

# Agenda Report

March 26, 2012

**TO:** Honorable Mayor and City Council  
**FROM:** Department of Human Resources  
**SUBJECT: BROKER OF RECORD CHANGE**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Recognize that competitive bidding is not required pursuant to City Charter Section 1002 (F) Contracts for Professional or Unique Services;
2. Grant the proposed contract an exemption from the competitive selection process of the Competitive Bidding and Purchasing Ordinance pursuant to Pasadena Municipal Code Section 4.08.049 (B), contracts for which the City's best interest are served;
3. Approve a zero dollar contract with Heffernan Insurance Brokers to provide employee benefit brokerage services on behalf of the City of Pasadena.

## **BACKGROUND:**

Included as a part of the employee compensation package for the City of Pasadena employees, a cafeteria of benefit plans are offered. The Department of Human Resources contracts out the service of selecting and negotiating with companies that provide these employee benefits in order to achieve the most reliable and cost-effective plans. For more than twenty years, the City has retained Aon. Recently there was a merger of this company and our longtime account manager moved to another brokerage firm, Heffernan Insurance Brokers. Given the long and successful history we have maintained with our account manager, coupled with the value-added services, improved efficiencies and compliance, staff is recommending that we retain Heffernan Insurance Brokers as our new employee benefit broker.

The recommended action will save the City up to \$20,000 per year for COBRA administrative services. The value-added services will save the City an additional \$15,000 per year. Such services include bill reconciliation, compliance audits, legislative support and seminars, access to ThinkHR, a personalized wellness plan, employee communications, and annual total compensation statements.

**COUNCIL POLICY CONSIDERATION**

The proposed action is consistent with City Council's strategic goal of maintaining fiscal responsibility and stability.

**FISCAL IMPACT:**

There is no fiscal impact to the department as a result of this action and will not have any indirect or support cost requirements.

Respectfully submitted,



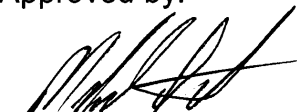
MARY ELLEN SCHUBEL  
Interim Director  
Department of Human Resources

Prepared by:



SHAUNNA TUZZOLINO  
Management Analyst

Approved by:



MICHAEL J. BECK  
City Manager