REPORT TO COUNCIL
City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Continued from 1-10-06

CONSENT

January 17, 2006

Honorable Mayor and
Members of the City Council

Subject: Contract: Award of Benefits Consultant/Brokerage Services Contract

Location/Council District: Citywide

Recommendation:

Adopt a resolution authorizing the City Manager to execute a three year agreement with an option to renew for two additional years, with Driver Alliant Insurance Services to perform employee benefits consulting/brokerage insurance services for an amount not to exceed $480,000 over the five year period.

Contact: Geri Hamby, Director of Human Resources – 808-7173; Marti Flores, Support Services Manager – 808-8566

Presenters: N/A - Consent

Department: Human Resources

Division: Administration

Organization No: 1511

Summary:

Driver Alliant Insurance Services has been selected as the most qualified respondent to the City's request for proposals (RFP) for employee benefit consulting/brokerage services. The process included direct outreach to firms and advertisement of this opportunity on the City's Procurement web site. A total of six proposals were received and reviewed by a panel of three management professionals and interviews were conducted with the three most qualified proposers.

Committee/Commission Action: None

Background Information:

The City of Sacramento uses a benefits consultant/broker to provide planning, consulting and brokerage services for the employee benefit programs. The consultant is required to

perform market research for new carriers in connection with benefit contract renewals and new benefit programs. The consultant prepares specifications, obtains quotes and proposals, negotiates rates and plan features with carriers and presents the results to the City management team. The consultant also works very closely with City staff to assure that the City is in compliance with all laws. The consultant is also available to meet with the City's bargaining units.

Driver Alliant has served as the City of Sacramento's insurance consultant for employee benefits for nearly 16 years. They provide high quality services via a consistent team that has proven their reliability. Driver Alliant has developed solutions that have enabled the City to save on medical and dental renewals in a volatile insurance market. They have a commitment to providing comprehensive, high quality and cost-effective benefit plans and programs that provide optimum value.

Financial Considerations:

Funds are currently available in Human Resources budget to pay for this contract for employee benefits consulting services at a cost not to exceed $480,000 over the three year term of the contract with two optional annual renewals.

Environmental Considerations: None

Policy Considerations: None

Emerging Small Business Development (ESBD):

None of the respondents to the insurance brokerage services RFP were emerging or small businesses.

Respectfully Submitted by:
Marti Flores
Support Services Manager

Approved by:
for Geri Hamby
Human Resources Director

Recommendation Approved:

for Ray Kerridge
City Manager

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RESOLUTION NO. 2006-

Adopted by the Sacramento City Council
January 10, 2006

AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH DRIVER ALLIANT INSURANCE SERVICES FOR EMPLOYEE BENEFIT CONSULTANT/BROKERAGE SERVICES IN AN AMOUNT NOT TO EXCEED $480,000 OVER THE TERM OF THE CONTRACT WITH TWO OPTIONAL ANNUAL RENEWALS

BACKGROUND

A. The City of Sacramento utilizes employee benefit consultant/brokerage services to provide planning, consulting and brokerage services for employee benefits programs.

B. Driver Alliant Insurance Services has been selected as the most qualified respondent to the City's request for proposals for insurance brokerage services.

C. Funds are available to pay for contract insurance consulting/brokerage services at a cost not to exceed $480,000 over the three year term of the contract with two optional annual renewals.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Manager is authorized to execute an agreement With Driver Alliant Insurance Services for insurance brokerage services in an amount not to exceed $480,000 over the three year term of the contract with two optional annual renewals.