



Hallandale Beach
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400 South Federal Hwy
Hallandale Beach, FL 33009

City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	January 9, 2019		Item Type: <i>(Enter X in box)</i>	Resolution X	Ordinance	Other	
Fiscal Impact: <i>(Enter X in box)</i>	Yes	No	Ordinance Reading: <i>(Enter X in box)</i>	1st Reading		2nd Reading	
	X		Public Hearing: <i>(Enter X in box)</i>	Yes	No	Yes	No
Funding Source:	1710-531010 – Professional Services 8090-523050 – Health Insurance		Advertising Requirement: <i>(Enter X in box)</i>	Yes		No	
						X	
Account Balance:	\$680,000		Quasi-Judicial: <i>(Enter X in box)</i>	Yes		No	
						X	
Project Number :	N/A		RFP/RFQ/Bid Number:	Miami-Dade County Employee Benefits Consulting Services Contract No. RFP-00615 2016-2017-003			
Contract/P.O. Required: <i>(Enter X in box)</i>	Yes	No	Strategic Plan Priority Area: <i>(Enter X in box)</i> Safety <input type="checkbox"/> Quality <input checked="" type="checkbox"/> Vibrant Appeal <input type="checkbox"/>				
	X						
Sponsor Name:	Nydia M. Rafols Sallaberry, Interim City Manager		Department: Human Resources Department	Radu Dodea, Human Resources Director			

Short Title:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AUTHORIZING THE USE OF MIAMI-DADE COUNTY CONTRACT FOR BENEFITS CONSULTING SERVICES FROM GALLAGHER BENEFIT SERVICES, INC. FOR AN AMOUNT NOT TO EXCEED TWO HUNDRED TEN THOUSAND (\$210,000.00) DOLLARS TOTAL FOR A THREE YEAR TERM; AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT; AND PROVIDING AN EFFECTIVE DATE.

Staff Summary:

BACKGROUND:

This item seeks City Commission approval to enter into an agreement with Gallagher Benefit Services, Inc., for \$70,000.

The City of Hallandale Beach currently provides Group Health benefits to approximately 1,100 members, out of which 442 are eligible employees and elected officials, and the rest are retirees and eligible dependents. The current health insurance contract, which has been effective since October 1, 2018, is due to expire September 30, 2019.

To prepare for the next medical, dental, vision, life insurance and other supplemental insurance benefits contract renewals staff is recommending to retain the professional services of Gallagher Benefit Services, Inc., (GBS). GBS has been in business since 1927, and has many local and national public sector clients, such as The School Board of Broward County and Miami Dade County, as longstanding clients.

GBS has the ability to help the City negotiate comprehensively structured benefits, while making sure the City remains in compliance with Federal laws. In addition, because data drives decisions when it comes to Medical plan contract renewals, GBS has the in-house team of analysts, actuaries and clinicians to provide the City consulting and forecasting advice to assist staff and the City Commission to make effective and efficient decisions on behalf of the City and its employees.

Another benefit of working with GBS is access to their benchmarking data. Their National Benchmarking survey, which has over 4,000 participants, is one of the largest and most comprehensive in the country, and provides the City with strategic insight and industry data needed to make informed decisions. GBS uses predictive models, health risk assessment tools, industry benchmarks and data from over 1,200 Gallagher clients to provide a true understanding of the underlying issues that may be affecting the costs and performance of the City's benefits program. It should be noted that GBS will act solely in its capacity as consultant and will not receive commissions from any insurance company, agent or broker, nor accept any income from other than the City.

Part of the process of selecting and negotiating a successor insurance agreement is the inclusion of the various employee Unions and staff. This is done by creating a Health Benefits Advisory Committee and an Evaluation Committee, both of which are appointed by the City Manager. These Committees are formed when the decision to release an RFP is made by the City Manager and will remain engaged until the Request for Proposal respondents are ranked.

The Health Benefits Advisory Committee is composed of representatives from the City's three unions, as well as management and non-represented employees. These employees will be educated on the status of the City's health insurance, its options, and possible solutions. The Committee will be tasked with reaching out to their respective employee groups to obtain and provide feedback of their needs. This feedback will be shared with the Evaluation Committee, who also has a similar employee representation, and is responsible for ranking the Request for Proposal responses received. GBS will provide the necessary education and training for both of these committees.

For the current medical insurance contract renewal, the City engaged GBS to provide professional consulting services, which included comparative data and benchmarking of existing medical benefits to other local municipalities, pharmacy benefit evaluation, analysis of proposed alternatives, assistance with selection of most favorable medical renewal options, assistance with renewal negotiations of benefits, plan design, premium rates, and benefit changes, federal law compliance with the Patient Protection and Affordable Care Act (PPACA) legislation, plan usage analysis, and many other services they provide. GBS acted solely in its capacity as consultant and did not receive commissions from any insurance company, agent or broker, nor did it accept any income from other than the City. As a consultant for the City of Hallandale Beach, GBS has worked with the City to solve and reduce the City's Medical renewal exposure. During Fiscal Year 2017, GBS was able to resolve a \$4 million dollar escalated deficit within the Medical plan and eliminate any further deficit exposure. The contract with GBS expired September 30, 2018.

Staff is recommending to piggy-back on GBS's existing contract with Miami Dade County, FL RFP 00615 Employee Benefits Consulting Services, to include the following Scope of Work:

1. Provide actuarially based cost projections for various plan design alternatives and improvements based on the review of current plan experience, as well as industry trends, variable enrollment assumptions and contribution strategies.
(MDC Appendix A Scope of Services item Number 4 A Number 8) – Exhibit 2
2. Monitor the performance of, and compliance with, all established contractual requirements of the medical plan.
(MDC Appendix A Scope of Services item Number 4 B Number 1) – Exhibit 2
3. Analyze current COHB plan designs and recommend changes as necessary, based on market analysis, legislation and availability, to better meet the COHB's Employee Benefits Program's service objectives and to provide opportunities for cost containment.
(MDC Appendix A Scope of Services item Number 4 C Number 1) – Exhibit 2
4. Assist in the preparation for, and participate in, the meetings held between labor bargaining units and COHB to discuss benefit contract issues, such as cost estimates for new or upgraded/downgraded benefit programs and methodology for rate calculations. GBS shall smooth the progress of discussions between the two parties - addressing emerging trends, critical success factors, and the potential impact to the COHB. GBS shall also be available to conduct educational workshops/presentations on key legislation affecting employee benefits, for the benefit of COHB Human Resources' employees, union officials, fiduciary administrators and other service providers, as specified by the COHB.
(MDC Appendix A Scope of Services item Number 4 C Number 2) – Exhibit 2
5. Provide technical support, as deemed necessary, to COHB Employee Benefits Program, in identifying and incorporating best plan and funding designs for all group benefits offered to COHB employees.
(MDC Appendix A Scope of Services item Number 4 C Number 3) – Exhibit 2
6. Advise COHB on short-term and long-term direction of benefits plan design and funding and explain any significant variations that would warrant redesign.
(MDC Appendix A Scope of Services item Number 4 C Number 5) – Exhibit 2

7. Advise COHB in establishing strategic goals with respect to employee benefits and the Employee Wellness Management Program for the purpose of improving the overall health of employee population, and managing cost effectiveness.
(MDC Appendix A Scope of Services item Number 4 C Number 6) – Exhibit 2
8. Provide timely updates of proposed and effectuated changes in the legal environment that affect employee benefits (i.e., Employee Retirement Income Security Act (ERISA), Patient Protection and Affordable Care Act, COBRA, Health Insurance Portability and Accountability Act (HIPAA), and (IRS) Sections 125, 457(b), 401(a), etc.), including any tax law newsletters or special advisories released.
(MDC Appendix A Scope of Services item Number 4 D Number 3) – Exhibit 2
9. Ensure compliance with all provisions/requirements of the Patient Protection and Affordable Care Act.
(MDC Appendix A Scope of Services item Number 4 D Number 6) – Exhibit 2
10. Provide assistance and technical expertise in reviewing competitive RFPs, including the establishment of appropriate performance standards, in development by COHB.
(MDC Appendix A Scope of Services item Number 4 E Number 1) – Exhibit 2
11. Assist in the formulation of technical responses to inquiries received by prospective vendors and to be issued via addenda to an RFP.
(MDC Appendix A Scope of Services item Number 4 E Number 2) – Exhibit 2
12. Provide assistance in assessing qualifications and analyzing data provided in proposals received from prospective vendors. GBS will be required to participate in Evaluation/Selection Committee meetings as deemed necessary by COHB, at its sole discretion.
(MDC Appendix A Scope of Services item Number 4 E Number 3) – Exhibit 2
13. Provide negotiations assistance to COHB, as deemed necessary by COHB, in assessing the rates and fees proposed by the prospective vendors – and in negotiating competitive rates, discounts and services for current and future projects.
(MDC Appendix A Scope of Services item Number 4 E Number 5) – Exhibit 2
14. Provide ongoing support, review, and interpretation of plan provisions and IRS regulations for Section 125 flexible benefits plan.
(MDC Appendix A Scope of Services item Number 4 G Number 1) – Exhibit 2
15. Develop employee communications, including formulation of employee surveys and focus groups, as deemed necessary by COHB. All findings and statistical analysis conducted shall be presented, in writing, to COHB's Project Manager upon completion.
(MDC Appendix A Scope of Services item Number 4 G Number 3) – Exhibit 2
16. Conduct benefit plan modeling, as requested by COHB.
(MDC Appendix A Scope of Services item Number 4 G Number 6) – Exhibit 2
17. Attend meetings with various providers under contract with COHB, or with COHB staff not directly involved with the Employee Benefits Program, at COHB Project Manager's request.
(MDC Appendix A Scope of Services item Number 4 G Number 8) – Exhibit 2

18. Provide ad-hoc analysis and benefits related reporting to COHB, as deemed necessary by COHB.
(MDC Appendix A Scope of Services item Number 4 G Number 10) – Exhibit 2
19. Provide other related consulting services, as identified by COHB.
(MDC Appendix A Scope of Services item Number 4 G Number 11) – Exhibit 2

WHY THIS ACTION IS NECESSARY:

Pursuant to Chapter 23, Section 23-8 Exception to Bid Requirements, (6) Bids and Contracts from Other entities, and Section 23-9 Cooperative Purchasing, the City Manager is authorized to procure all supplies, materials, equipment and services from other governmental units, when the best interests of the City would be served subject to the requirement that any purchase in excess of \$50,000 requires City Commission approval.

Since the cost of receiving the aforementioned services will be in excess of the City Manager's purchasing authority, City Commission authorization is required.

FISCAL IMPACT:

The fiscal impact will not exceed \$70,000 for each year of the 3 year agreement.

Proposed Action:

Staff recommends the City Commission adopt the attached Resolution authorizing the City Manager to piggy-back the GBS contract with Miami Dade County, FL RFP 00615 Employee Benefits Consulting Services. Also, authorize the City Manager to renew on a year to year basis in the best interest of the City.

Attachment(s):

- Exhibit 1 – Resolution
- Exhibit 2 – Miami-Dade County Employee Benefits Consulting Services Contract No. RFP-00615
- Exhibit 3 – Gallagher Benefits Services, Inc. Company Overview
- Exhibit 4 – Gallagher Benefits Services, Inc. Contract Proposal