City of Arts & Innovation

City Council Memorandum

TO: **HONORABLE MAYOR AND CITY COUNCIL** **DATE: JUNE 10, 2025**

FROM: **HUMAN RESOURCES DEPARTMENT** **WARD: ALL**

SUBJECT: **APPROVAL OF PROFESSIONAL CONSULTANT SERVICES AGREEMENT WITH KEENAN & ASSOCIATES, OF TORRANCE, CALIFORNIA FROM RFP NO. 2405 TO PROVIDE EMPLOYEE BENEFITS CONSULTING AND UNDERWRITING SERVICES FOR AN ANNUAL AMOUNT OF $89,800 PER YEAR FOR A THREE (3) YEAR INITIAL TERM, WITH AN OPTION TO EXTEND FOR TWO (2) ADDITIONAL 2-YEAR TERMS THROUGH JUNE 30, 2032, FOR AN AMOUNT NOT TO EXCEED $628,600 IF BOTH OPTIONS ARE EXERCISED**

ISSUE:

Approve a Professional Consultant Services Agreement with Keenan & Associates, of Torrance, California from RFP No. 2405 to provide Employee Benefits Consulting and Underwriting Services in the amount of $89,800 annually for a three-year period ending June 30, 2028 totaling $269,400, with an option for two (2), 2-year renewals thereafter upon mutual agreement of both parties for a total contract term of up to seven (7) years ending on June 30, 2032, with a not to exceed contract amount of $628,600 if both options are exercised.

RECOMMENDATIONS:

That the City Council:

1. Approve the Professional Consultant Services Agreement with Keenan & Associates, of Torrance, California from RFP No. 2405 to provide Employee Benefits Consulting and Underwriting Services in the amount of $89,800 annually for a three year term ending June 30, 2028, with an option for two (2), 2-year annual renewals thereafter upon mutual agreement of both parties for a total contract term of up to seven (7) years, and a not to exceed contract amount of $628,600 if both options are exercised; and

2. Authorize the City Manager, or his designee, to execute the Agreement, including making minor and non-substantive changes and also execute future contract extensions as provided for in the Agreement.

BACKGROUND:

The City of Riverside has approximately 2,300 employees who are eligible for benefits. As part of an attraction and retention tool, a comprehensive benefits package is offered to benefited employees. This package consists of medical and dental prepaid plans, i.e. Health Maintenance

Organizations (HMO's) and Dental Maintenance Organizations (DMO's) as well as freedom-of-choice Preferred Provider Organization (PPO) plans. Additional benefit plans include life insurance, accidental death and dismemberment insurance, short-term disability insurance, long term disability insurance, vision insurance, deferred compensation plans (457 and 401a), and a Section 125 flexible benefits plan.

The City partners with a benefits consultant to work as an independent, objective, 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 complaint 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.

A Request for Proposal was issued by the City on September 26, 2024, for a benefits consultant. A total of four firms responded with proposals. The screening, interview, and selection committee was comprised of staff from the Human Resources Department. Two of the four firms who responded to the Request for Proposal were selected for finalist presentation/interviews. The outcome of the interview and selection process identified Keenan & Associates as the best qualified to perform benefits consulting services for the City of Riverside. The Human Resources Department recommends approval of the attached agreement for Professional Consulting Services for a period of three (3) years with the option to extend for two (2), two (2) additional year terms for a total contract term of up to seven (7) years.

DISCUSSION:

The City's Purchasing Division released RFP 2405 on the City's online bidding system, Planet Bids on September 26, 2024, seeking prospective companies to provide Employee Benefits Consulting and Underwriting Services. The RFP received attention from 26 prospective bidders. Please see the Notification Summary Table below:

RFP 2405 Solicitation Notification Summary Table

Action	No. of Vendors
Vendors Notified	641
Vendors Who Downloaded the RFP (includes manufactures and sub-contractors)	26
Questions and Answers Received	35
Addenda Submitted	0
Proposals Received	4

On October 31, 2024, RFP 2405 closed with a total of four (4) proposals. The screening and selection committee was comprised of representatives from Human Resources. All responses were found to be responsive and responsible. Under the guidance of the purchasing department, 3 City staff from the Human Resources Department evaluated the proposals for two rounds, which resulted in Keenan & Associates ranking No. 1. The evaluation criteria, total points and rankings for each evaluation round are summarized in the tables below.

Round 1

Evaluation Criteria	Total Points
Approach and Methodology Specific to this Project	35%

Qualifications & Experience	35%
Professional References	10%
Pricing	20%

Round 1 Evaluation Results

Vendor	Location	Total Cost	Total Point	Rank
HUB International Insurance Services, Inc.	Riverside, Ca	$630,000.00	962.22	1
Keenan & Associates	Torrance, Ca	$628,600.00	924.31	2
Burnham Benefits Insurance Services	Irvine, Ca	$595,000.00	858.33	3
USI Insurance Services LLC	Torrance, Ca	$750,845.00	837.34	4

The top two consultants were within a competitive point range and were invited to move forward into Interviews (Round 2 Evaluation).

Round 2

Evaluation Criteria	Total Points
Question 1 - Company Benefits - Integration	15%
Question 2 - Strategies for Negotiation	15%
Question 3 - RFP Involvement - was this included in fees	15%
Question 4 – Innovative Benefits	15%
Question 5 - Enhancement Support of Wellness Program	15%
Question 6 – HBC Support Plan	10%
Question 7 - Timeline for open Enrollment Process	15%

Evaluation Results Round 2

Vendor	Location	Total Cost	Total Point	Rank
Keenan & Associates	Torrance, Ca	$628,600.00	980	1
HUB International Insurance Services, Inc.	Riverside, Ca	$630,000.00	683.33	2

Evaluation Results Round 1 & 2

Vendor	Location	Total Cost	Total Point	Rank
Keenan & Associates	Torrance, Ca	$628,600.00	1904.31	1
HUB International Insurance Services, Inc.	Riverside, Ca	$630,000.00	1645.56	2

Purchasing Resolution 24101, Section 508 states, “Contract procured through Formal Procurement shall be awarded by the Awarding Entity to the Lowest Responsive and Responsible Bidder, except that…(c) Contracts procured through Formal Procurement for Services or Professional Services, where a Request for Proposals or Request for Qualifications was used to solicit Bids, shall be awarded by the Awarding Entity in accordance with the evaluation criteria set forth in the Request for Proposals or Request for Qualifications…”

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution No. 24101, Section 508.

STRATEGIC PLAN ALIGNMENT:

This item contributes to Strategic Priority a High Performing Government, Goal 5.1: *Attract, develop, engage and retain a diverse and highly skilled workforce across the entire City organization*

1. **Community Trust** – Engaging a qualified benefits consultant ensures employees and their families have access to reliable and competitive benefits, supporting the City's commitment to providing consistent, high-quality services in alignment with legal and regulatory standards.

2. **Equity** – Establishing agreements with a benefits consultant provides expertise in plan design and employee communication, helping to ensure that benefits are accessible and inclusive for all eligible employees regardless of role, background, or income level.

3. **Fiscal Responsibility** – The Human Resources department follows established purchasing and procurement processes to ensure a fair and cost-efficient service is negotiated with a benefits consultant.

4. **Innovation** – A skilled consultant brings industry knowledge, emerging trends, and access to innovative benefit solutions that can enhance employee experience and align with evolving workforce needs.

5. **Sustainability & Resiliency** – Establishing agreements with a benefits consultant helps the Human Resources Department adapt to changing healthcare landscapes and workforce expectations, supporting the long-term sustainability and flexibility of the employee benefits program.

FISCAL IMPACT:

The fiscal impact of this action is $89,800 per year totaling $269,400 for a three-year period ending June 30, 2028. The City does not pay the Consultant directly. Healthcare provider commissions are used to offset and reduce dollar for dollar, the annual consulting 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 fund:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Edward Enriquez, Assistant City Manager/CFO/City Treasurer
Approved as to form:	Rebecca Reimbold-McKee, Interim City Attorney

Attachments:

1. Professional Consultant Services Agreement with HUB International Insurance Services, Inc.
2. RFP Award Recommendation