



Memorandum

**Date:** 10/5/2021  
**Meeting of:** City Council

**File No.** AM No. 21-151  
**Type:** Consent Item

**TO:** Members of the City Council  
**FROM:** Mayor Angela Birney  
**DEPARTMENT DIRECTOR CONTACT(S):**

Human Resources	Cathryn Laird	425-556-2125
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**DEPARTMENT STAFF:**

Human Resources	Nicole Bruce	Sr HR Analyst/Benefits Administrator
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**TITLE:**

Approval of a Consultant Agreement with Arthur J. Gallagher & Co. for Healthcare Broker Services in the Amount of \$110,000 Per Year

**OVERVIEW STATEMENT:**

The City of Redmond provides a comprehensive benefits program to our employees. Our Healthcare Broker is an integral part of offering these benefits. The Healthcare Broker assists with benefits strategy and actuarial analysis, plan compliance, negotiation of rates and plan changes with benefit vendors, benefit education communication tools, eligibility management, and COBRA administration.

**Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

**Receive Information**       **Provide Direction**       **Approve**

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**  
N/A
- **Required:**  
Council must approve any contracts \$50,000 and over.
- **Council Request:**  
N/A
- **Other Key Facts:**  
N/A

**OUTCOMES:**

Approval of a broker contract will allow Human Resources staff to continue to partner with our broker to ensure the City has a competitive benefits package for employees that is compliant, cost effective and sustainable for employees and their families.

**COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:**

- **Timeline (previous or planned):**  
N/A
- **Outreach Methods and Results:**  
N/A
- **Feedback Summary:**  
N/A

**BUDGET IMPACT:**

**Total Cost:**

The broker contract is anticipated to cost \$110,000 per year. The contract is for two years with the ability to have two additional two-year renewals at the same cost per year for all six years.

**Approved in current biennial budget:**       Yes       No       N/A

**Budget Offer Number:**

N/A

**Budget Priority:**

Responsible Government

**Other budget impacts or additional costs:**       Yes       No       N/A

***If yes, explain:***

N/A

**Funding source(s):**

Medical Self Insurance Fund (511)

**Budget/Funding Constraints:**

N/A

**Additional budget details attached**

**COUNCIL REVIEW:**

**Previous Contact(s)**

Date	Meeting	Requested Action
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9/28/2021	Committee of the Whole - Finance, Administration, and Communications	Provide Direction
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**Proposed Upcoming Contact(s)**

Date	Meeting	Requested Action
N/A	None proposed at this time	N/A

**Time Constraints:**

The current broker contract will expire at the end of September 30, 2021 and we will want the new contract to go into effect October 1, 2021.

**ANTICIPATED RESULT IF NOT APPROVED:**

We will not have a contract with a benefits broker who can assist us with benefit renewals and vendor negotiation for the 2022 plan year.

**ATTACHMENTS:**

Attachment A: General Services Agreement

Exhibit A: Scope of Work

Exhibit B: Work Schedule

Exhibit C: Payment Schedule

Exhibit D: Modifications