

PERSONNEL, AUDITS, AND HIRING COMMITTEE REPORT relative to proposed Second Amended and Restated Professional Services Agreements for Contract Nos. C-134110, C-134114, and C-134116 with Standard Insurance Company to extend the terms by two years.

Recommendation for Council action:

AUTHORIZE the Manager, Personnel Department to execute the Second Amended and to Restated Professional Services Agreement Nos. C-134110, C-134114, and C-134116 with Standard Insurance Company to extend the terms by two years providing seven-year terms effective January 1, 2018 through December 31, 2024, subject to the approval of the City Attorney.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that funding is provided by the Human Resources Benefit Fund, Civilian FLEX Program Account and also by participant fees. There is no additional impact to the General Fund.

Financial Policies Statement: The CAO reports that as budgeted funds are available to support the proposed Agreement and expenditures in the current year are limited to the appropriation of funds, there commendation of the June 23, 2023 CAO report, attached to the Council File, complies with the City's Financial Policies.

Community Impact Statement: None submitted.

TIME LIMIT FILE – NOVEMBER 13, 2023

(LAST DAY FOR COUNCIL ACTION – NOVEMBER 8, 2023)

Summary:

On October 3, 2023, your Committee considered a June 23, 2023 CAO report relative to proposed Second Amended and Restated Professional Services Agreements for Contract Nos. C-134110, C-134114, and C-134116 with Standard Insurance Company to extend the terms by two years. According to the CAO, the Personnel Department (Department), at the direction of the Joint Labor Management Benefits Committee (JLMBC), requests approval to execute the proposed Second Amended and Restated Professional Services Agreements (Agreements) with Standard Insurance Company (Contractor) to continue providing services for the City's Civilian Benefits Program life insurance plans including life, disability, and accidental death & dismemberment (AD&D) insurance services (Services) for eligible civilian City employees.

The original Agreements provided a three-year term effective January 1, 2018 through December 31, 2020, with an option to extend each term up to an additional two years. The First Supplemental Agreements exercised the option to extend each term an

additional two years for a revised term effective January 1, 2018 through December 31, 2022. In November 2022, the Department reported to the JLMBC that due to staffing shortages and numerous concurrent benefits-related procurement processes the Department was unable to complete a new competitive procurement process for the Services before the Agreements expired.

At the November 4, 2022 JLMBC meeting, the Department recommended, and the JLMBC approved, the extension of the Agreements by two additional years through December 31, 2024. The Department intends to complete a competitive procurement process for the Services in 2024 so that new agreements can be executed before the proposed December 31, 2024 expiration date. Approval of the proposed Agreements will extend the current term by two years resulting in a seven-year term effective January 1, 2018 through December 31, 2024. The proposed Agreements include a ratification clause to allow the Contractor to continue providing Services prior to execution of the proposed Agreements to ensure the continued provision of insurance plans for City employees. Compensation for Services is based on the agreed upon premium rates for each type of plan and the number of employees enrolled in each of the plans. The premium rates are unchanged and remain the same as under the original Agreements. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendation contained in the CAO report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Personnel, Audits, and Hiring Committee

COUNCILMEMBER	VOTE
McOSKER:	YES
PADILLA:	YES
SOTO-MARTINEZ:	YES

ARL

10/3/23

-NOT OFFICIAL UNTIL COUNCIL ACTS-