



CITY COMMISSION STAFF REPORT

DEPARTMENT: Human Resources Department

DATE: April 9, 2024

SUBJECT: Motion to approve and authorize a piggyback agreement between the City of Parkland and RSC INSURANCE BROKERAGE, INC. d/b/a GEHRING GROUP for Insurance brokerage services that will run concurrently with the City of Parkland's agreement. – **Human Resources**

CITY MANAGER RECOMMENDATION:

The City Manager recommends Commission approval and authorization of a piggyback agreement from the City of Parkland with RSC INSURANCE BROKERAGE, INC. d/b/a GEHRING GROUP, for Insurance brokerage services. This agreement will run concurrently with the City of Parkland's agreement, contingent upon the extension of the City of Parkland's agreement with the terms and conditions acceptable to the City. The City of Parkland's agreement with the Gehring Group is valid for two (2) years as of October 1, 2022, with the option for renewal for three (3) additional one-year terms through written consent.

BACKGROUND OF ITEM:

At the August 20, 2019, Commission meeting, an agreement with The Gehring Group to be the City's Agent of Record for insurance coverage was approved unanimously. To obtain the City's insurance, this agreement piggybacks the agreement between The Gehring Group and the City of Greenacres.

Since August 20, 2020, City staff and The Gehring Group have collaborated on insurance renewals and awards for medical, dental, vision, life, and disability insurance coverage, the Affordable Care Act reporting, annual federal regulation compliance, and fiscal year forecasting. City staff has been very satisfied with the services provided by The Gehring Group and wishes to continue working with The Gehring Group. However, as of May 5, 2024, the agreement with The City of Greenacres has expired, and their unsuccessful bid process prompted them to pursue an alternative agreement. Consequently, we are unable to continue piggybacking from their agreement.

Given the similarities between the City of Parkland's contract and our existing agreement, and in consideration of time and cost efficiencies, the Administration has opted to piggyback onto the City of Parkland's agreement.

The fiscal impact of the agreement with The Gehring Group on the City's budget is indirect, as their services commission is derived from secured premiums from each medical insurance

group. Extending our agreement with The Gehring Group will facilitate a smooth renewal for FY24-25.

FISCAL IMPACT:

No budget has been allocated for this expenditure in FY 2023-24. The Gehring Group receives payment through commissions from benefit providers, which are below industry standards for Medical and Dental services, set at 5% and 10%, respectively.

| Commission percentage effective | October 1, 2022 – September 30, 2024 | Commission percentage effective | October 1, 2024 – September 30, 2027 |
|---------------------------------|--------------------------------------|---------------------------------|--------------------------------------|
| Policy | Commission Percentage | Policy | Commission Percentage |
| Medical | 4.5% | Medical | 4.0% |
| Dental | 5.0% | Dental | 5.0% |
| Life & AD&D | 5.0% | Life & AD&D | 5.0% |
| Vision | 5.0% | Vision | 5.0% |
| Short-Term Disability | 5.0% | Short-Term Disability | 5.0% |
| Long-Term Disability | 5.0% | Long-Term Disability | 5.0% |

ATTACHMENTS:

1. Original Agreement between The City of Parkland and the Gehring Group. Exhibit A.
2. Gehring Group, a division of RSC Insurance Brokerage, Inc.’s Response to the City of Parkland’s RFP. Exhibit B.
3. Original Agreement between The City of Cooper City and The Gehring Group.

| Workflow History | | | |
|------------------|--------------------------|-----------------------------------|----------------------|
| User | Task | Action | Date/Time |
| Allen, Tedra | NEW ITEM: Not Yet Routed | Route to Purchasing | 03/28/24 11:37 AM |
| Dodgen, Brandon | Assigned to Purchasing | COMPLETE: Forward to City Clerk | 03/28/24 11:46 AM |
| Allen, Tedra | Assigned to City Clerk | Route to Attorney | 03/28/24 01:42 PM |
| Horowitz, Jacob | Assigned to Attorney | COMPLETE: Forward to City Manager | 03/28/24 02:09 PM |
| Eggleston, Ryan | Assigned to City Manager | COMPLETE: Forward to City Clerk | 03/28/24 03:19 PM |
| Allen, Tedra | Assigned to City Clerk | APPROVE ITEM: End Workflow | 04/01/24 05:05 PM |
| Allen, Tedra | END WORKFLOW - APPROVED | | 04/02/24 01:10 PM |