



## Request for City Council Committee Action from the Department of

Date April 4, 2006

To Ways and Means Committee  
Referral to City Council

### Subject

### Recommendation

**1)** Authorize the proper city officials to release Request for Proposals for City of Minneapolis Medical Plan Marketing and Benefit Consulting Services **2)** Authorize the proper city officials to enter into contract negotiations with the selected vendor.

### Previous Directives

none

Prepared or Submitted by: Ilena A. Lonetti, Director Enterprise Services, Human Resources (612) 673-2591

Approved by: Pamela French, Director Human Resources \_\_\_\_\_

Approved by: Steven Bosacker, City Coordinator \_\_\_\_\_

**Permanent Review Committee (PRC)** Approval  Not Applicable

**Note:** To determine if applicable see <http://insite/finance/purchasing/permanent-review-committee-overview.asp>

**Policy Review Group (PRG)** Approval  Date of Approval  Not Applicable

**Note:** The Policy Review Group is a committee co-chaired by the City Clerk and the City Coordinator that must review all requests related to establishing or changing enterprise policies.

Presenters in Committee Ilena A. Lonetti, Director Enterprise Services, Human Resources

### Financial Impact (Check those that apply)

No financial impact (If checked, go directly to Background/Supporting Information).

Action requires an appropriation increase to the  Capital Budget or  Operating Budget.

- Action provides increased revenue for appropriation increase.
- Action requires use of contingency or reserves.
- Business Plan:  Action is within the plan.  Action requires a change to plan.
- Other financial impact (Explain):
- Request provided to department's finance contact when provided to the Committee Coordinator.

**Community Impact (use any categories that apply)**

Neighborhood Notification

City Goals

Comprehensive Plan

Zoning Code

Other

**Background/Supporting Information Attached**

The City is required by Minnesota Statutes to issue an RFP for Broker Services. Because Minnesota Statutes permit a contract of up to five years in length, we request this Council action not limit the purpose of the RFP to a three year contract.

**Who is working on the RFP and vendor selection?**

Human Resources is working with the City Attorney's Office, Procurement, Risk Management, and the Benefits Labor Management Committee to ensure the RFP process complies with City standards and business needs.

**Why does the City need broker services?**

The City does not have the internal capacity or tools to perform the services requested of a broker services vendor. A broker service will provide several key services to the City that will ensure that employee benefits are competitive and as affordable as possible. Major duties include: Medical plan marketing and proposal management; research and analyses based on City experience and in comparison to national/industry trend data; assist with the strategic planning and implementation of a Health and Wellness program; and, assist with the marketing, maintenance and negotiations of group benefit plans/services.

The RFP review committee will make certain that the vendor interests are aligned with the City's interests through sound procurement practices and appropriate compensation for broker services.

**How will the City monitor the broker services contract?**

In addition to the evaluation tool used to choose a vendor, Human Resources will monitor and evaluate contract performance through regular reviews of the service provided. In clearly defining the roles, responsibilities and performance expectations of the contractor and City staff, payments will be linked to the satisfactory completion of agreed upon tasks and services. Regular feedback will be solicited from key stakeholders that are represented on the current RFP committee.

**Attachment:** none

