

**CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATIONS**

CC: _____
Amend No. _____

Date Prepared: May 5, 2010

Council Meeting Date: June 1, 2010

TO: Carl Swenson, City Manager
FROM: Wynette Reed, Human Resources Director
SUBJECT: Award One Year Term Contract with Four (4) One-Year Extensions to Hays Companies for Benefits Consultant Services (#P10-0060), effective July 1, 2010

RECOMMENDATION:

Discussion and possible action that the Mayor and Council approve and authorize the City of Peoria to enter into an agreement with Hays Companies for Benefits Consultant Services (#P10-0060) with an annual fee of \$52,000 per the scope of work.

SUMMARY:

The City has used the Segal Company for benefits consulting over the past several years. In lieu of renewing again for the final year under the current contract with Segal, the City chose to re-bid the benefits consulting services. The current scope of services was developed in 2006. The Segal contract was not all-inclusive as we were charged for additional services of drafting, evaluating, issuing and reviewing Requests for Proposal (RFPs). Most recently in 2009, we were charged an additional \$25,000 for the self-funded medical RFP. This along with the complex changes coming with HealthCare Reform and the City going self-insured on January 1, 2010, we felt the need to release a revised RFP that expanded the scope of services for benefits consulting.

The City received six responses to the RFP with the Segal Company electing not to respond. The responses were reviewed by committee members Bobbie Kimelton, Human Resources Manager, Kent Meredith, Finance Manager and Nancy Fantasia, Benefits Administrator. The committee unanimously selected the Hays Companies. The Hays Companies provided a competitive proposal to include:

- Strategic consulting/multi-year strategy development
- Claims management/cost control
- Bid and renewal process of various vendors/RFPs

CITY CLERK USE ONLY:

- Consent Agenda
 Carry Over to Date: _____
 Approved
 Unfinished Business (Date heard previous: _____)
 New Business
 Public Hearing: No Action Taken

ORD. # _____ RES. # _____
LCON# _____ LIC. # _____
Action Date:

- Plan compliance
- Employee communication
- Annual routine services
- Legal support/contract negotiations
- Health Plan Intelligence Reports
- Wellness initiative
- Actuarial reports/feasibility studies
- Quarterly reports
- Consulting in support of the Employee Benefits Trust Board Trustees

Hays Companies operates a full-service, regional office in Phoenix, staffed with a team of professional benefits consultant's with skills in self-funded health plans, employee communication strategy, disease management design and implementation, and government compliance. In addition, Hays Companies provides a Health Strategies team that will assist in spearheading the Wellness Initiative here at the City of Peoria.

The Employee Benefits Trust Board was provided an opportunity to meet with the Hays Consulting Team and support the award of the contract.

FISCAL NOTE: This contract was budgeted in FY2011 and will be paid from the Human Resources Department - Other Professional Services account 1000-0070-520099.

ATTACHMENTS: Hays Companies (#P10-0060)

CONTACT: Bobbie Kimelton, Human Resources Manager, 623.773.7624
Nancy Fantasia, Benefits Administrator, 623.773.7554

The contract pertaining
to this agenda item
is on file
in the
City Clerk's Office.