

Town of Fort Frances
&
Westchester Financial Group Ltd
Terms of Engagement for
Benefit Plan Consulting & Brokerage Services

The Town of Fort Frances (Town) has agreed to accept the proposal submitted by the Westchester Financial Group Ltd. (Westchester Financial) dated Jan 9, 2019 in fulfillment of its Request for Proposal 18-AF-16 dated December 13, 2018 for Benefit Plan Consulting & Brokerage Services.

Westchester Financial will provide the consulting brokerage services as outlined in its proposal dated Jan 19, 2019 which forms part of this engagement subject to the following additional provisions:

1. The Town and Westchester Financial will agreed ahead of time on the target completion date for major projects. Major projects will include the benefits plan review, group insurance plan tendering and implementation of coverage with a new insurer.
2. When completing a major project, the Town will provide Westchester Financial with the requested material and information in a timely fashion. Failure by the Town to do so will relieve Westchester Financial of meeting agreed upon time lines.
3. The Town and Westchester Financial agree that if the Town modifies the work required by addendum or otherwise, Westchester Financial will have the right to charge additional fees for the additional services that are to be confirmed and agreed between the parties.

It is understood that Westchester Financial is not an insurance company or a plan or claims administrator. While Westchester Financial will work diligently to negotiate terms of insurance or pricing with an insurer, it is the insurer who holds the "risk" of the insurance contract. Ultimately it is the insurer who controls the terms of insurance, rates and financial provisions.

The working papers, files, other materials, work created, developed or performed by Westchester Financial during the course of the engagement are the property of the Westchester Financial Group Ltd, constitute confidential information and will be retained by us.



Westchester Financial agrees that the work undertaken shall be to the satisfaction of the Town according to the request for proposal and for the amount agreed upon by the two parties.


No additional money shall be paid to Westchester Financial for any additional work for which prior authorization has not been given in writing.

Westchester Financial or the Town of Fort Frances may terminate this agreement with 30 days notice. The work on any ongoing projects will terminate 30 days after notice is provided with the Town responsible for the fees incurred up to the termination date.

Westchester Financial invoices are due 30 days after the billing date. Invoices outstanding after this date will be charged a penalty of 2% interest per month.

Agreed to this 12th day of FEBRUARY 2020

WESTCHESTER FINANCIAL GROUP LTD.



Randy Southall
President

TOWN OF FORT FRANCES



January 9, 2019

Mr. Doug Brown, CAO
The Town of Fort Frances
320 Portage Ave.
Fort Frances, ON
P9A 3P9

Dear Mr. Brown

Re: Request for Proposal 18-AF-16, Benefit Plan Consulting & Brokerage Services

Please accept this letter as our proposal to provide Benefit Plan Consulting and Brokerage Services to the Town of Fort Frances (Town). The Westchester Financial Group Ltd (Westchester Financial) has had the privilege of being able to provide these services to the Town since 2003. We look forward to being able to continue to assist the Town in managing its employee benefit programs.

To meet the Terms of Reference and Objectives as set out in the Request for Proposal (RFP), Westchester Financial is providing the following information:

1. *A detailed outline of the proposed methodology, and the scope of work proposed to achieve the objectives identified in Section 1.2 of the RFP*

On reviewing the Objectives of this RFP, we feel that items 1, 2, 3, 4, 5 and 9 should be part of the same process. In order to meet these objectives, Westchester Financial would:

- a. Meet with the Human Resources Manager (and others as needed) to discuss the Town's objectives and priorities regarding the employee benefits program.
- b. Along with the discussing the current program we would examine benefit plan design options that the Town could consider.
- c. Based on our discussions and review, Westchester Financial would provide a report to the Town and meet with the Human Resources Manager to discuss our recommendations. Our report would include not only the suggested plan designs but also the costs of making the design changes.

Item 6 -Tendering the group insurance plan to the insurance marketplace would involve the following tasks:

- a. Obtain the required information for preparing a tender from both the current insurance carriers and the Town. This information would include:
 - Claims experience for the past five years.
 - Rate history for past three years.
 - LTD claims information.
 - Copy of current group insurance contracts.
 - Employee census listing.
- b. Prepare a tender which would include details on the current plan design along with any plan design changes contemplated based on the review of items 1-5 as noted above.
- c. Provide the tender to the prospective insurers.
- d. Receive and review all quotations submitted by the insurance carriers.
- e. Prepare a detailed report to the Town outlining the results of the tendering process along with recommendations for any insurer changes.
- f. Meet with the Human Resources manager (and others as required) to review the report and recommendations.

Item 7 - If the result of the tendering leads to a recommendation to change insurers and the Town agrees with this recommendation, then Westchester Financial will assist in the following areas:

- In conjunction with the new insurance carrier, prepare the Master Application and other relevant plan documents.
- Meet with the Town to review the Master Application and arrange for signatures.
- Review the new insurer's group contract and booklets for accuracy.

Item 8 – Negotiate with benefits carriers. Each year Westchester Financial has reviewed and negotiated with your current carriers Sun Life and Manulife to make sure that the pricing they have proposed is fair. As appropriate, we have negotiated reductions from your insurers to keep their rates competitive. In addition, we perform an annual review of the Manulife Extended Health and Dental program financial statements to make sure there are no errors.

Item 10 – The benefits coverage for both Sun Life and Manulife renew each June. Changes to the insurers or plan designs can be made at any time and do not have to be done on June 1st.

2. Identification of timelines for completion of deliverables.

Westchester would follow the time lines noted below:

- For items 1, 2, 3, 4, 5 and 9 – it would take one month from the initial meeting with the Human Resources Manager to have a report prepared.

- For item 6 – it would take three months to complete the tendering process from the time we received written authorization along with receiving required plan and employee information from the Town.
 - For item 7 – it should take two months to set up a new insurer. However, to complete process in this time frame assistance is needed from both the new insurer and Town employees.
3. *A listing of personnel assigned to provide service for the Town of Fort Frances. This will include contact information for all key personnel, and relevant qualifications for the primary contact(s).*

Randy Southall the President of Westchester Financial would continue to work with the Town of Fort Frances.

4. *Qualifications of the proponent, including examples demonstrating a previous track record of successfully providing the services requested herein.*

As noted under (3) above, Randy Southall would continue to provide consulting services to the Town. Randy has extensive employee benefits experience. He has worked in this industry for about 35 years. Randy started a group insurance representative for an insurance company. He then moved to another insurer as a group sales manager and then with another insurer as a group consultant. Randy then worked for two different international employee benefit consulting firms as a consultant. In 2001, Randy set up his own benefits consulting firm Westchester Financial.

Randy has worked with the Town of Fort Frances since 2003. The Town has numerous reports on file that have been prepared by Randy.

5. *At least two (2) references from previous, or current public sector clients for whom the proponent has provided a similar service.*

As Randy and Westchester Financial have worked with the Town of Fort Frances for about 16 years, we feel that the Town would have a good independent view of the quality of our work and client service.

6. *Price for delivery of this service. Proponents are required to provide an itemized listing of costs. Proponents may at their discretion, provide pricing for provisional items, however, any provisional pricing must be identified separately. Pricing to provide service to the FFPC is to be identified on a separate line.*

Westchester Financial would charge the following for services provided to the Town:

- a. Items 1, 2, 3, 4, 5 and 9 – we would charge \$3,500 plus HST. Our fees would include the analysis, report, two meetings along with travel expenses.

- b. Item 6 – group insurance tendering. Our fee would be \$9,500 plus HST. This fee would include preparation of the tender, analysis of insurer quotes, preparation of a report along with one meeting with the Town.
- c. Item 7 – Change in insurers. Our fee would be \$5,000 plus HST. This fee would include assisting the insurer in preparation of ‘master contract’, review of the new policy and employee booklets along with a meeting with the Town.
- d. Item 8 (a) – annual insurance renewal review. Our fee would be \$3,000 plus HST. Our fee includes detailed analysis of renewal, negotiations with insurers, preparation of a detailed report and meeting with the Town.
- e. Item 8 (b) – annual review of the Manulife financial statements and updated Financial Agreement for the health and dental programs - \$1,500 plus HST. Our fee includes a review of the past year’s insurer financial statements to make sure all charges and calculations are correct. We also review the financial agreement for the upcoming year to make sure future charges are satisfactory.

For FFPC, Westchester would charge the following (assuming their coverage is covered under the same insurance contracts as the balance of the program and this work is done at the same time as the balance of the group):

- a. Items 1, 2, 3, 4, 5 and 9 - \$500.00 plus HST
- b. Item 6 - \$500.00 plus HST
- c. Item 7 - \$500 plus HST
- d. Item 8 (a) & (b) – included in above fees

7. *Ability to provide services locally.*

Westchester Financial is based in Winnipeg Manitoba. As we have done in the past, we would meet with the Town as noted above and on special request.

8. *Proponent must carry professional liability insurance, and errors and omissions insurance, and demonstrate proof of coverage, as well as the amount of coverage.*

Professional Liability and Error & Omissions insurances is maintained as required by the Insurance Council of Manitoba and the Financial Services Commission of Ontario. This insurance is sponsored by the Advocis Protective Association as part of a “group insurance” policy and is underwritten by Zurich Insurance Company Ltd. Please find attached a copy of the Certificate of Coverage which includes the limits of coverage.

9. *The consulting firm shall include a draft contract of engagement with their proposal. The contract shall indicate that work to be undertaken shall be done to the satisfaction of the Municipality according to the request for proposal and for the amount agreed upon by the two parties. The contract shall also indicate that no additional money shall be paid to the consulting firm for any additional work for which prior authorization has not been given in writing. The contract shall contain, as a minimum, the Request for Proposal and the Proposal accepted.*

Please see attached a proposed Contract of Engagement.

Westchester Financial looks forward to the opportunity to continuing to work with the Town of Fort Frances. Please let us know if you require any further information.

Yours truly

WESTCHESTER FINANCIAL GROUP LTD.

Randy Southall