

CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of a five-year agreement between the City of Bellevue and Gallagher Benefit Services, Inc., in an amount not to exceed \$1,100,000, plus all applicable taxes, for health and welfare benefits consulting and brokerage services.

Michelle Robinson, Benefits Administrator, 452-4585
Human Resources Department

EXECUTIVE SUMMARY

This Resolution will authorize execution of a five-year agreement with Gallagher Benefit Services, Inc., to support the management of employee benefit programs.

RECOMMENDATION

Move to adopt Resolution No. 10183

BACKGROUND/ANALYSIS

Medical, prescription drug, dental, vision, life, and disability insurance are provided as part of the City benefit package for employees, along with flexible spending accounts and an employee assistance program. Historically, the City has retained a health and welfare benefit broker/consultant to assist in the management of employee benefit programs.

A health and welfare broker/consultant assists with all aspects of plan management including compliance with legislative requirements, negotiating contract renewals with City insurance and service providers, conducting request for proposals (RFPs) when necessary, actuarial analysis and rate setting, monthly and annual financial reporting of plan costs, supporting employees and Human Resources (HR) with benefit advocacy, and carrier management.

For 2023, the City conducted an RFP for health and welfare benefit consulting and brokerage services. The two vendors who responded were Gallagher Benefit Services, Inc., and Alliant Insurance Services, Inc.

Gallagher Benefit Services, Inc., was selected based on the following qualifications:

- preferred vendor status with most insurance carriers, giving them leverage and access to negotiate favorable rates,
- a global organization with strong local presence in Bellevue,
- significant public sector experience, understanding where healthcare fits into the total rewards package offered by public entities,
- competitive quote for services,
- experienced, accessible, and responsive account team for Human Resource in addition to a dedicated benefit advocate team for all benefited staff,
- provides a strong compliance team with great depth and experience, plus resources and tools that heighten the efficiency of HR staff with ongoing health benefits legislative requirements,
- in-house actuarial service division (Healthcare Analytics), and

- committed to transparency and disclosure in their business dealings, including compensation.

If approved, the agreement term would begin January 1, 2023 and end December 31, 2027. The fees for consulting services will remain fixed for the duration of the agreement term.

POLICY & FISCAL IMPACTS

Policy Impact

Bellevue City Code Chapter 4.28 provides for the fair and equitable treatment of all persons involved in the purchasing process. Council approval is required to execute contracts in excess of \$90,000.

Fiscal Impact

The City will pay Gallagher Benefit Services, Inc., a fee not to exceed \$1,100,000, plus all applicable taxes, over a five-year period (2023-2027) for health and welfare benefits consulting and brokerage services. Sufficient funds exist in the 2023-2024 Health Benefits Fund Operating Budget for the first two years of the agreement. Funding for the last three years of the agreement will be requested as part of the 2025-2026 and 2027-2028 Health Benefits Fund Operating Budgets.

OPTIONS

1. Adopt the Resolution authorizing execution of a five-year agreement between the City of Bellevue and Gallagher Benefit Services, Inc., in an amount not to exceed \$1,100,000, plus all applicable taxes, for health and welfare benefits consulting and brokerage services.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS

Proposed Resolution No. 10183

AVAILABLE IN COUNCIL LIBRARY

Gallagher Benefit Services, Inc., Consulting Agreement