



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

16

2. Council Meeting Date:
December 10, 2015

TO: MAYOR AND COUNCIL

3. Date Prepared: November 20, 2015

THROUGH: CITY MANAGER

4. Requesting Department: Human Resources

5. SUBJECT: Employee Benefits Consulting and Actuary Services

6. RECOMMENDATION: Staff recommends City Council approve Amendment No. 1 to Agreement No. HR5-918-3461 with The Segal Co., Inc., for employee benefits consulting and actuary services for the term of January 1, 2016, through December 31, 2016, in an amount not to exceed \$120,000.

7. HISTORICAL BACKGROUND/DISCUSSION: The City has historically utilized the services of a benefits consultant to assist with administrative provider management of all group and voluntary insurance plans including health and pharmacy, dental, vision, flexible spending and employee assistance. The consultant assists the City in defining and continuously validating long-term benefit strategies that align its needs with those of the plan participants. The consultant is involved in claims and utilization analysis, plan performance reviews, compliance adherence, competitive solicitation processes and negotiations. Additionally, the consultant advises staff of legislation that impacts the City's benefits programs and works with the healthcare taskforce to review plan design strategies to reduce healthcare costs.

The term of the agreement is January 1, 2016, through December 31, 2016. This is the first extension of the agreement.

8. EVALUATION PROCESS: On November 20, 2014, City Council approved an agreement with The Segal Co., Inc., for employee benefits consulting and actuary services for a one-year term with the option to extend for up to four additional one-year terms. The Segal Co., Inc., has agreed to this first one-year extension at the same terms, conditions and pricing.

The term of the agreement is January 1, 2016, through December 31, 2016. This is the first extension of the agreement.

9. FINANCIAL IMPLICATIONS:

Costs: \$120,000.
Savings: N/A
Long Term Costs: N/A

Fund Source:

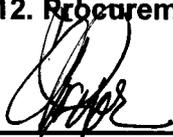
<u>Acct. No.:</u>	<u>Fund Name:</u>	<u>Program Name:</u>	<u>CIP Funded:</u>	<u>Funds:</u>
741.1290.5219	Other Professional Services	Medical Self Ins Fund	No	\$120,000

10. PROPOSED MOTION: Move to approve Amendment No. 1 to Agreement No. HR5-918-3461 with The Segal Co., Inc., for employee benefits consulting and actuary services for the term of January 1, 2016, through December 31, 2016, in an amount not to exceed \$120,000.

APPROVALS

11. Requesting Department

13. Department Head

 Lynna Soller, Benefits Program Manager	 Debra Stapleton, Human Resources Director
12. Procurement Officer  Christina Pryor, CPPB	14. Acting City Manager  Marsha Reed

AMENDMENT NUMBER ~~TWO~~ ^{ONE}
TO AGREEMENT BETWEEN THE CITY OF CHANDLER
AND
THE SEGAL COMPANY (WESTERN STATES), INC.
FOR EMPLOYEE BENEFITS CONSULTANT AND ACTUARY SERVICES
AGREEMENT NO. HR5-918-3461

This Amendment No. 1 to that certain Agreement between the City of Chandler (City) and the Segal Company (Western States), Inc. (Contractor) for employee benefits consultant and actuary services, dated April 23, 2014 and is entered into this _____ day of _____, 2015.

WHEREAS, the parties have agreed;

NOW THEREFORE, the parties agree as follows:

1. Extension of the term for a one-year period from January 1, 2016, through December 31, 2016.
2. All other terms and conditions of the above referenced Agreement shall remain unchanged and in full force and effect. All terms and conditions in the Agreement not specifically amended herein shall be incorporated by reference in its entirety and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this ____ day of _____, 2015.

CITY OF CHANDLER:

By: _____
Mayor

CONTRACTOR:

By: Amy Gliardo
Title: Vice President

APPROVED AS TO FORM:

City Attorney CH

ATTEST: (If corporation)

ATTEST:

City Clerk

Secretary

WITNESS: (If individual or Partnership)

[SEAL]