



Request for City Council Committee Action from the Department of Human Resources

Date: June 22, 2011
To: Ways & Means / Budget Committee
Referral to: City Council
Subject: Benefit Consulting Service

Recommendation: Authorize proper City officials to enter into negotiations and execute a three-year contract with David Martin Agency, Inc. to provide consulting services for the City's benefit plans and wellness program. The contract would be effective July 1, 2011 with an option to extend the contract for up to two additional one-year terms. Annual consulting fees are estimated to be \$150,000 and will be paid via commissions on the City's medical insurance premiums.

Previous Directives: N/A

Department Information

Prepared by: Joyce Traver, Benefits Manager

Approved by: _____
Pam French
Director, Human Resources

Steven Bosacker
City Coordinator

Presenters in Committee: Joyce Traver

Financial Impact

- No financial impact

Supporting Information

The contract will be awarded as a result of competitive request for proposal process. The request for proposal was reviewed by the Permanent Review Committee (the PRC) on May 12, 2011 and a letter of conformance was issued by the PRC on May 16, 2011.

A review committee consisting of City labor representatives and Human Resources Department employees conducted a comprehensive review of the proposals submitted. As a result of this review, finalist presentations and reference checks, the David Martin Agency was selected to provide benefit consulting services for the City's benefit plans.

The selection was based on the following key factors:

- Quality, thoroughness and clarity of proposal.
- Qualifications and experience of staff including experience with governmental employers and joint labor management committees.
- Financial responsibility and capacity of company.
- Approach to over-all benefit plan management.
- Integrated approach to employee wellness that leverages resources available from the City's health plan vendors and capitalizes on programs currently in place in various City departments.
- Use of technology and reporting capabilities.
- Cost of services proposed.

Fees for the various services to be provided are subject to final negotiation and are estimated to be approximately \$150,000 per year. Consulting fees will be offset by commissions that are currently embedded in the premiums paid to Medica. The contractor will be required to submit monthly statements which services provided, fees for provided services and amount of commissions received.