



Legislation Details (With Text)

File #: 14-207 **Name:** AUTHORIZATION TO NEGOTIATE A CONTRACT TO PROVIDE INSURANCE BROKERAGE SERVICES

Type: Purchasing/Contract **In control:** Village Council

On agenda: 5/27/2014 **Final action:** 2/1/2016

Title: AUTHORIZATION TO NEGOTIATE A CONTRACT TO PROVIDE INSURANCE BROKERAGE SERVICES

Code sections:

Attachments: 1. 1. Bid Document RFP - Brokerage Services, 2. 2. Addendums No. 1 Through 5, 3. 3. Pricing Comparison, 4. 4. Reference Summary Final, 5. 5. Gehring Group Proposal, 6. 6. Selection Committee Scoring Summary, 7. 7. Notice of Intent to Negotiate

Date	Ver.	Action By	Action	Result
5/27/2014	1	Village Council	approved	Pass
5/22/2014	1	Village Council Workshop		

ITEM: AUTHORIZATION TO NEGOTIATE A CONTRACT TO PROVIDE INSURANCE BROKERAGE SERVICES

REQUEST: Authorization to negotiate a contract with The Gehring Group to provide insurance brokerage services to the Village.

EXPLANATION: On February 10, 2014, we released RFP# 003-14/ED seeking qualified firms to provide insurance brokerage services to the Village. On April 2, 2014, we received a total of six proposals. Five proposals were deemed responsive. The Florida League of Cities' (FLOC) proposal was deemed non-responsive since they do not currently provide the services requested as part of the RFP. Their proposal was submitted to the Village for informational purposes only.

After reviewing the five responsive proposals, on May 6, 2014, the Selection Committee met and independently scored and ranked each firm as follows:

1. The Gehring Group
2. Public Risk Insurance Agency (PRIA)
3. Arthur J. Gallagher & Co.
4. Brown and Brown
5. CBIZ

The criteria for ranking each firm included; Qualifications and Experience, Approach and Methodology and Compensation/Pricing.

Based on the results of the scoring, the Selection Committee is recommending entering into contract negotiations with The Gehring Group, the highest ranked firm.

As part of the RFP requirements, we requested each proposer provide pricing based on an annual flat fee and pricing based on annual commission on premiums. After reviewing each proposed pricing structure, the Village

would have the ability to choose one, as a basis for contract award. The Gehring Group's proposal provided an annual flat fee price of \$198,000 and an annual commission on premium price of \$195,967.38. The Village currently pays approximately \$290,000 for these services.

The Gehring Group's proposal includes brokerage for the following services:

- Benefits Plan (Health Insurance) Including On-Line employee portal
- Dental Insurance
- Vision Insurance
- Disability Insurance
- Life Insurance
- Property and Casualty Insurance
- Worker's Compensation Insurance

Additional services include assistance with flexible spending accounts, wellness programs, health reimbursement accounts (HRA), retirement accounts, prepaid legal services, employee assistance programs (EAP), health fairs, annual audits, new legislation requirements, negotiations with carriers, and annual bidding of services.

The Gehring Group, a Palm Beach County local vendor, is currently under contract with over 65 government agencies throughout the state of Florida and has provided the Village with superior service since 1998. As part of the proposal review process, the Finance Department evaluated the Gehring Group's financial statements and rated the firm's current financial condition as "Excellent". In addition, reference checks conducted by the Purchasing Department revealed perfect scores, on all questions posed, from six local municipalities (see attached summary).

The initial term of the contract is for five years with a provision for five additional one year renewal options.

Staff is seeking authorization to negotiate a contract with the Gehring Group to provide insurance brokerage services to the Village. In the event that negotiations are unsuccessful, the Village will enter into negotiations with the next highest ranked firm, in successive order, until a contract is successfully negotiated. Award of any contract will require a subsequent approval by the Village Council.

BUDGET AMENDMENT REQUIRED: NO

PUBLIC HEARING: NO **QUASI-JUDICIAL:**

FIRST READING: **SECOND READING:**

LEGAL SUFFICIENCY: YES

FISCAL IMPACT: No fiscal impact until a contract is successfully negotiated and approved by Village Council.

WELLINGTON FUNDAMENTAL: Responsive Government

RECOMMENDATION: Authorization to negotiate a contract with The Gehring Group to provide insurance brokerage services to the Village.