



# City of San Antonio

## Legislation Details (With Text)

**File #:** 20-7489

**Type:** Misc - Professional Services Agreements

**In control:** City Council A Session

**On agenda:** 2/18/2021

**Title:** Ordinance approving a professional services contract with Gallagher Benefit Services, Inc. in an amount up to \$520,000.00 per year to provide employee benefit consulting services for civilian, uniform and retirees. Funding is available in the FY 2021 Employee Benefits Fund Adopted Budget. [Ben Gorzell, Chief Financial Officer; Lori Steward, Director, Human Resources]

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Gallagher Contracts Disclosure Form, 2. SCORE Summary Matrix - RFP 20-082 Employee Benefits Consultant, 3. SCORE Summary Matrix FINAL - RFP 20-082 Employee Benefits Consultant, 4. Agreement, 5. City of San Antonio business associate agreement Gallagher 2021 with edits GBS signed, 6. Draft Ordinance, 7. Ordinance 2021-02-18-0122

Date	Ver.	Action By	Action	Result
2/18/2021	1	City Council A Session		

**DEPARTMENT:** Human Resources

**DEPARTMENT HEAD:** Lori Steward, Human Resources Director

**COUNCIL DISTRICTS IMPACTED:** City-wide

### SUBJECT:

Employee Benefits Consulting Contract

### SUMMARY:

This Ordinance authorizes the City Manager or his designee to execute a contract with Gallagher Benefits Services, Inc. to provide employee benefit consulting services for civilian, uniformed, and retired employees with total compensation in an amount up to \$520,000 per year. The term of this contract is three (3) years, beginning March 3, 2021 and ending March 3, 2024, with the option to renew for two (2) additional one (1) year periods, subject to and contingent upon funding by City Council.

### BACKGROUND INFORMATION:

The City's Employee Benefits healthcare program covers approximately 11,265 benefit eligible civilian and uniformed employees and their dependents. The City also provides healthcare benefits for 1,600 retired employees and their dependents. The benefits consultant will create an overall benefits strategy for the organization, including best practices in wellness, to drive a culture of health as well as a comprehensive benefits package that will attract and retain a qualified workforce. Consultant services are an integral part of the annual budget process and play a vital supporting role during collective bargaining with Police and Fire unions. The services to be provided under this agreement include, but are not limited to, health plan modeling, claims costs estimates, legal compliance, trend analysis, and benchmark data for all City healthcare plans.

## **PROCUREMENT OVERVIEW:**

On behalf of the Human Resources Department, the Finance Department Purchasing Division released a Request for Proposal (RFP) on August 26, 2020 seeking proposals for a qualified Respondent interested in providing Employee Benefits Consultant services. A pre-submittal conference was held on September 8, 2020, to allow for Respondent questions and clarification to the RFP. Six proposals were received by the October 12, 2020 deadline and deemed eligible for review. The Evaluation Committee included representatives from the City Manager's Office, Human Resources Department, Office of Management and Budget, and Finance Department.

The evaluation of each proposal response was based on a total of 100 points; 25 points allotted for experience, background, qualifications; 35 points allotted for proposed plan and 15 points allotted for Respondent's price schedule. Ten (10) preference points were allotted for the Small Business Economic Development Advocacy (SBEDA) Program with the Small Business Enterprise Prime Contract Program and Minority/Women-Owned Business Enterprise Prime Contract Program each allotted five (5) points. In addition, ten (10) points were allotted for the Local Preference Program and five (5) points for the Veteran-Owned Small Business Preference Program.

The evaluation committee met to discuss and score all proposals on December 4, 2020 and shortlisted the top two Respondents for interviews. The committee reconvened on December 14, 2020 for interviews, which were followed by final discussion and scoring. The Committee recommends Gallagher Benefit Services, Inc. for award as the firm receiving the highest collective score from the evaluation categories.

The Small Business Economic Development Advocacy (SBEDA) Program was applied to this evaluation process; however, neither finalist is a Small Business Enterprise or a Minority/Women-Owned Business Enterprise and did not receive the available SBEDA preference points.

The Local Preference Program was applied in the evaluation of responses received for this contract however, neither firm met the local business requirement.

The Veteran-Owned Small Business Preference Program was applied in the evaluation of responses received for this contract; however, none of the respondents were a veteran-owned small business.

A post-solicitation briefing was presented to the Audit & Accountability Committee on January 19, 2021.

## **ISSUE:**

Award of this contract will allow for continued employee benefits consulting services including actuarial valuation analysis, cost analysis and validation studies for plan design changes, and the development of strategies to effectively control costs while maximizing benefits to all employees, retirees, and their dependents.

### **ALTERNATIVES:**

Should this contract not be approved, the City would not have access to essential employee benefits consulting services when the contract with the current vendor, Gallagher Benefits Services, Inc., expires on March 3, 2021 with no further extensions available. Upon expiration, City staff would assume responsibility of managing the rising cost of medical and prescription care without the expertise of a benefits consultant to recommend an actuarially derived funding strategy.

### **FISCAL IMPACT:**

This Ordinance authorizes the City Manager or his designee to execute a contract with Gallagher Benefits Services, Inc. to provide employee benefit consulting services for civilian, uniformed, and retired employees for a total maximum annual value of \$520,000. Funding in the amount of \$324,167 is available in the FY 2021 Employee Benefits Fund Adopted Budget with funding in future years contingent on future council appropriations. The term of this contract is three (3) years, beginning March 3, 2021 and ending March 3, 2024, with the option to renew for two (2) additional one (1) year periods, subject to and contingent upon funding by City Council.

### **RECOMMENDATION:**

Staff recommends approval of this Ordinance to execute a contract with Gallagher Benefit Services, Inc., to provide employee benefits consulting services for civilian, uniformed, and retiree employees, beginning March 3, 2021 and ending March 3, 2024, with the option to renew for two (2) additional one (1) year periods, subject to and contingent upon funding by City Council.

This contract is procured by means of Request for Proposals and the Contract Disclosure Form is attached.