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# CITY OF POMONA COUNCIL REPORT

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March 17, 2025

To: Honorable Mayor and Members of the City Council

From: Anita D. Scott, City Manager

Submitted By: René Anderson, Human Resources/Risk Management Director

**SUBJECT: AWARD OF CONTRACT TO USI INSURANCE SERVICES TO PROVIDE EMPLOYEE BENEFITS INSURANCE BROKERAGE SERVICES**

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## **RECOMMENDATION:**

It is recommended that the City Council take the following actions:

- 1) Award a three-year contract with two (2), one-year extension options to USI Insurance Services to provide employee benefits insurance brokerage services;
- 2) Authorize the City Manager to execute an agreement with USI Insurance Services on behalf of the City, and any subsequent extensions or amendments, subject to approval as to form by the City Attorney; and
- 3) Authorize the City Manager, or designee, to execute agreements with insurance and benefit providers for benefits obtained through USI Insurance Services.

## **EXECUTIVE SUMMARY:**

Contracting with a Benefits Broker ensures the City has a variety of insurance providers to choose from, at the lowest cost and highest levels of service possible. Approval of this item will authorize the City Manager to enter into a contract with USI Insurance Services (USI) to act as the City's broker for procuring various employee insurance benefits such as Dental, Vision, Life insurance, Short and Long-Term Disability, and other ancillary benefits.

## **SB1439/GOVERNMENT CODE §84308 APPLICABILITY:**

When this box is checked, it indicates the agenda item is subject to the Levine Act SB1439 requirements. Councilmembers are reminded to check their campaign contributions and determine whether they have received a campaign contribution of \$500 or more that would require disclosure and/or recusal from discussing or acting on this agenda item. Campaign contributions of \$500 or more made 1) by any person or entity who is identified in the agenda report as the applicant or

proposer or 2) on behalf of the applicant or participant, including a parent, subsidiary or otherwise related business entity, or 3) by any person who has a financial interest in the agenda item requires a councilmember to comply with SB1439.

**FISCAL IMPACT:** There is sufficient funding in the adopted Fiscal Year 2024-25 Human Resources Operating Budget. The annual cost for a benefits broker is increasing from \$35,000 to \$42,000. The cost difference/increase of \$7,000 will be paid from the Department’s Controllable Contract Services budget (101-0701-52285). Funding for future years will be included in each respective annual budget requests.

**PREVIOUS RELATED ACTION:**

On October 7, 2019, the City Council awarded a contract to USI Insurance Services for benefits brokerage services at an annual cost of \$35,000. USI maintained their annual fee at \$35,000 for the duration of the contract and extensions (total of five years).

**DISCUSSION:**

The Benefits Broker provides the City with professional brokerage services for employee benefit programs. They provide an annual review and report of employee benefit programs for quality and adequacy of benefits, cost effectiveness, competitiveness, and plan administration. Additionally, they provide staff with legal compliance information, updates, and training to ensure the benefit plans comply with federal and state laws and regulations. In consultation with the Human Resources Department, the Broker designs competitive and cost-effective benefit plans for eligible employees. The Broker also assists the City with the annual Open Enrollment process and implementation of new plans and provides communication materials such as brochures, booklets, and benefit summaries designed to increase employee awareness. With this new contract, the Benefits Broker will also provide assistance and guidance in exploring online enrollments for benefits, including establishing integration with the benefit plans under the City’s ERP project implementing the new Human Resources Information System (HRIS), Workday.

The current contract expired on December 31, 2024. Pursuant to the provisions for procurement of professional services, a Request for Proposals (RFP) for benefits brokerage services posted on PlanetBids on December 2, 2024. The solicitation notified 524 potential bidders, of which 22 downloaded the RFP. Four (4) bids were received with one (1) deemed not responsive. As a result, staff evaluated three (3) proposals. All three proposals are from qualified brokers; however, USI ranked highest on experience, overall project approach, and qualifications.

<b>Rank</b>	<b>Firm</b>	<b>Total Score</b>
1	USI Insurance Services	291
2	Alliant Insurance Services, Inc	274
3	Keenan & Associates	262.22

In summary, USI has successfully performed the said services for the City for over 16 years with success. The City participates in the USI Municipality Pool with 120 other cities. The Pool provides savings and leverage for rate stability. Based on the evaluation performed, it is recommended City Council authorize the City Manager to execute the attached agreement (Attachment No. 1).

**Prepared by:**

Chris Munoz, Human Resources Manager

Attachment:

Attachment No. 1 – Agreement with USI Insurance Services