



City Contract Routing Form

City Contract #: 9763-2

Section 1 – Attach Contract Documents



(multiple files can be uploaded)

Is an insurance certificate attached?

☒ Yes☐ No/Not applicable

Comments: _____

Section 2 – Fill Out Contract Details

Date: 12/14/23 Department: Human Resources Division: Human Resources Mail Stop: 3NHRProject Administrator Name: Nicole Bruce Extension: 2124

Project Manager Name (if different than above): _____ Extension: _____

Contract Type: Consulting Services If other, please indicate: _____Contract Title: Gallagher Professional Services Amendment 2Contractor/Consultant Business Name: Arthur J. Gallagher & Co.Contract Description: Healthcare BrokerProject ID #: _____ Project Category: _____ Budget/Account #: 511.32006.00410.51737Council Approval Date: 10/5/21 Agenda Memo #: 21/151 RFP/IFB/RFQ #: 10733-2 Procurement Category: _____☐ New Contract

Total Amount: _____

Start Date: _____ End Date: _____

Renewal Option (Y/N): _____ If yes, how many? _____

☒ Amendment/Renewal/Change Order #: 2 Original CC #: 9763New Start Date: 1/1/2024 New End Date: 9/30/2025Current Contract Amount (including all previous amendments/change orders): \$360,000Amount of this Amendment/Change Order (proposed increase/decrease): 0New/Cumulative Contract Amount: \$360,000

Section 3 – Route Contract for Signatures and Approvals

☒ Department Director: Cathryn Laird Date: 12/14/2023 Comments: _____
DocuSigned by: 7C0092BCC9C549B...
☐ TIS Director: _____ Date: _____ Comments: _____

☒ City Attorney: Daniel Benny Date: 12/15/2023 Comments: _____
DocuSigned by: DDAD3355F1F2425...
☒ Risk Manager: Kelley Cochran Date: 12/15/2023 Comments: _____
DocuSigned by: 581CDD1AF985491...
☒ Mayor or Designee: Kelley Cochran (Mayor Designee) Date: 12/15/2023 Comments: _____
DocuSigned by: 5D9FC672714C4E4...
☒ City Clerk's Office: Cheryl Xanthos Date: 12/15/2023 Comments: Electronic Original - in Hummingbird
DocuSigned by: E725E389B18E4E1...
☒ Purchasing: no signature required – for copy only



Amendment No. <u>2</u>		Organization and Address Arthur J. Gallagher & Co. 777 108th AVE NE, Ste 200 Bellevue, WA 98004	
Original Agreement Number 9763		Phone:	
Project Number NA	Execution Date 1/1/2024	Completion Date 9/30/2025	
Project Title Healthcare Broker		New Maximum Amount Payable \$ 360,000 for two years	
Description of Work Removing COBRA Administration from the Scope of Work and Payment Schedule as we are moving these services to a new vendor.			

The Local Agency of City of Redmond

desires to amend the agreement entered into with Arthur J. Gallagher & Co.

and executed on 10/1/2021 and identified as Agreement No. 9763

All provisions in the basic agreement remain in effect except as expressly modified by this amendment.

The changes to the agreement are described as follows:

I

Exhibit A, SCOPE OF WORK, is hereby changed to read:

Only Change to the "Provide Administrative Services" section. All other sections have no change.

Provide Administrative Services

- Single billing services
- ~~COBRA Administration Services~~

II

Exhibit B, PAYMENT SCHEDULE, shall be amended as follows:

Based on Scope of Services outlined in Exhibit A we propose a monthly fee of \$9,004.50 per month. Gallagher will guarantee the fee for the initial two-year agreement and two optional two-year renewal terms for a maximum total term of six years.

For Billing and COBRA administration services, Gallagher proposes continuation of the following fee schedule and will guarantee fees for full six-year agreement.

- Single Billing Services \$6.25 PEPM fee, or \$3 PEPM while Premiera is the TPA, beginning 1/1/2024
- ~~COBRA administration \$1.00 PEPM fee, or through Flex at \$.90 PEPM~~
- ~~COBRA renewal fee \$40 per line of COBRA eligible coverage (billed at renewal), no longer applicable 1/1/2024 through Flex.~~
- ~~COBRA general notice fee \$4 per notification~~

III

Exhibit C, OPTION FOR NEWWEWAL, shall be amended as follows:

No Changes to previous option for renweal.

IV

Exhibi D MODIFICATIONS, shall be amended as follows:

No changes to previous modifications.

as set forth in the attached Exhibits, and by this reference made a part of this amendment.

If you concur with this amendment and agree to the changes as stated above, please sign in the appropriate spaces below and return to this office for final action.

By: Kevin Cipoletti

DocuSigned by:
Kevin Cipoletti

A9039B0193B14BA...

Consultant Signature

By: Kelley Cochran (Mayor Designee)

DocuSigned by:
Kelley Cochran (Mayor Designee)

3D9FC672714C4E4...

Approving Authority Signature

12/15/2023

Date

Exhibit A - Scope of Work

Benefit Strategy & Consulting

- Provide insurance brokerage and advisory services associated with self-insured, employee benefit plans. This includes, but is not limited to, negotiating with insurance providers, analyzing options, and making recommendations
- Contribute to the development of objectives and initiatives through strategic planning
- Advise the City regarding plan design issues, plan management, wellness, potential cost savings, and reducing health plan expenditures while retaining a competitive benefits program

Actuarial Analysis & Reporting

- Conduct annual underwriting analysis of Medical, Dental and Vision financial experience, claims experience, and future funding requirements and provide oversight of the following:
 - Data collection
 - Analysis of data and validation of trends
 - Projection of expenses for the next fiscal year
 - Recommendations regarding funding reserves
 - Determination of funding rates and COBRA rates for the following plan year
 - Calculation of prospective employee and employer contributions
 - Assist with annual report to Office of Financial Management
 - Includes actuarial review and sign-off of underwriting analysis
- Competitively market stop loss annually or other lines of coverage, as needed

Compliance & Regulatory Consulting

- Communicate information regarding changes in statutes, rules and regulations regarding our responsibility under federal and state laws, the Affordable Care Act (ACA), the management of benefits and the self-funded plan to the Mayor, an executive team, labor representatives, EBAC, employees and elected officials
- Provide legislative updates, including Technical Bulletins and Directions newsletters
- Review benefit plan documents, including summary plan descriptions, contracts, employee summaries, and policies/procedures
- Conduct periodic seminars on regulatory issues

Account Management

- Manage plan changes with vendors as necessary
- Provide leadership and management of carrier relationships
- Review, coordinate and implement Client agreed upon plan "best practices" to help limit plan liability and increase participant satisfaction
- Help identify opportunities for streamlining and improving administration procedures

Employee Education, Communications & Advocacy



- Provide custom open enrollment and new employee orientation benefit planners and/or bulletins and other communications pertaining to the health and welfare program
- Facilitate open enrollment with in-person meetings, benefits fair(s), webcasts (recorded or live)
- Build custom online self-service employee benefits portal
- Support HR, employees, and family members with employee advocacy
- Provide quarterly call log reporting of benefit advocacy center activity
- Assist with participant wellness initiatives, as directed by Client
- Provide monthly employee education flyer for distribution to employees

Employee Benefits Advisory Committee (EBAC)

- Meet with City representative and the Employee Benefits Advisory Committee (EBAC) monthly to communicate with employees and educate regarding statutory and/or legal requirements and the financial status of the program
- Collaboratively participate in agenda setting

Provide Administrative Services

- Single billing services

Exhibit B - Payment Schedule

Based on Scope of Services outlined in Exhibit A we propose a monthly fee of \$9,004.50 per month. Gallagher will guarantee the fee for the initial two-year agreement and two optional two-year renewal terms for a maximum total term of six years.

For Billing and COBRA administration services, Gallagher proposes continuation of the following fee schedule and will guarantee fees for full six-year agreement.

- Single Billing Services \$6.25 PEPM fee, or \$3 PEPM while Premera is the TPA beginning 1/1/2024



Exhibit C - Option for Renewal

The City reserves the right to renew this contract for one (1) additional two-year renewal terms, for a potential maximum total term of six (6) years, upon serving notice to Consultant within thirty (30) calendar days prior to expiration. If a renewal provision is exercised, all terms and conditions of original contract shall remain in full force and effect. A renewal will be accomplished through a separate contract with reference to the original contract. Acceptance of a renewal offer will be by mutual agreement of both parties. The Mayor or designee is authorized to exercise this renewal option.

Should the City exercise a renewal option, the City and Consultant may discuss any necessary changes to services and will confirm price/rates prior to each renewal. The Consultant has agreed to guarantee the fees for the initial two-year agreement and two optional two-year renewal terms for a maximum total term of six years for the scope of work outlined in Exhibit A. Any changes to the scope of work may result in price/rates and acceptance of such a request will be at the sole discretion of the City.



Exhibit D - Modifications

Consulting Services Agreement

Page 4, Section 6 'Ownership of Work Product' which reads "Any and all documents, drawings, reports, and other work product produced by the CONSULTANT under this agreement shall become the property of the CITY upon payment of the CONSULTANT'S fees and charges therefore. The CITY shall have the complete right to use and re-use such work product in any manner deemed appropriate by the CITY, provided, that use on any project other than that for which the work product is prepared shall be at the CITY'S risk unless such use is agreed to by the CONSULTANT" is amended read: **"Gallagher will retain sole and exclusive ownership of all right, title and interest in and to its intellectual property and derivatives thereof which no data or confidential information of City was used to create and which was developed entirely using Gallagher's own resources. To the extent Gallagher's intellectual property is necessary for City to use the services provided, Gallagher will grant to City a non-exclusive, royalty-free license to Gallagher's intellectual property solely for City's use of such services."**

Page 5, Section 9 'Insurance,' which reads "Excepting the professional liability insurance, the City will be named on all insurance as additional insured" is amended to read: **"Gallagher will name the City as primary non-contributory additional insured on its Commercial General Liability Policy (not Worker's Compensation and Employer's Liability) and it will be via Certificate of Insurance, not an endorsement."**

Page 5, Section 9 'Insurance' - Insurance amounts for both general public liability & property damage, and professional liability insurance shall be increased from \$2,000,000 each to **\$5,000,000** each.

Page 5, Section 9 'Insurance,' which reads "No cancellation, reduction or modification of the foregoing policies shall be effective without thirty (30) days prior written notice to the City" is amended to read: **"Gallagher's insurers are not required to provide advance notice of cancellation/non-renewal via the terms of the policies. Therefore, Gallagher will not provide 30 days prior notice to its clients of changes in policy. Rather, any cancelled or non-renewed policy will be replaced with no coverage gap and a current Certificate of Insurance will be provided to the City."**

Redmond Business Associate Agreement

Page 2, Section 2.4(b) 'Reporting Non-Permitted Use, Disclosure, or Breach.' - The agreement will constitute notice of unsuccessful security incident.

Page 2, Section 2.4(c) 'Reporting Non-Permitted Use, Disclosure, or Breach' - The term "potential breach" in this section, which reads "Business Associate shall report to Covered Entity a Breach or potential Breach of Unsecured PHI without unreasonable delay..." shall be removed.

Page 6, Section 6.4 'Insurance' incorporates the following changes:

- Gallagher can only agree to name the City as primary non-contributory additional insured on its Commercial General Liability policy.
- Gallagher will not provide clients with copies of actual policies. It will evidence via Certificates of Insurance.



- Gallagher's insures are not required to provide advance notice of cancellation/non-renewal via the terms of the policies, so Gallagher cannot agree to provide two (2) days prior notice to its clients. Rather, any cancelled or non-renewed policy will be replaced with no coverage gap and a current Certificate of Insurance will be provided to the City.



RECEIVED

JUL 26 2023

HR City of Redmond

MDG2023 00061780 01



City of Redmond
15670 NE 85th Street
Redmond, WA 98052



We are providing you with a Certificate of Insurance confirming our client's coverage.

Want to get certificates of insurance faster? "Go Green with Gallagher" by receiving digital copies of certificates via e-mail in the future. Or, do you no longer require a certificate of insurance for our client? Please contact us at COI.UpdateMyEmail@AJG.com and provide the following information for processing:

1. Confirmation that a certificate of insurance is no longer required; or
2. E-mail address to send future certificates of insurance in lieu of U.S. Mail delivery
3. Insured Code: CORPOFT-01
4. This Certificate Number: 522100993

To learn more about the Insurance and Risk Management Services offered by Gallagher, please visit us at www.ajg.com/us/about-us/how-we-work/core-360.

Gallagher does not share your e-mail as detailed in our privacy policy found at <https://www.ajg.com/us/privacy-policy/>.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/5/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Arthur J. Gallagher Risk Management Services, LLC 777 108th Ave NE #200 Bellevue WA 98004	CONTACT NAME: Ahlai Narcisse PHONE (A/C, No, Ext): FAX (A/C, No): 425-586-1028 E-MAIL ADDRESS: Ahlai_Narcisse@ajg.com
INSURER(S) AFFORDING COVERAGE	
INSURER A: Underwriters at Lloyd's London	
INSURER B: Old Republic Union Insurance Company	
INSURER C: Zurich American Insurance Company	
INSURER D:	
INSURER E:	
INSURER F:	

COVERAGES **CERTIFICATE NUMBER: 522100993** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR ☒ Liquor Liability GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC OTHER:	Y		BP1023023	7/1/2023	7/1/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ Nil PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 1,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000 \$
A	AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS NON-OWNED AUTOS ONLY ☒ HIRED AUTOS ONLY			BP1023023	7/1/2023	7/1/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	☐ UMBRELLA LIAB ☒ OCCUR ☒ EXCESS LIAB ☐ CLAIMS-MADE DED RETENTION \$			8223000785428	7/1/2023	7/1/2024	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	EWS8741411-02	7/1/2023	7/1/2024	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Limits shown are inclusive of defense and insured retention. Coverage for Additional Insureds is restricted to the amount of insurance required by contract or permit. Retention under policy #BP1023023 (A XV, Non-Admitted) is \$500,000 for Liability. The applicable location maintenance deductible that applies to this Certificate is \$0 for Liability.
 City of Redmond, including its officers, officials, employees, and volunteers are included as Additional Assured as required by contract, agreement, or permit.

CERTIFICATE HOLDER

City of Redmond
 15670 NE 85th Street
 Redmond WA 98052

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED ASSURED: Corporation of Catholic Archbishop of Seattle

Policy Number: BP1023023

Effective Date: July, 01 2023

Endorsement No. 14

CERTIFICATES OF INSURANCE ENDORSEMENT



CERTIFICATES OF INSURANCE:

It is hereby understood and agreed that holders of Certificates of Insurance issued against this Policy that are shown as Additional **ASSUREDS** are added to this Policy pursuant to the terms of this Policy as described in **GENERAL POLICY DEFINITION 1**.

Where Certificates of Insurance are requested for Additional **ASSUREDS** who do not fall within **GENERAL POLICY DEFINITION 1**, prior agreement of Underwriters and subsequent endorsement of this Policy is required

GENERAL POLICY DEFINITION 1. ASSURED is stated as follows -

1. **ASSURED** means not only the **NAMED ASSURED** as stated on the Declaration Page, but also includes any past, present or future: agencies, subsidiaries, affiliates, institutions and societies owned by or operated by the **NAMED ASSURED**, officials, members of boards or commissions, trustees, directors, officers, partners, volunteers, student teachers, or employees of the **NAMED ASSURED** while acting within the scope of their duties as such, and any person, organization, trustee or estate to whom the **NAMED ASSURED** is obligated by virtue of a written contract or agreement to provide insurance such as is offered by this policy, but only in respect of operations by or on behalf of the **NAMED ASSURED**.

GENERAL POLICY CONDITION 20. WAIVER OF SUBROGATION is stated as follows -

20. **WAIVER OF SUBROGATION:** This policy shall not be invalidated if the **ASSURED**, by written agreement, has waived or shall waive its right of recovery from any party for loss or damage covered hereunder; provided that any such waiver is made prior to the occurrence of said loss or damage.

MORTGAGORS, LOSS PAYEES & LENDER LOSS PAYEES:

It is understood and agreed that **GENERAL POLICY CONDITION 12** of this policy is deleted and replaced with the following:

12. **MORTGAGORS, CREDITORS & LOSS PAYEES:** Where required by written contract, the interest of any mortgagor, creditor or loss payee on property covered by this policy is included as if a separate endorsement were attached hereto to the extent of the amount Except as amended in this Endorsement, this insurance is subject to all coverage terms, clauses and conditions in the policy to which this Endorsement is attached.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED ASSURED: Corporation of Catholic Archbishop of Seattle

Policy Number: BP1023023

Effective Date: July 01, 2023

of mortgage, loan or interest in property held by the **ASSURED** as of the date of loss subject to the limits of liability set forth in this policy.

PRIMARY NON-CONTRIBUTORY:

It is also agreed that, only where required by written contract between the **NAMED ASSURED** and the Certificate holder, this insurance shall be considered primary to any insurance held by the Certificate holder and theirs shall be excess.

MUNICIPALITY PERMITS:

Further, where required by written contract or evidenced in the insurance requirements of a permit issued by a municipality at the request of the **NAMED ASSURED**, that municipality shall be added to this policy as an Additional **ASSURED** but only as respects liabilities arising out of the subject matter of the written contract or issued permit and then only for liabilities arising from actions by or on behalf of the **NAMED ASSURED**.

Except as amended in this Endorsement, this insurance is subject to all coverage terms, clauses and conditions in the policy to which this Endorsement is attached.