the evaluation and analysis of potential impacts resulting from contract negotiations with the City's Recognized Employee Organizations.

**1.5. RMT/HRA Administration RFP.**

- 1.5.1. To assist in the issuance of Request for Proposals in order to select an administrator and service provider for the City of San Diego Retiree Medical Trust Plan and Health Reimbursement Account (HRA). The administrator and service provider is the record-keeper and trustee for these non-ERISA funds and has fiduciary responsibility. Members can direct funds to a variety of investment options.
- 1.5.2. Establish RFP goals, objectives, and priorities.
- 1.5.3. Request data required for initial plan analysis and RFP development.
- 1.5.4. Develop technical questionnaire. The document will include plan design issues, financial structure of proposal, reimbursement adjudication needs, customer service, transition plan, performance guidelines and administrative processes.
- 1.5.5. Issue RFP coordinating with specific format and City procurement requirements.
- 1.5.6. Field vendor questions via online inquiry, e-mail, and telephone during the RFP bid period.
- 1.5.7. Analyze proposal responses, bids, and financials; and provide a summary report and finalist recommendations.
- 1.5.8. Notify finalists and develop detailed agenda and scorecard for their meetings.
- 1.5.9. Coordinate with finalists on presentation content and meeting attendance
- 1.5.10. Attend actual finalist presentations serving as moderator and facilitate vendor evaluation by City Staff.
- 1.5.11. Develop and summarize follow-up questions if needed from presenters.
- 1.5.12. Notify vendors of City decision.
- 1.5.13. Assist with contract review and negotiation.

**1.6. Retiree Health Administration RFP and Implementation Support.**

- 1.6.1. To assist in the issuance of Request for Proposals in order to select an administrator and service provider for the City's Retiree Health Services, including the management of healthcare enrollments, calculating the reimbursement amount for privately-secured plans, processing reimbursements for privately secured plans as well as the payments for City sponsored retiree and if applicable, active plans, conducting the annual open enrollment, and communicating with retirees regarding the healthcare benefits.
- 1.6.2. The RFP will request information on the summary company profile, technology, record keeping, communication, employer reporting, implementation capabilities, performance guarantees and fee information. The focus will be on capabilities, process and culture.
- 1.6.3. Evaluate and summarize proposal responses and meet with City to discuss findings and recommend finalist(s).
- 1.6.4. Develop reference check discussion guides for performing due diligence with current / past clients.

- 1.6.5. Schedule finalist interviews and coordinate best and final offers (BAFO).
- 1.6.6. Assist in negotiating final fees and service level agreement (SLA).
- 1.6.7. Support to ensure proposed contractual terms identified through the RFP process are being met.
- 1.6.8. Vendor kick-off meeting attendance
- 1.6.9. Availability to answer questions pertaining to vendor proposed scope of services
- 1.6.10. To assist in the implementation of Scope of Services. Support City in ensuring City's newly selected vendor complies with the terms and conditions of City's RFP; and, additionally, support City team by aiding in design functionality input, quality assurance testing and communication rollout.
- 1.6.11. General Support: Participate in discovery and weekly scheduled calls as extension of City team, design management reports to allow tracking of agreed-upon service level agreements (SLAs), and ad-hoc assistance with issue resolution and benefit vendor follow-ups as needed.
- 1.6.12. Design Functionality Input: Assist and provide input in business requirements setup, test plan comparison / selection / education tools, and participate and provide input for process setup for retiree healthcare allowance / premium reimbursement calculation and integration with pension administrator.
- 1.6.13. Quality Assurance Testing: Review data audit reports for reasonableness and validate benefit rates on the enrollment system and participate in user acceptance testing / review text and process flow on benefits portal.
- 1.6.14. Communication Roll-Out: Collect vendor forms / communication collateral and organize in reference library on portal and support with communications / training to key stakeholders.

**2. PRICING SCHEDULE. Pricing per task shall be in accordance to the following:**

<b>Task Description</b>	<b>One-time Firm Fixed Price</b>
Health plan consulting services, benefit plan brokerage services, and actuarial services	\$285,000
Pension Actuarial Consulting	\$50,000
RMT/HRA Administration RFP	\$60,000
Retiree Health Administration RFP and Implementation Support	\$97,000
<b>Total One-year Fixed Price Contract</b>	<b>\$492,000</b>

**Additional consulting services are optional and may be required on an as-needed basis throughout the term of the contract. The below chart provides the hourly rates for any such additional consulting services:**

<b>Position</b>	<b>Hourly Rate</b>
Principal	\$959
Director	750
Senior Consultant	647
Consultant	503
Senior Associate	428
Associate	407












# Buck Global Benefits Consulting Agreement


Final Audit Report


2023-02-06


Created:	2023-01-28
By:	Vanessa Delgado (CDelgado@sandiego.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAzJ8yUJh0VfMW1AT6j2qK-_XxDszrGNJ-


## "Buck Global Benefits Consulting Agreement" History


-  Document created by Vanessa Delgado (CDelgado@sandiego.gov)  
2023-01-28 - 4:05:11 AM GMT- IP address: 137.83.224.179
-  Document emailed to jon.baeta@buck.com for signature  
2023-01-28 - 4:08:21 AM GMT
-  Email viewed by jon.baeta@buck.com  
2023-01-28 - 4:25:11 AM GMT- IP address: 172.225.12.35
-  Signer jon.baeta@buck.com entered name at signing as Jon Baeta  
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-  Document e-signed by Jon Baeta (jon.baeta@buck.com)  
Signature Date: 2023-01-28 - 4:26:27 AM GMT - Time Source: server- IP address: 174.249.152.13
-  Document emailed to Claudia Abarca (CAbarca@sandiego.gov) for signature  
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Signature Date: 2023-02-06 - 6:34:42 PM GMT - Time Source: server- IP address: 107.77.227.20

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2023-02-06 - 6:34:43 PM GMT

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2023-02-06 - 6:45:29 PM GMT- IP address: 156.29.5.191

 Signer bradyt@sandiego.gov entered name at signing as Thomas J. Brady  
2023-02-06 - 6:47:39 PM GMT- IP address: 156.29.5.191

 Document e-signed by Thomas J. Brady (bradyt@sandiego.gov)  
Signature Date: 2023-02-06 - 6:47:41 PM GMT - Time Source: server- IP address: 156.29.5.191

 Agreement completed.  
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