



# City of Culver City

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## Staff Report Details (With Text)

**File #:** 24-1189      **Version:** 1      **Name:** PSA with Alliant Insurance Services - RFP 2515  
**Type:** Minute Order      **Status:** Consent Agenda  
**File created:** 6/12/2024      **In control:** City Council Meeting Agenda  
**On agenda:** 6/24/2024      **Final action:**  
**Title:** CC - CONSENT ITEM: 1) Approval of a Three-Year Professional Services Agreement with Two One-Year Renewal Options with Alliant Insurance Services as the Employee Benefits Insurance Broker of Record and for Benefits Consulting Services in an Amount Not-to-Exceed \$85,000 for Fiscal Year 2024-2025 with an Annual Increase of No More than 5%; and 2) FOUR-FIFTHS VOTE REQUIREMENT: Approval of a Related Budget Amendment Appropriating \$85,000 from the Self Insurance Fund.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. RFP 2515 - EMPLOYEE BENEFITS BOR\_CONSULTANT-Final.pdf

Date	Ver.	Action By	Action	Result
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**Meeting Date:** June 24, 2024

**Contact Person/Dept.:** Dana Anderson & Michelle Hamilton/Human Resources Department  
**Phone Number:** 310-253-5640

**Fiscal Impact:** Yes  No       **General Fund:** Yes  No

**Attachments:** Yes  No

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (06/19/2024)

**Department Approval:** John M. Nachbar, City Manager (06/18/2024)

### RECOMMENDATION

Staff recommends the City Council 1) approve a three-year professional services agreement with two one-year renewal options with Alliant Insurance Services as the employee benefits insurance broker of record and for benefits consulting in an amount not-to-exceed \$85,000 for Fiscal Year 2024-2025

with an annual increase of no more than 5%; and 2) approval of a related budget amendment appropriating \$85,000 from the Self-Insurance Fund (**requires a four-fifths vote**).

## **BACKGROUND**

USI Insurance Services is the current insurance broker of record for the City's Employee Benefits Program's ancillary benefits plans. USI has partnered with the City for at least two decades under an informal agreement.

The Department of Human Resources released RFP #2515 on March 21, 2024, for proposals from benefits consulting firms to provide Benefits Consulting and Insurance Broker of Record services in the form of critical consultative support in the arena of employee benefits and compliance, which includes securing benefits contracts for the City's ancillary benefits plans (i.e., fully insured and self-funded dental plan(s); self-funded vision plan; life and disability (long and short-term disability)) including employee assistance program (EAP) and wellness initiatives; negotiating annual premium rates and plan design options to support the City's goal of 'Employer of Choice' for the Los Angeles region; ensuring that the City is aware and meets compliance requirements on federal, state and local levels; providing comprehensive actuarial services for tracking of claims experience and industry comparison for trend analysis; communication strategies; benefits education and HR-related administration tools.

In response to the RFP, a total of five proposals were received from benefits consulting firms, including the City's incumbent broker of record, USI. The selection panel consisted of staff from the Finance and Human Resources departments, and interviews were conducted with each of the proposers on May 15 and 16, 2024. After a careful review of each proposer's written RFP response and presentation, staff recommends that City Council approve an agreement with Alliant Insurance Services.

Alliant is a full-service benefits consulting firm, located in southern California, with offices in several other states. Alliant's written response to the proposal and interview demonstrated their extensive experience with public sector entities, transparency of their cost options and their actuarial expertise in terms of coverage placement via the general market or pooled resources. Based on the scope of work outlined in the RFP that Alliant committed to, in addition to the value-added features in their proposal, the panel unanimously recommends that the City award the contract to Alliant for a three-year contractual agreement with two one-year renewal options.

## **DISCUSSION**

Alliant is the City's current vendor for Benefits Communications (reference Contract #32400268), with an annual cost of \$20,000. If Alliant is awarded the contract for benefits consulting services and broker of record, Alliant will include the scope of work under the Benefits Communications contract for into the new agreement. The City would not need to pay the separate \$20,000 fee for communications services. The cost proposal has two options:

- 1) A flat fee of \$85,000 (includes the \$20,000 for the communications contract); or
- 2) Commission-based fees not to exceed the \$85,000 proposed amount.

If the City opts for the commission-based fees, the costs are not billed separately to the City and are instead deducted from any monthly premium amounts paid to the respective benefits carrier(s). Paying an insurance broker a flat fee rather than commission-based fees can reduce potential conflict of interest issues when brokers present insurance plans.

After a review of the options outlined above, the staff recommends that the City Council approve the contract with Alliant Insurance services, based on the flat fee annual amount of \$85,000 (option 1).

## **FISCAL ANALYSIS**

The Adopted Budget for Fiscal Year 2024-2025 does not include sufficient funding for this contract. Staff requests that City Council approve a budget amendment appropriating \$85,000 from the Self Insurance Fund (309) to Account No. 30922220.650210 (HR Premiums/Claims - Insurance Broker Fees) (***requires a four-fifths vote***). There is sufficient fund balance in the Self Insurance Fund to cover this expense. Finance staff evaluates Fund 309 annually to make sure that its fund balance complies with Council Policy requirements. Funding for future years of the agreement will be included in the budgets for future fiscal years.

## **ATTACHMENTS**

1. Request for Proposal (RFP) #2515

## **MOTIONS**

That the City Council:

1. Approve a professional services agreement with Alliant Insurance Services in an amount not to exceed \$85,000 for Employee Benefits Insurance Broker of Record and Benefits Consulting Services for Fiscal Year 2024-2025 with an annual increase of no more than 5%; and
2. Approve a budget amendment appropriating \$85,000 from the Self Insurance Fund (309) to Account No. 30922220.650210 (***requires a four-fifths vote***); and
3. Authorize the City Attorney to review/prepare the necessary documents; and
4. Authorize the City Manager to execute such documents on behalf of the City.