

MEMORANDUM



TO: VICTOR CARDENAS, INTERIM CITY MANAGER
FROM: TIA GRONLUND-FOX, DIRECTOR OF HUMAN RESOURCES
SUBJECT: VENDOR CONTRACT WITH GALLAGHER BENEFIT SERVICES
DATE: MARCH 2, 2023

Gallagher Benefit Services works with the City, specifically Human Resources, to provide benefit consultation in the areas of health, dental, disability and life insurance. Gallagher has been providing exceptional services to the City, and to its employees since 2007. They assist Human Resources in resolving complaints and/or disputes concerning employee medical and/or disability claims, as well as provide services with regard to the City's annual renewal for these benefits.

The City of Novi is not billed for the services Gallagher provides. Gallagher receives payment directly from the insurance carriers, based upon a percentage of premiums paid to each provider. I have confirmed, in writing, that for 2023 there are no fee increases planned.

Additionally, Gallagher has removed all commissions from the City's life and disability plans and does not receive any commission for the City's dental plan.

The most recent contract with Gallagher Benefit Services was in 2018, for a three (3) year term, with two (2) one-year extensions. This contract expires next month, April 20th.

I believe we are receiving an exceptional value from this partnership, and hereby respectfully request a one-year extension to this contract, with an expiration date of April 20, 2024.

Please do not hesitate to contact me if you have any questions.