



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: 6a

Title: Recommendation to approve a Resolution Authorizing the Director of Human Resources to Execute a Letter of Agreement Between the City of St. Charles and HUB International Midwest Limited.

Presenter: Jennifer McMahon, Director of Human Resources

Meeting: Government Operations Committee

Date: March 19, 2018

Proposed Cost: \$44,000

Budgeted Amount: \$44,000

Not Budgeted:

Executive Summary *(if not budgeted please explain):*

Attached is a letter of agreement with HUB International, dated February 27, 2018, to provide benefit strategy, design, pricing, procurement, and ongoing management of the City's health plans in the amount of \$44,000 for the period May 1, 2018, through April 30, 2019. The Letter of Agreement is a one-year commitment and includes open enrollment communication materials, which are usually contracted and billed separately. Staff requested that HUB hold their fee and provide a one-year commitment with the understanding that the City will be issuing an RFP for these services in FY18/19. The last RFP was issued in 2014 for an agreement effective date of May 1, 2015, in which HUB secured the contract.

Attachments *(please list):*

Letter of Agreement with HUB International Midwest Limited dated February 27, 2018. Proposed resolution authorizing execution of same.

Recommendation/Suggested Action *(briefly explain):*

Recommendation to approve a Resolution Authorizing the Director of Human Resources to Execute a Letter of Agreement Between the City of St. Charles and HUB International Midwest Limited.

**City of St. Charles, Illinois
Resolution No. _____**

**A Resolution Authorizing the Director of Human Resources
to Execute A Letter of Agreement between the
City of St. Charles and HUB International Midwest Limited**

**Presented & Passed by the
City Council on _____**

WHEREAS, the last Letter of Agreement with Laurus Strategies (n/k/a HUB International Midwest Limited) dated February 18, 2015, to provide benefit strategy, design, pricing, procurement, and ongoing management of the City's health plans at \$44,000 will expire on April 30, 2018; and

WHEREAS, HUB International Midwest Limited has provided a Letter of Agreement dated February 27, 2018, to provide benefit strategy, design, pricing, procurement, and ongoing management of the City's health plans for the fiscal year May 1, 2018, through April 30, 2019, in the amount of \$44,000; and

WHEREAS, this amount is the same as the amount paid to HUB International Midwest Limited for the year May 1, 2017, through April 30, 2018;

NOW THEREFORE, be it resolved by the Mayor and City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, that the attached Letter of Agreement between the City of St. Charles and HUB International Midwest Limited, dated February 27, 2018, to provide benefit administration of the City's health plans for fiscal year 2018/2019 is hereby approved and the Director of Human Resources is authorized to sign same.

PRESENTED to the City Council of the City of St. Charles, Illinois, this _____
day of _____ 2018.

Resolution No. _____

Page 2

PASSED by the City Council of the City of St. Charles, Illinois, this _____ day of _____ 2018.

APPROVED by the Mayor of the City of St. Charles, Illinois, this _____ day of _____ 2018.

Raymond P. Rogina, Mayor

ATTEST:

City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain:



February 27, 2018

Ms. Jennifer McMahon
Director of Human Resources
City of St. Charles
2 East Main Street
St. Charles, IL 60174-1984

Re: Letter of Agreement

Dear Jenn:

This letter serves to provide a written understanding of the services HUB International Midwest Limited, will provide to City of St. Charles and the fee arrangement for those services. HUB will assist The City with overall benefit strategy, design, pricing and the procurement and ongoing management of the Health and Welfare plans.

The final fee structure is agreed to as follows:

Fees:

- ◆ May 1, 2018 through April 30, 2019 - \$44,000 annual; monthly payment of \$3,667

Assumptions:

- Centralization of decision making for benefit strategy and implementation
- Quarterly centralized service meetings
- Open enrollment communication materials are available using HUB International Midwest Limited Communications and Design team along with supporting materials
- 275 estimated employees
- Services commence May 1, 2018
- Fees assume a one year commitment
- Payments due upon receipt of monthly invoices

HUB International Midwest Limited may also receive commissions from various vendors with City of St. Charles; in addition we acknowledge that your company may maintain and accept a contingent or bonus compensation program with vendors. These compensation programs may be based upon variable factors, such as the volume or profile of insurance business placed, and the persistency (retention) of insurance business in which HUB International Midwest Limited may participate.



55 E Jackson Boulevard
Chicago, IL 60604
Toll-free: 800-432-2558

hubinternational.com

If there is a change in the scope of the activities agreed upon, HUB International Midwest Limited reserves the right to modify its fees based on HUB International Midwest Limited hourly billing rates at the time of the change.

HUB and The City agree to indemnify and hold each other harmless from claims, suits, losses, damages and expenses (including attorneys' fees) arising out of or related to the services under this agreement, including, but not limited to: claims by the other Party's employees or its agents; claims arising out of the other Party's breach of the terms of this agreement; and claims arising out of the other Party's noncompliance with any applicable laws or regulations. Additionally, neither party nor its affiliates shall be liable in connection with this agreement or the services hereunder for any loss of profit or incidental, consequential, special, indirect, punitive or similar damages. Any damages payable to either party under this agreement are limited to the amounts received in the previous 12 months.

This agreement will remain in effect for ONE year and renews automatically unless either party to this agreement provides 90 day written notice of change in the terms of this agreement.

Sincerely,

Kevin Klotz
Vice President, Data Analytics

Accepted by City of St. Charles:

By: _____

Title: _____

Date: _____