

STAFF REPORT

Date: September 25, 2024

To: Mayor and City Council

Through: Jackie Bryant, Interim City Manager

Subject: Staff Report (For Possible Action): Approval of Contract Renewal with the Mountain West Series of Lockton Companies, LLC for consulting services for the City of Reno's Self-funded Health Plans for a one-year term in the amount of \$92,700. (Self-funded Medical Funds)

From: Angela Davis, Management Analyst

Department: City Manager's Office – HR

Summary:

The original agreement with Lockton Companies, LLC (“Lockton”) was executed on November 1, 2016 for the purpose of receiving consultation and assistance with administering the group health benefit plans with the goal of ensuring that the City of Reno offers the highest quality benefits that are cost-effective for employees and the City. The Lockton agreement was again extended through October 31, 2021 with the same terms as in the original agreement. Council approved another two-year extension on October 31, 2024. We are seeking to again extend the agreement for a one-year period through October 31, 2025 with no additional increase to costs for consultation/brokerage services.

Consent Review	Yes	No
1. Is this item an annual or standard item that comes before Council for regular approval?	x	
2. Is this item an agreement required based on an item previously approved by Council?		x
3. Is this item included in the current budget approved and adopted by Council?	x	
Other Considerations		
What percent of the total City budget does this item represent?	0.01%	

Alignment with Strategic Plan:

Fiscal Sustainability

Previous Council Action:

Effective November 1, 2016, Council authorized the original agreement for consultation services. The agreement was extended through October 31, 2021 and again through October 31, 2022. In 2022, the agreement was again extended for a two-year period through October 31, 2024.

Background:

Lockton Companies Inc. is the world's largest privately held insurance brokerage and consultation firm, providing insurance, risk management, employee benefits, and retirement services consultation and brokerage services. In addition to its Kansas City, Missouri headquarters, Lockton operates more than 100+ locations in 125 countries. The City of Reno receives service through the branch located in Las Vegas, Nevada. Lockton provides consultation and support for health benefits program planning and administration, compliance, communications, liaising with the third party administrators (TPA), government relations and actuarial services. Lockton has assisted extensively with the transition to our new (TPA) and continues to support the City throughout the transition process. Lockton has been a partner with the City of Reno to offer high-quality, client-driven health and welfare benefits.

Discussion:

Lockton has provided assistance since 2016 with excellent outcomes, consistent reliable reporting, and loyal support with no increase to fees until a modest increase in 2022. They are not increasing their fees with this contract extension.

Financial Implications:

The extension of this contract will result in no additional cost over the previous year. Funds are available and will be paid from the Self-Funded Medical Plan.

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law.

Recommendation:

Staff recommends Council approve the extension of the Lockton agreement for a period of one year.

Proposed Motion:

I move to approve the Lockton agreement for a period of one year.

Attachments:

City of Reno Consulting Services Agreement Amendment 4 2024

