



CITY OF CARSON

Legislation Text

File #: 2019-570, Version: 1

Report to Mayor and City Council

Tuesday, June 04, 2019

Consent

SUBJECT:

APPROVE INCREASE TO PRINCIPAL DENTAL CONTRACT ADMINISTRATIVE SERVICES FEE PURCHASE ORDER (CITY COUNCIL)

I. SUMMARY

Effective November 1, 2017, the City entered into a contract services agreement with Principal Life Insurance Company (Exhibit 1) to provide dental coverage for City staff. On August 6, 2018 a purchase order was created to pay for administrative fees associated with the benefit services. At this time, the purchase order amount must be increased to pay for the total cost of FY 2018-2019 services.

II. RECOMMENDATION

APPROVE increase to purchase order #21900078, for Principal Contract Dental Administrative Services, by \$3,000 for FY 2018-2019.

III. ALTERNATIVES

TAKE any action deemed appropriate.

IV. BACKGROUND

The relationship with Principal Life Insurance Company (Principal Dental) began mid-2017 and coverage became effective for employees on November 1, 2017.

The agreed upon administrative fees are calculated by:

ADMINISTRATIVE SERVICES FEE DENTAL \$6.20 per covered employee per month

BROKER FEE

\$1.50 per covered employee per month

The City currently has 286 covered employees and the final two invoices are \$2,240.70 each. The balance on the purchase order is approximately \$3,000 short of the final payments due for the remainder of this fiscal year. The total fiscal year cost is approximately \$26,892. As a result of the implementation of Tyler Munis, payments were delayed. To avoid service interruption and to pay outstanding invoices, a purchase order was established in the amount of \$24,000. At this time, it is necessary to increase the purchase order by \$3,000 for a total of \$27,000 for FY 2018-2019, which is available in the department's budget.

The department also will be placing an item on the June 18, 2019 Agenda, for a purchase order for FY 2019-2020 administrative fees in the amount of \$30,000.

V. FISCAL IMPACT

There is no fiscal impact as the funds were approved as part of the Budget for FY 2018-2019.

VI. EXHIBITS

1. Principal Life Insurance Company Dental Agreement (pgs. 3-19)

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