



Legislation Text

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Fiscal Note

The proposed resolution authorizes a contract to provide agent and broker services for the City's wage and life insurance programs. The city does not pay fees directly to the broker. Instead, the broker receives a percentage of city and staff premiums paid to our wage and life insurance provider. The agent/broker fee will be 2% of premiums and is anticipated to total approximately \$100,000. No additional appropriation is required with this resolution. The city's premium structure is determined through a separate agreement with the insurance provider.

Title

Authorizing the Mayor and City Clerk to enter into a competitively selected service contract with M3 Insurance Solutions Inc. to provide agent & broker services for the City's Wage and Life Insurance programs.

Body

WHEREAS, the City of Madison provides employees access to income continuation insurance for both short and long term disability, referred to as Wage Insurance, to provide employees with income during a recovery period; and the City also provides access to Accidental Death and Dismemberment insurance for general employees and Occupational Death and Dismemberment insurance for Police and Fire personnel, commonly referred to as Life Insurance, in the event of a catastrophic incident; and

WHEREAS, the City of Madison Human Resources Department requires an agent/broker to assist in the redesign of the City's Wage & Life Insurance plans and provide ongoing administration of the updated Wage & Life insurance plans; and

WHEREAS, the Human Resources Department worked with the Purchasing Division to issue RFP #12100-0-2023-BP to solicit proposals for such services, and received 3 proposals; and

WHEREAS, an evaluation team consisting of Purchasing and relevant City staff conducted a detailed evaluation, scored and ranked each of the proposals using criteria including cost, expertise, past performance, and references; interviewed finalists and selected M3 Insurance Solutions Inc. through this process; and

WHEREAS, the vendor's fee will be 2% of the wage & life insurance premiums due; and

WHEREAS, the past year's wage and life insurance premiums did not exceed \$5,000,000; and

WHEREAS, the vendor's fee will be calculated as 2% of the annual insurance premiums but shall not exceed \$120,000 each year; and

WHEREAS, the contract will have an initial term of three years with two optional 1 year renewal terms; and

WHEREAS, under MGO 4.26(3)(e), service contracts of more than one year that average more than \$100,000 per year in cost require Common Council approval and signature by the Mayor and City Clerk;

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Clerk are authorized to sign a contract with M3 Insurance Solutions Inc. for the purposes and at the price described above, for a maximum term of five (5)

years.