



Cover Memorandum/Staff Report

File #: 24-1396

Agenda Date: 11/4/2024

Item #: 6.P.1.

TO: Mayor and Commissioners
FROM: Duane D'Andrea, Human Resources Director
THROUGH: Terrence R. Moore, ICMA-CM
DATE: November 4, 2024

APPROVAL OF RESOLUTION NO. 205-24 TO AWARD A THREE-YEAR AGREEMENT WITH RSC INSURANCE BROKERAGE, INC., FOR EMPLOYEE BENEFITS AND HEALTHCARE CONSULTING SERVICES PURSUANT TO RFP NO. 2024-024 - \$406,000. AUTHORIZING THE CITY MANAGER TO EXECUTE ANY AMENDMENTS AND/OR RENEWALS THERETO AND TAKE ANY AND ALL ACTIONS NECESSARY TO EFFECTUATE THE INTENT OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES

Recommended Action:

Motion to approve Resolution No. 205-24 to award a three-year Agreement with RSC Insurance Brokerage, Inc. (Gehring Group) for Employee Benefits and Healthcare Consulting Services pursuant to RFP No. 2024-024, in the total estimated three-year amount of \$406,000, of which \$136,000 will be expended in the initial year of the Agreement. Authorizing the City Manager to execute any amendments and/or renewals which include two (2) one (1) year options to renew with a 2% escalator per year for a total estimated five-year amount of \$688,215.

Background:

On May 2, 2024, the City of Delray Beach (City) advertised RFP No. 2024-024 for Employee Benefits and Healthcare Consulting Services. The City received five submittals pursuant to the RFP. On July 15, 2024, the Selection Committee formally rated and ranked the submittals received. The final ranking is listed below:

Firm	Final Rank	Score
RSC Insurance Brokerage, Inc. (Gehring Group)	1	281
Gallagher Benefit Service, Inc.	2	256
Gelin Benefits Group	3	221
Benalytics Consulting Group, LLC	4	209
CBIZ Benefits & Insurance Services, Inc.	5	205

The Selection Committee unanimously recommended award of the RFP to RSC Insurance Brokerage, Inc. (Gehring Group) as the number one ranked firm. The fees for the initial term of the Agreement are fixed at \$136,000 per year; however, optional year(s) four and five include a two percent (2%) escalator. The fees submitted are consistent with the current rates the City is paying for the same services and are considered fair and reasonable.

This Agreement provides consulting services for the City's group health plans including medical, dental, vision, disability, life and supplemental coverages. These consulting services includes but is not limited to specific tasks for annual on-going services as-needed based on whether the City opts to renew the existing health, dental and/or vision insurance contracts or to use the services of the Gehring Group to assist in the development and review of new solicitations for proposals for group health and other benefit plans, and making final recommendation.

The Gehring Group will assist Human Resources in developing the benefits and cost factors analysis to evaluate a self-funded health insurance plan and provides team members that have the knowledge and ability to evaluate and recommend group health plan administrative services.

Additionally, the Gehring Group will assist the City in ensuring its group health plans are complete, correct and in compliance with all applicable laws and regulations; provides extensive actuarial services including support with the City's annual group health budget projections, and the City's annual Governmental Accounting Standards Board (GASB) filling.

As part of this Agreement, the Gehring Group will also provide the City with their web-based enrollment platform, BenTek, along with a consulting and technical team to support its functions. This web-based system will provide the City with paperless open enrollment, online employee benefit resource center, online benefits guide, user friendly, secure, accessible 24/7, Health Insurance Portability and Accountability Act (HIPAA) compliant and can interface with the City's group health carriers for electronic carrier eligibility updates. Additionally, all printed documents required for the City's annual open enrollment will be provided by the Gehring Group, as well as assisting the Human Resources Department with employee education and communication of any and all benefit changes.

Through this agreement, the Gehring Group will also provide evaluation and recommendations of the management firm for the City's on-site employee clinic; participate in the quarterly and annual review with the onsite management firm making recommendations in the programs, as necessary and provides additional reporting or analysis they and/or City deem necessary and beneficial to the City in making a sound and financial decision regarding the onsite clinic and its function.

Should the City exercise the renewal options provided in the contract, the cumulative contract value is provided below.

Contract P2024-024		Amount
Initial Term (3 Years)	November 4, 2024 - November 3, 2027	\$ 408,000.00
Optional Renewal 1	November 4, 2027 - November 3, 2028	\$ 138,720.00
Optional Renewal 2	November 4, 2028 - November 3, 2029	\$ 141,494.40
	TOTAL	\$ 688,214.40

This motion is in accordance with Code of Ordinances Chapter 36 Commission Approval Required.

City Attorney Review:

Approved as to form and legal sufficiency.

Funding Source/Financial Impact:

551-13-041-513-31.90 Professional Services - Other Professional Services

Timing of Request:

The contract needs to be implemented by November 17, 2024, as our current contract with Gehring Group expires on November 16, 2024.