



AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: Mary Hao
Director of Human
Resources Management

SUBJECT: Employee Benefits Broker /
Consultant Contract

DATE: June 23, 2025

City Administrator Approval


Jestin Johnson (Jun 27, 2025 08:33 PDT)

Date: **Jun 27, 2025**

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Enter Into A Professional Services Agreement With Keenan & Associates For The Provision Of Employee Benefits Broker And Consultation Services For A Five-Year Term With An Option To Extend For Two Years For A Total Amount Not To Exceed Four Hundred Eighty-One Thousand Two Hundred Fifty Dollars (\$481,250).

EXECUTIVE SUMMARY

The City of Oakland relies on qualified licensed brokers to provide employee benefits planning, consulting, and brokerage services in the areas of plan design, administration of provider contracts, plan renewal, and the overall maintenance and administration of the City's current and future employee health benefits. These benefits include dental, vision, group term life, voluntary life, short-term disability (STD), long-term disability (LTD), flexible spending accounts (i.e., healthcare, dependent care, transit program), and other benefit programs.

The current Employee Benefits Broker, Keenan & Associates (Keenan), has provided services to the City since 2015. Keenan was initially selected through a Request for Proposal ("RFP") that concluded on July 2, 2015.

On October 6, 2015, Council authorized a resolution granting the City Administrator the authority to award a professional services agreement to Keenan & Associates for a three-year term for an amount not to exceed \$502,044 for contract years 2015-2018, with an option to extend the agreement for two additional one-year terms for a total not to exceed amount of \$309,647 for contract years 2018-2020, for a total not to exceed amount over the five-year period of \$892,691. ([Resolution No. 85811 C.M.S.](#))

The City conducted another RFP for Employee Health & Welfare Benefits Broker that concluded on May 21, 2021. Keenan was again selected because their RFP responses most closely aligned with the City's needs. The City entered into a contract agreement with Keenan effective September 1, 2021, through August 31, 2023, for an amount of \$137,500.

On January 3, 2025, the Human Resources Management Department (HRMD) Benefits Division, completed another RFP process soliciting qualified vendors to provide Employee Benefits Broker and Consulting Services. Two benefits brokers responded to the City's RFP, including Keenan. Keenan's responses again demonstrated its ability to provide qualified Employee Benefits Broker and Consulting Services as specified by the City, at cost-effective rates. Staff therefore recommends that Council authorize the City Administrator to negotiate and execute a five-year agreement for the provision of Employee Benefits Broker and Consulting Services with Keenan & Associates.

Staff further recommends that the City Council authorize the City Administrator to exercise up to one (1) option to extend this contract for an additional two-year term should the recommended contractor continue to demonstrate acceptable performance in the delivery of the contracted services.

BACKGROUND / LEGISLATIVE HISTORY

The City offers an array of benefit options for over 4500 employees and their dependents. The employee benefits plans are negotiated benefits in the City's memoranda of understanding with existing labor unions. The current benefit plans are listed in **Table 1** below.

Table 1: Current Benefit Plans

<u>Benefit Type</u>	<u>Current Provider</u>	<u>City Paid</u>	<u>Employee Paid</u>
Medical	CalPERS & Kaiser Permanente (for Non-CalPERS eligible)	X	
Dental	Delta Dental PPO & Delta Care HMO	X	
Vision	VSP	X	
Life/AD&D	Sunlife	X	
Voluntary Life	Sunlife		X
Disability (Short and Long Term)	Sunlife	X	
Flexible Spending Accounts (Medical and Dependent Care)	Custom Benefits Administrator		X
Transit/Commuter	Custom Benefits Administrator		X
Employee Assistance Program	Claremont Behaviors Services	X	
Unemployment Insurance	Talx/Equifax Workforce Solutions	X	
COBRA Administration	Custom Benefits Administrator		X

ANALYSIS AND POLICY ALTERNATIVES

Since 2015, Keenan has demonstrated its ability to provide qualified employee benefits broker and consultant services through the firm's high level of knowledge, experience, and ability to navigate the ever-changing benefits mandates that all employers must meet. Keenan has successfully partnered with the City's Benefits Division to maintain existing benefits plans while strategically implementing legislated employer mandates (such as the Affordable Care Act) and introducing innovative employee education/communication tools such as the virtual benefits fair platform.

Keenan has represented the City in all negotiations with carriers on issues related to premiums, service, benefit levels, plan design, special terms, conditions, etc. They have had direct negotiations with non-CalPERS health and welfare providers, including negotiating cost-effective renewal rates/premium rates, benefit levels, performance standards and guarantees, contractual terms and conditions, quality assurance standards, utilization and performance reports, and statistical and/or financial reports,

Staff is confident that Keenan will continue to provide quality services to the City in support of the City's employee benefits needs. Keenan is responsive, adheres to industry standards, and keeps abreast of industry trends. By ensuring that the City remains compliant with benefits requirements and working closely with staff to ensure that City benefits are high quality, affordable, and sustainable, Keenan actively contributes to the City being a **responsive, trustworthy government**.

FISCAL IMPACT

Funding for the contract services with Keenan is contained in Fund 1300 – Fringe Benefits as part of the premium or claims amounts paid to each plan provider.

Commissions paid to Keenan will not exceed the following amounts:

Contract Period	Broker Service Base Fee	Professional Wellness	Commissions Not to Exceed
09/01/23 – 08/31/24	\$56,250	\$12,500	\$68,750
09/01/24 – 08/31/25	\$56,250	\$12,500	\$68,750
09/01/25 – 08/31/26	\$56,250	\$12,500	\$68,750
09/01/26 – 08/31/27	\$56,250	\$12,500	\$68,750
09/01/27 – 08/31/28	\$56,250	\$12,500	\$68,750

PUBLIC OUTREACH / INTEREST

There are no public outreach opportunities associated with this report beyond the required publication on the City's website.

COORDINATION

Development of this report was coordinated with internal staff in the Human Resource Management Department.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic opportunities associated with this report.

Environmental: There are no environmental opportunities associated with this report.

Race & Equity: There are no race & equity opportunities associated with this report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Enter Into A Professional Services Agreement With Keenan & Associates For The Provision Of Employee Benefits Broker And Consultation Services For A Five-Year Term With An Option To Extend For Two Years For A Total Amount Not To Exceed Four Hundred Eighty-One Thousand Two Hundred Fifty Dollars (\$481,250).

For questions regarding this report, please contact LARA WILLIAMS, ADMINISTRATIVE SERVICES MANAGER, at (510) 238-6676.

Respectfully submitted,


Mary Hao (Jun 24, 2025 11:37 PDT)

MARY HAO
Director/Human Resources Management
Department

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