

MEMORANDUM



TO: VICTOR CARDENAS, CITY MANAGER
CC: DANIELLE MAHONEY, ASSISTANT CITY MANAGER
FROM: TIA GRONLUND-FOX, DIRECTOR OF HUMAN RESOURCES
SUBJECT: INSURANCE BROKER SERVICES RFP RESULTS
DATE: APRIL 12, 2024

The City recently issued a request for proposal (RFP) to secure the services of an insurance broker/consultant. This consulting team assists the city with the annual renewal of our health and ancillary benefits, as well as providing consultation on cost-reducing measures, and support with coverage and claims concerns.

Seven firms submitted proposals and were evaluated by members of the Human Resource, Finance and City Manager's Office. Qualifications were based on level of expertise and experience with the municipal sector, as well as their response to the mandatory questions contained within the RFP. Based upon the evaluations, two firms stood out above the others. Both firms have experience providing consulting services to municipalities, including working with union contracts, and the various nuances and regulations of providing benefits to public sector employees.

These two firms were Gallagher Benefit Services, with Michigan offices in Bloomfield Hills, Grand Rapids, Lansing and St. Clair Shores, and Advantage Benefits Group, with offices Detroit, Grand Rapids and Traverse City. Both firms had similar experience and references, and equal fee proposals. When determining the best choice for the City and which firm to recommend to City Council, we considered such factors as, time of implementation to Novi plans, employee setup, etc., and knowledge of City and organizational structure.

As mentioned, because both firms were comparable in expertise, experience and cost, our team is recommending staying with our current broker, Gallagher Benefit Services. Gallagher has been providing exceptional services to the City, and to its employees since 2007.

The contract, which proposes a three-year term, has been reviewed by legal. If approved, the term will begin on April 23, 2024.