



Legislation Text

File #: 16-0384, **Version:** 1

Recommendation to authorize City Manager to execute a Third Amendment to Contract No. 33328 with Alliant Insurance Services, Inc., of Newport Beach, CA, for healthcare consulting and actuarial services to extend the contract term to October 31, 2017, and also increase the annual contract amount to \$325,000, for a total amount not to exceed \$1,120,000 for the four-year contract term. (Citywide)

City Council approval is requested to authorize the City Manager to execute an amendment to the current contract with Alliant Insurance Services, Inc. (Alliant), to provide healthcare consulting, a dependent verification assessment, and actuarial services for the City and to extend the contract one additional year.

On June 4, 2013, the City Council awarded a contract to Alliant for healthcare consulting and actuarial services, in the amount of \$235,000 for a period of one year from November 1, 2013 through October 31, 2014, with the option to renew for two additional one-year periods through October 31, 2016 without increasing the initial contract amount. Alliant is currently providing consulting services under the second amendment of the contract for the term ending October 31, 2016. The requested increase of \$325,000 per year for the second through fourth years of the contract will allow the City to utilize Alliant as a resource in securing compliance-related services (i.e. ACA employer reporting, HIPAA Privacy, and dependent eligibility verification). The increase in contract costs reflect the additional services that Alliant will be providing in order to improve efficiencies and contain the rapid growth in health insurance costs. Alliant has not increased their basic service fees since 2013.

The proposed amendment will provide adequate time for the Human Resources Department to complete a formal procurement process. To ensure continuity of the healthcare consulting and actuarial services until a new contract is in place, it is requested that the current contract be extended to reflect an expiration date of October 31, 2017. The Human Resources Department anticipates the new contract award being presented to the City Council in September 2017.

This matter was reviewed by Principal City Attorney Gary J. Anderson on April 14, 2016 and by Budget Management Officer Victoria Bell on April 15, 2016.

City Council action is requested on May 3, 2016, so healthcare consulting and actuarial services can continue without interruption.

The annual contract cost of \$325,000 is budgeted in the Employee Benefits Fund (IS 391) in the Citywide Activities Department (XC). The contract cost is allocated to all funds and

departments based on employee payroll expense. There is no local job impact associated with this recommendation.

Approve recommendation.

ALEJANDRINA R. BASQUEZ, DIRECTOR
DEPARTMENT OF HUMAN RESOURCES

APPROVED:

PATRICK H. WEST
CITY MANAGER