



## Legislation Text

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### **CITY COUNCIL AGENDA ITEM**

Memo Date: January 6, 2020  
Agenda Date: January 22, 2020  
Prepared By: Tammy B. Gemmati, PHR, Administrative Services Director  
Through: John A. Titkanich, Jr., AICP, ICMA-CM  
Requested Action:

Approval of the third contract modification with Gehring Group, Inc. as the City of Cocoa's Insurance Broker of Record by mutual agreement between the City and Gehring Group to extend the term of the agreement until April 30, 2020.

#### **BACKGROUND:**

In 2012, the City of Cocoa initiated the Request for Proposal (RFP) process for the selection of an Insurance Broker of Record for the City's health insurance benefits. At that time, the Gehring Group was recommended to City Council based on factors of qualifications, cost containment, and past/present experience and a multi-year contract was approved effective June, 12, 2012. Additionally, the City exercised two renewal term options for two additional one-year periods, making the expiration date June 11, 2017.

In April 2017, an agenda item was brought to Council to authorize the first modification of agreement that allowed to continue the brokerage agreement through June 11, 2018 with an additional one-year term through June 11, 2019. This allowed more time with the current broker who was instrumental in the development of the Interlocal Agreement for the sharing of the City's health center.

The City published a new Insurance Broker Services RFP (RFP-19-11-COC) in February 2019 with an anticipated selection for a new brokerage agreement in April 2019. However, the RFP selection committee determined price proposals could not be fairly evaluated and the bids were rejected by the City Manager in accordance with the City of Cocoa Financial Operations Manual, Section 15.2A (10b). The extension allowed Staff ample time to prepare the annual renewal for the group benefits and the Medicare plan. On May 22, 2019, an agenda item was brought to Council for the second contract modification with Gehring Group extending the term until February 28, 2020.

City Staff has been working with the City Attorney's Office on the new RFP document that is anticipated to be released in the near future following the City's purchasing guidelines. After reviewing the RFP projected timeline for advertising, receiving, and analyzing bids for a new broker agreement, it was realized a little more time is needed with the current broker. This agenda item is requesting approval of the third contract modification with Gehring Group extending the term of the agreement until April 30, 2020. This is a short term as the successful bidder for the upcoming RFP will need to mobilize and prepare for the City's open enrollment period in advance of the next fiscal year budget.

**STRATEGIC PLAN CONNECTION:**

Having an insurance broker of record assists the City in providing competitive employee benefit plans which in turn assists in the recruitment and retention of employees.

**BUDGETARY IMPACT:**

Budgeted N/A

There is no budgetary impact, as the commission rates are paid by the vendors and not the City.

**PREVIOUS ACTION:**

At a Regular City Council Meeting on May 22, 2019, City Council approved the second contract modification with Gehring Group, Inc. as the City of Cocoa's Insurance Broker of Record by mutual agreement between the City and Gehring Group to extend the term of the agreement until February 28, 2020.

At a Regular City Council Meeting on April 25, 2017, City Council approved to extend multi-year contract with Gehring Group, Inc. as the City of Cocoa's Insurance Broker of Record by mutual agreement between the City and Gehring Group through June 11, 2018 with an additional one-year extension term through June 11, 2019 and authorized the City Manager to sign associated contract addendums.

At Regular City Council Meeting on June 12, 2012, City Council approved the contract for Insurance Broker of Record for Gehring Group, Inc.

**RECOMMENDED MOTION:**

Approval of the third contract modification with Gehring Group, Inc. as the City of Cocoa's Insurance Broker of Record by mutual agreement between the City and Gehring Group to extend the term of the agreement until April 30, 2020.