



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MAY 4, 2021

FROM: HUMAN RESOURCES DEPARTMENT WARDS: ALL

SUBJECT: PROFESSIONAL CONSULTANT SERVICES AGREEMENT WITH HUB INTERNATIONAL INSURANCE SERVICES INC. TO PROVIDE EMPLOYEE BENEFITS CONSULTING AND UNDERWRITING SERVICES FOR AN ADDITIONAL THREE YEARS FOR AN ANNUAL TOTAL OF \$85,102 PER YEAR WITH A 3% INCREASE EACH SUBSEQUENT YEAR.

ISSUE:

Approve an extension to the Professional Consultant Services Agreement between the Human Resources Department and HUB International Insurance Service, Inc. to provide employee benefits consulting and underwriting services through June 30, 2024 in the amount of \$85,102 for the first year and a 3% increase each subsequent year following.

RECOMMENDATION:

That the City Council:

1. Approve an extension to the current Professional Consultant Services Agreement with HUB International Insurance Services, Inc. for a new term of July 1, 2021 through June 30, 2024 in the amount of \$85,102 for the first year and a 3% increase each subsequent year following; and
2. Authorize the City Manager, or his designee, to execute the Amended Agreement with HUB International Insurance Services, Inc. including making minor and non-substantive changes.

BACKGROUND:

On July 8, 2014 the City Council approved the Professional Consultant Services Agreement with HUB International Insurance Services Inc. (HUB) for fiscal years 2014/15 through 2016/17 with an option to extend the Agreement for two, two-year renewals thereafter upon mutual agreement of both parties for a total contract term of seven years. The award and selection was made as part of a formal solicitation and Request for Proposal for Benefits Consulting Services conducted by the Human Resources Department.

Since 2005 HUB has acted as the principal advisor to the City of Riverside's management team regarding the City's fringe benefits. HUB works as the City's independent, objective, and strategic consulting firm that specializes in employee benefits and insurance programs and works to reduce

future costs, enhance the benefits package, provide long term financial management strategies and ensure the City remains compliant with Federal/State legislation (i.e. Affordable Care Act) and other regulatory requirements. This relationship has proven most beneficial to the quality of benefit services that are provided to City employees, their families, retirees, and COBRA participants.

DISCUSSION:

The City of Riverside has approximately 2,100 employees who are eligible for benefits. In order to attract and retain talent, employees are offered a comprehensive benefits package consisting of medical and dental plans, life insurance, accidental death and dismemberment insurance, short-term disability insurance, long term disability insurance, vision insurance, 457 deferred compensation plans, and a Section 125 flexible benefits plan.

Over the years HUB has proven to deliver exceptional benefits consulting services and has worked with the City to effectively manage multiple employee benefits, including plan design, communication strategy, utilization, financial analysis, and cost containment. Additionally, HUB International works closely with the City's Health and Benefits Committee which is comprised of management and bargaining unit/association representatives. The goal is to enhance the City's health and wellness initiative, and to evaluate the effectiveness of current benefit options, employee needs, and proposed costs.

The most recent amendment to the current Agreement with HUB International expires June 30, 2021. The Human Resources Department is requesting that the Professional Consultant Services Agreement with HUB International be extended to June 30, 2024 in accordance with Purchasing Resolution 23256, Section 702(g) which states "When Services can be Procured from a Contractor who offers the same or better price, terms and conditions as the Contractor previously offered as the Lowest Responsive Bidder under Competitive Procurement or negotiations conducted by the City or another public agency, provided that, in the opinion of the Manager, it is in the best interests of the City to do so".

The Purchasing Manager concurs that the recommendation action is in compliance with Purchasing Resolution No. 23256, Section 702 (g).

FISCAL IMPACT

The Agreement cost is \$85,102 for the first year and a 3% increase each subsequent year following. The City does not pay the Consultant directly. Healthcare provider commissions are used to offset and reduce, dollar for dollar, the annual fee paid by the City to the Consultant for employer-provided benefits. In the event that such commissions paid to the Consultant exceed the annual consulting fee paid by the City to the Consultant, such commissions shall be paid to the City directly.

Prepared by:	Rene Goldman, Human Resources Director
Certified as to availability of funds:	Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Kristi J. Smith, Interim City Attorney

Attachment:

1. Professional Consultant Services Agreement with HUB International Insurance Services, Inc.