



STAFF REPORT

DATE: July 6, 2021

TO: Kent Cagle, City Manager

FROM: Eva Bark, Executive Director of Human Resources

**SUBJECT: PROFESSIONAL SERVICES AGREEMENT WITH LOCKTON DUNNING
BENEFITS FOR SELF-FUNDING CONSULTING SERVICES**

BACKGROUND AND FINDINGS:

Last year, staff utilized the Request for Qualification (RFQ) process to select a qualified, innovated consultant to provide effective services in transitioning to a self-insured employee health insurance platform. The City of Killeen accepted a contract with Lockton Dunning Benefits. The contract is effective August 1, 2020 for fourteen (14) months.

This year, as we transition into self-insured healthcare, staff is requesting approval to extend the contract with Lockton Dunning Benefits for FY 2022 since Lockton has been a great partner in assisting with the transition to self-insured.

In spring of FY 2022, after this transition year, staff will issue a Request for Qualifications again to identify and select a qualified benefits consultant.

THE ALTERNATIVES CONSIDERED:

Alternatives considered: (1) to not approve renewal with Lockton Dunning Benefits for consulting services and transition to self-insured healthcare; (2) approve renewal with Lockton Dunning Benefits for consulting services and transition to self-insured healthcare for the City of Killeen.

Which alternative is recommended? Why?

Staff recommends alternative two (2) because Lockton Dunning Benefits has been a great partner in assisting with the transition to self-insured healthcare.

CONFORMITY TO CITY POLICY:

Yes

FINANCIAL IMPACT:

Funding for these services (\$95,000) are available in account 010-2305-418.47-01 upon Council approval of the FY 2022 Budget.

What is the amount of the expenditure in the current fiscal year? For future years?

\$95,000 for FY 2022

Is this a one-time or recurring expenditure?

One-time

Is this expenditure budgeted?

Yes

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes, upon approval of the FY 2022 Budget.

RECOMMENDATION:

It is recommended that City Council approve renewal of a professional services contract with Lockton Dunning Benefits as the provider for employee healthcare consultant services, effective October 1, 2021, with total expenses not to exceed \$95,000 and authorize the City Manager or designee to execute any and all change orders in accordance with state and local law.

DEPARTMENTAL CLEARANCES:

Finance

Legal

ATTACHED SUPPORTING DOCUMENTS:

Contract

Certificate of Interested Parties