



DATE: October 12, 2021

TO: Mayor and City Council

FROM: Director of Human Resources

SUBJECT: Adopt a Resolution Authorizing the City Manager to Enter into an Agreement with Alliant Insurance Services for Group Insurance Broker and Advisory Services

RECOMMENDATION

That the Council adopts a resolution (Attachment II) authorizing the City Manager to enter into an agreement with Alliant Insurance Services ("Alliant") for Group Insurance Broker and Advisory Services for the City of Hayward's current and future non-medical employee benefits, including group dental, vision, life, accidental death and dismemberment, short- and long-term disability, and employee assistance.

SUMMARY

The previous agreement with Alliant ended on July 31, 2021. The City initiated an open and competitive Request for Proposals (RFP) process for the provision of group insurance broker and advisory services for the City of Hayward in June 2021. A total of four (4) proposals were submitted in response to the City's RFP for benefits broker services; two (2) of the four (4) consultants were invited to participate in finalist interviews. Based on their extensive experience, knowledge, and familiarity with the City's benefit plans and providers, and after having provided similar services to the City over the past six (6) years, staff is recommending Alliant continue to provide benefits broker and advisory services to the City.

BACKGROUND

The City provides a competitive package of non-medical benefits for its qualified employees and their eligible dependents as agreed upon in the applicable Resolutions and Memoranda of Understanding. To administer the benefit plans in the most cost effective and efficient manner, the City requires the services of a group insurance broker and advisor to assist with its benefit programs by providing special services and the advice of specially trained personnel. In 2015, the City entered into an agreement with Alliant; this agreement expired on July 31, 2021. In June 2021, the City solicited proposals through a competitive RFP process for group insurance broker services.

Because of its exceptional service over the last six (6) years, and its excellent reputation as California's largest public agency consultant and benefits broker and ability to provide superior services at a reduced cost, Alliant was selected to continue providing broker services

for the City's non-medical benefits for an initial three (3) year term. The City may elect to renew the agreement for up to two (2) successive one-year periods.

Alliant is one of the largest public entity broker/consultants in California working with over 1,000 public entity clients, including counties, special districts, community college districts, K-12 public schools, and other cities in Northern California. Alliant offers a dedicated team of 10 individuals with extensive experience working with public agency groups. Alliant offers additional services, including developing communication, education and training as needed by the City, web-based tools and communications, including designing a City benefit summary/handbook, newsletters and assistance with building and constructing an effective wellness program.

DISCUSSION

Over the past six years, Alliant has assisted the City with improving its administrative services and reducing costs associated with employee benefit programs. Since partnering with Alliant in 2015, the City has realized over \$142,000 in gross savings achieved through renewal negotiations, marketing efforts, recommended pooled programs through PRISM (previously CSAC EIA), and moving the City's flexible spending accounts and COBRA administration to P & A Group, and its Life and Disability plans to The Hartford. Additionally, the City has been able to enhance some of its benefit plans and services including: the addition of a Short-Term Disability Plan to Full-Time Management and Confidential Employees (2018), increases to the frames and contacts allowance (from \$120 to \$150 annually in 2016 and most recently to \$175 annually in 2021), the addition of anti-reflective coating to the vision plan, as well as the addition of Computer Vision Care coverage at no additional cost.

As part of the combined brokerage and administrative services and execution of this agreement, Alliant also offers the City additional services that include: 1) assistance with open enrollment; 2) technical research and assistance with considering medical plans as options outside of CalPERS; 3) assistance with employee communication and education regarding health and wellness; 4) redesign of employee benefit programs; and 5) communications and online trainings (seminars and webinars) regarding legislative updates and compliance.

Over the last month, Alliant and the City have initiated the following two priority benefits goals/projects:

- 1) Conduct a marketing analysis of Life and Disability plans to assist the City with selecting a competitive carrier with comparable benefit plans – Due to a 24.6% projected increase in rates (approximately \$42,000 for 2022) with The Hartford, Alliant will conduct a market analysis to assist the City with selecting a competitive carrier with comparable plans; Alliant will also assist the City with a special open enrollment period and implementation of the new benefit plan.
- 2) Conduct a marketing analysis of Employee Assistance Programs (EAP) to assist the City with selecting a competitive vendor whose services are comparable – Due to a number of customer service issues and a desire to enhance services for its employees,

the City is looking to transition to a new vendor. Alliant will assist the City with selecting a vendor whose network overlaps with the current carrier and does not reduce current benefit levels. Additionally, Alliant will explore options for adding a virtual partner to complement the traditional EAP and assist the City with the transition to a new carrier.

The aforementioned projects are expected to be completed in the next 6 to 12 months.

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not relate to one of the Council's Strategic Roadmap priorities.

FISCAL IMPACT

The proposed contract will cost up to \$225,000 for the initial term of three (3) years plus the optional two (2) successive one-year periods (if elected). There is no additional fiscal impact to the General Fund as the cost has already been included in the FY 2022 adopted budget.

NEXT STEPS

If approved, Human Resources staff will work closely with the Finance Department and City Attorney's Office to execute the agreement.

Prepared by: Vanessa Lopez, Senior Human Resources Analyst

Recommended by: Jana Sangy, Director of Human Resources

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', is written over a horizontal line.

Kelly McAdoo, City Manager