

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2015 SEP 24 PM 2:41

REVISED

Approved as to Form and Legality

OAKLAND CITY COUNCIL

City Attorney

RESOLUTION No. 85811 C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO (1) AWARD A PROFESSIONAL SERVICES AGREEMENT TO KEENAN AND ASSOCIATES IN AN AMOUNT NOT TO EXCEED FIVE HUNDRED TWO THOUSAND FORTY FOUR DOLLARS (\$502,044) FOR THREE (3) YEARS WITH TWO (2) ONE-YEAR OPTIONS TO RENEW IN AN AMOUNT NOT TO EXCEED THREE HUNDRED NINETY THOUSAND SIX HUNDRED FORTY SEVEN DOLLARS (\$390,647) FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED EIGHT HUNDRED NINETY TWO THOUSAND SIX HUNDRED NINETY ONE DOLLARS (\$892,691), TO PROVIDE EMPLOYEE BENEFITS BROKER AND CONSULTING SERVICES FOR THE CITY OF OAKLAND; AND (2) DELEGATING AUTHORITY TO THE CITY ADMINISTRATOR TO ACT, INCLUDING SIGNING AUTHORITY, IN ALL MATTERS RELATING TO THE CITY OF OAKLAND EMPLOYEE BENEFITS PROGRAMS AND PLANS

WHEREAS, the City provides a wide array of Employee Benefits to its benefit eligible employees and dependents; and

WHEREAS, a qualified licensed broker is required to provide employee benefits planning, consulting and brokerages services in the areas of plan design, administration of provider contracts, plan renewals and overall maintenance of employee benefits programs; and

WHEREAS, the City's current benefits broker, Barney and Barney, has provided these services for at least 30 years without a formal contract or agreement in place; and

WHEREAS, the current broker is compensated for services in the form of commissions received from plan providers; and

WHEREAS, in accordance with Oakland Municipal Code, Section 2.04.051, Competitive Process and Qualification-Based Awards for Professional Services, and the City's purchasing policies and procedures, staff initiated a formal Request for Qualifications (RFP) to ensure continued fair and equitable contracting of this program; and

WHEREAS, on May 15, 2015, the Human Resources Management Department, working with the Contract and Compliance Department, initiated a formal RFQ, soliciting proposals from qualified firms for employee benefits broker and consulting services; and

WHEREAS, the RFQ was advertised in the Oakland Tribune, San Francisco Chronicle as well as the City of Oakland's website, submission deadline was July 2, 2015, and the City received

three proposals to the RFQ, which were from Keenan & Associates, Alliant Insurance Services and AON Consulting; and

WHEREAS, Keenan & Associates was found to be the most qualified and most responsive vendor to the RFQ; and

WHEREAS, Keenan & Associates will act as the City’s Broker of Record as it relates to Employee Benefits Programs; and

WHEREAS, under the proposed agreement, Keenan & Associates will provide necessary program services including, 1) Broker Services: Benefit Plans Administration and Renewal; 2) Benefit Plan Design Services; 3) Analysis and Reporting Services; 4) Employee Engagement and Benefits Communications; and 5) Miscellaneous Other Services; and

WHEREAS, Miscellaneous Other Services includes, but is not limited to, provision of: 1) an employee engagement platform that will serve as a decision making tool for employees; 2) a benefits management portal that will enable more efficient and accurate administration of benefits, allow employees to view their benefit enrollments online and enable employee to “self-serve” their benefit profile during open enrollment and other qualifying periods; 3) a proprietary wellness program that would extend considerable support resources to the City as it turns its focus on employee wellness and employee engagement; and 4) partnering with the City on implementation of an Affordable Care Act (ACA) Management Platform to ensure the City is able to comply with the employer mandates imposed by the ACA.

WHEREAS, the services listed above would be provided at no direct cost to the City and Keenan & Associates would receive compensation in the form of commission paid by the benefits providers; and

WHEREAS, commissions received from benefit providers will not exceed amounts indicated in the table below:

	Base Fee	Tech/ Engagement	ACA Management Platform	Wellness	Total NTE Commission Per year
Sept 1, 2015-Aug 31, 2016	\$47,500	\$54,400	\$50,000	\$0	\$151,900
Sept 1, 2016-Aug 31, 2017	\$47,500	\$85,680	\$26,000	\$10,000	\$169,180
Sept 1, 2017-Aug 31, 2018	\$52,500	\$89,964	\$26,000	\$12,500	\$180,964
Sept 1, 2018-Aug 31, 2019	\$57,500	\$94,462	\$26,000	\$12,500	\$190,462
Sept 1, 2019-Aug 31, 2020	\$62,500	\$99,185	\$26,000	\$12,500	\$200,185
Total (Sept 1, 2015-Aug 31, 2020)	\$267,500	\$423,691	\$154,000	\$47,500	\$892,691

WHEREAS, if commissions collected in any given year by Keenan & Associates exceed the Not To Exceed amount for the Contract Year in question, Keenan & Associates will remit the overpayment back to the City within 30 days of identifying the overpayment; and

WHEREAS, if commissions collected in any given year by Keenan & Associates is below the Not To Exceed amount for the Contract Year in question and are insufficient to compensate Keenan & Associates for actual services rendered, the City will remit payment back to the Keenan & Associates up to the Not to Exceed Amount within 30 days of receipt of a valid invoice verifying the outstanding amount due; and

WHEREAS, the City wishes to engage services with Keenan & Associates effective September 1, 2015, in advance of the 2015 Benefits Open Enrollment season; and

WHEREAS, the City Council finds that the services are professional, scientific or technical and awarding this agreement will not result in the loss of salary or employment by any person having permanent status in the competitive service; now, therefore, be it

RESOLVED: that the recitals set forth above are true and correct, and the City Council so finds and determines; and be it

FURTHER RESOLVED: that the City Administrator is hereby authorized Negotiate and Execute An Agreement With Keenan & Associates For The Provision Of Employee Benefits Broker and Consultation Services in an amount not to exceed \$502,044 for Contract Years 2015-16 through 2017-18, and with acceptable performance and with Council authorization, options to extend the agreement for two additional one-year terms for a total not to exceed amount of \$390,647 for Contract Years 2018-19 and 2019-20, resulting in a Total Not To Exceed Amount of \$ 892,691; and be it

FURTHER RESOLVED: that except as to actions that must be approved by the City Council of the City of Oakland, the City Administrator is hereby authorized to act or delegate authority to act, in all matters relating to the City of Oakland employee benefits programs and plans as it relates to marketing, modifying and securing/renewing plan and service agreements, including signing authority for existing employee benefits programs in conformance with approved labor MOUs and agreements; and be it

FURTHER RESOLVED: that this Resolution shall take effect immediately upon its passage.

OCT 06 2015

IN COUNCIL, OAKLAND, CALIFORNIA, _____

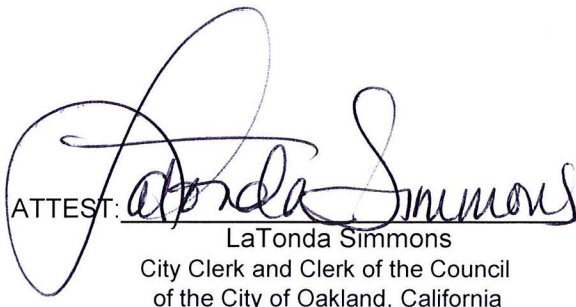
PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON McELHANEY - 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST: 
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California