

## City Council Agenda Report

Meeting Date: March 18, 2025  
From: Lisette Grizzelle, Interim Director of Human Resources  
Department: Human Resources  
Submitted by: Tyler Cashman, Human Resources Analyst

### **Subject**

Services Agreement with Keenan & Associates

### **Recommendation**

Approve and authorize the City Administrator to execute a Professional Services Agreement with Keenan & Associates, in substantially the same form as submitted, to provide Health Benefits Brokerage and Consulting Services, effective April 1, 2025, through March 31, 2028, for a total amount not-to-exceed \$150,500, for a three-year term.

### **Background**

The Human Resources Department utilizes the services of a professional Health Benefits Brokerage and Consulting firm to provide health benefit consulting services and to assist with the acquisition, implementation, maintenance, communication, and improvement of employee and retiree health and welfare benefits.

In accordance with Vernon Municipal Code (VMC) Section 3.32.080 and in order to select an appropriate firm to provide the aforementioned services, the Human Resources Department issued a Request for Proposal (RFP) on December 19, 2024, for Health Benefits Brokerage and Consulting Services with an extended submission deadline of January 17, 2025. Pursuant to VMC Section 3.32.130 which requires notice be provided to at least five potential vendors, the RFP notification was sent to six (6) brokerage firms likely to qualify to submit a proposal. Further outreach was conducted by advertising the RFP on Planetbids. Following these outreach efforts, three (3) responses to the RFP were received by the January 17 deadline.

A committee comprised of four (4) City staff members from a cross section of management, supervisory, analytical, and human resources staff, conducted an initial review of the proposals submitted and three (3) firms were invited to further participate in the selection process which included a presentation and interview before the committee. The three (3) firms provided very competitive proposals; however, Keenan & Associates, consistently ranked the highest among committee members.

Keenan & Associates is a recognized leader in the public agency arena, providing services to more than 1,100 public sector entities. They have more than 52 years of experience consulting to public sector entities. Their niche focus on the unique requirements of public sector entities, bringing a comprehensive understanding of the select customers and markets they serve.

Keenan & Associates requested a few revisions to the City's standard services agreement related to section 10.0 Insurance which were review by the City Attorney's Office and accepted by Risk Management.

Pursuant to VMC Section 3.32.030 (A), City Council approval is required as the total value over the lifetime of the services agreement with Keenan & Associates exceeds \$100,000. It is recommended that City Council approve and authorize the City Administrator to execute the

proposed Services Agreement with Keenan & Associates for Health Benefits Brokerage and Consulting Services.

Based on the options provided in the services agreement fee schedule, for the first year of service, which will commence on April 1, 2025, staff elected a flat fee that will be prorated not-to-exceed \$37,481 for calendar year 2025. For year two and three of this services agreement, Staff may elect to convert the flat fee to a commission with a cap based on benefits renewal marketing results which may result in a lower payment or will not exceed \$49,975 per calendar year. For the last three months of the agreement from January 1, 2028, through March 31, 2028, the cost would be approximately \$13,069. Thus, the total amount requested for the agreement is not-to-exceed \$150,500 over the three-year term.

The proposed agreement has been reviewed and approved as to form by the City Attorney's Office.

**Fiscal Impact**

The fiscal impact is not-to-exceed \$150,500 for a three-year term. Sufficient funds are available in the General Fund, Human Resources Department, Professional Services – Administration Account No. 011-010-120-529220 for the current fiscal year and sufficient funds will be budgeted in subsequent years.

**Attachments**

1. Keenan & Associates Services Agreement