

# STAFF REPORT



**SUBJECT:** Review and consider benefits consultant proposals

**DEPARTMENT:** Finance

**STAFF CONTACT:** Monica Harris

## RECOMMENDATION:

The proposals have been evaluated and staff requests approving the recommendation to Council to award the contract to Wellspring Insurance Agency, Inc.

## BACKGROUND:

In November 2020, the City advertised a request for proposals for a benefits consultant. The City received proposals from Financial Benefit Services (FBS), the current provider, and Wellspring Insurance Agency. The proposals were reviewed and follow up questions were asked of both proposers.

## FISCAL IMPACT SUMMARY:

Wellspring Insurance Agency proposed an annual fee of \$30,000 for medical, \$2,500 per month, plus 10% commission on dental, vision, voluntary life and accidental death and dismemberment, short and long-term disability, and group worksite. This includes an online enrollment platform, as well as, online portal with resources.

Financial Benefit Services proposed a straight commission model, the current model, which has averaged commissions of approximately \$58,000 for medical the last four years, plus standard commissions on all voluntary products such as dental, vision, voluntary life and accidental death and dismemberment, short and long-term disability. FBS clarified their quote of an annual fee of \$50,000 plus \$8.00 per employee per month for the annual fee instead of the medical commission model. These also include online enrollment and custom benefits website.

## ALTERNATIVES

Recommend the Financial Benefit Services proposal.

Not recommend either proposal.