

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: January 13, 2010

Board Item: V-E-5

Benefits Consultant – Leif Associates Contract

Action by Consent

Action

Information

Leif Associates (Leif) has provided employee benefit consulting services to Denver Water since 2006. Denver Water’s contract with Leif ended December 31, 2009. Human Resources recently issued a RFP for these consulting services to evaluate other firms’ products and services. Nine benefit consulting firms responded to the RFP. None of the nine were certified SDBE’s, although Leif is woman-owned. Four of the firms responding were interviewed by the selection committee comprised of staff from Human Resources and Finance. The committee reached a consensus to award the contract to Leif Associates.

Other than Leif’s extensive knowledge of Denver Water, the firm was instrumental in restructuring Denver Water’s healthcare benefits program in a manner that reduced the Board’s costs, and contributed to controlling escalating healthcare costs. One of the results of adopting recommendations developed by Leif was a \$2 million reduction in the Board’s cost for the self-funded healthcare plan in 2006 when the changes were implemented. Since that time, through 2009, the Board’s cost remained stable at \$12.5 million in spite of a national average increase in health care costs of 10% per year.

Over the next several months, Leif’s knowledge and expertise will be particularly valuable in understanding the impact of new legislation on Denver Water’s self-funded plans.

Recommendation:

It is recommended that the Board approve contract number 12781A between Leif Associates, Inc and Denver Water in the amount of \$270,000, for a period of three years. Human Resources budgeted \$150,000 for Benefits Consulting services in 2010. The average cost of the recommended contract is \$90,000 per year, well below the approved budget.

Approvals:



Director of Human Resources

Respectfully submitted,



For H. J. Barry, Manager



Legal