



CITY OF LONG BEACH

DEPARTMENT OF HUMAN RESOURCES

C-12

333 West Ocean Boulevard 13th Floor • Long Beach, CA 90802

October 24, 2006

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute an Agreement with Alliant Insurance Services, Inc., in the amount of \$310,000 to provide employee healthcare benefits program consulting and actuarial services for a period of one year and authorize the City Manager to execute amendments to extend the term for up to two separate, consecutive one-year periods. (Citywide)

DISCUSSION

On September 19, 2006, the City Council authorized the renewal of the City's healthcare-related programs including group health plans for HMO, dental, life insurance, long- and short-term disability, long-term care, and in-hospital indemnity programs and the month-to-month renewal of the PPO and POS plans. These actions provide healthcare coverage to over 6,200 active City employees and retirees.

City Council action is requested to authorize an agreement in the amount of \$310,000 with Alliant Insurance Services (Alliant), formerly Driver Alliant Insurance Services. This agreement includes a base fee of \$250,000 to provide standard consulting services related to the City's budgeted \$54 million employee healthcare program, such as health insurance strategic plan design, administration and compliance, evaluation, communications, and actuarial services. Also included in the proposed agreement is up to \$60,000 for any City-requested special studies, audits, or reviews above and beyond the services noted above. Alliant participated and was selected as part of the City's competitive RFP process. As California's largest public agency consultant serving over 300 public entities, and as consultant for the City's Employee Health Benefits Optimization Review, Alliant is uniquely qualified to serve the City's employee healthcare insurance and actuarial consulting needs.

As the comprehensive optimization review of the City's employee healthcare program continues to progress, Alliant will play an important role in assisting the City with the selection of the group health plan providers. If there is a change in the plan provider(s) resulting from the review, Alliant will then work closely with City staff to ensure a seamless transition.

This matter was reviewed by Senior Deputy City Attorney Donna Gwin and Budget Management Officer David Wodynski on October 18, 2006.

TIMING CONSIDERATIONS

City Council action is requested on October 24, 2006, as the proposed agreement will enable Alliant to begin consulting on the City's healthcare-related programs on or around November 1, 2006.

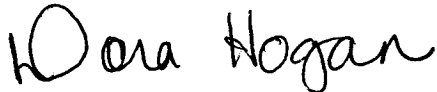
FISCAL IMPACT

The total amount of the agreement is \$310,000 and is budgeted in the Employee Benefits Fund (IS 391) in the Department of Financial Management Citywide, Activities (XC).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



for

KEVIN BOYLAN, DIRECTOR
DEPARTMENT OF HUMAN RESOURCES

APPROVED:



GERALD R. MILLER
CITY MANAGER