



CITY OF MENIFEE

SUBJECT: Agreement with USI Insurance Services, LLC to Provide Employee Benefit Brokerage Services

MEETING DATE: October 5, 2022

TO: Mayor and City Council

PREPARED BY: Bryan Melton, Human Resource Analyst

REVIEWED BY: Robert Cardenas, Deputy Human Resources Director

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Approve and authorize the City Manager to execute a Broker of Record designation and client services agreement with USI Insurance Services, LLC, in a not-to-exceed amount of \$25,000 per year for an initial two years, for the purpose of providing employee benefit brokerage services; and
2. Authorize the City Manager to execute three additional one-year renewals in a not-to-exceed amount of \$25,000 per year.

DISCUSSION

Part of the City's employee benefits include ancillary benefits, such as dental, life insurance, and vision. The staff and elected officials at the City of Menifee expect competitive rates for employee benefit brokerage services, which have a direct effect on retention, recruitment, and the overall health of our workforce.

On July 14, 2022, the City issued a Request for Proposal (RFP) 2022-19 related to the Employee Benefits Brokerage Consulting Services and went through a thorough review process to ensure that the City and its employees receive fair and valuable ancillary benefits and services. Proposal responses were due on August 8, 2022. A total of nine proposals were received in response to the solicitation. An evaluation committee of key city staff members experienced with the requirements of the RFP, evaluated the submittals based on specific criteria and scoring parameters stated in the solicitation.

A summary of the RFP evaluation is provided in Table 1 on the following page and are sorted by total aggregate score.

Table 1 – RFP Evaluation Results

Firm Name	Proposal Initial Review (Maximum Pts – 100)	Interview Finalist Final Review (Maximum Pts – 100)	Total Aggregate Score
USI Insurance LLC	89.25	87.00	176.25
Alliant Insurance	86.25	79.67	165.92
McGriff Insurance	84.75	N/A	84.75
Burnham Benefits	84.50	N/A	84.50
Hub International	83.00	N/A	83.00
Keenan & Associates	82.75	N/A	82.75
Arthur J. Gallagher	81.00	N/A	81.00
Newfront Insurance	78.25	N/A	78.25
Nexben	73.25	N/A	73.25

* Cost proposals vary by firm, with a majority structured as commission based.

Interviews were held with the top two finalists: Alliant Insurance Services and USI Insurance Services, LLC. An evaluation panel of four individuals participated in the interviews. Following the completed interviews, the Finance Department compiled all interview scores, resulting in USI Insurance Services, LLC receiving the highest ranking by all four evaluators. Nationally, USI provides brokerage service to over 1,400 public agencies. In California, they work with 125 public agencies including municipalities, water districts, special districts, and higher education. USI excelled in all scoring criteria in both the initial and final evaluations. Additionally, USI proposed the most competitive commission structure.

STRATEGIC PLAN OBJECTIVE

Regular City Business

FISCAL IMPACT

Payment for the agreement would be through carrier commissions, not-to-exceed \$25,000 per calendar year. These amounts are included in the annual budget process under Personnel Costs/Section 125 Benefits Plan, as a part of the employees' benefits. Any additional cost to the City would be subject to the meet and confer process with each employee bargaining unit.

ATTACHMENTS

1. Client Services Agreement