



# CITY OF CARSON

## Legislation Text

File #: 2022-914, Version: 1

### Report to Mayor and City Council

Tuesday, November 01, 2022

Consent

#### SUBJECT:

**CONSIDER APPROVAL OF AMENDMENT NO. 4 TO THE AGREEMENT FOR ADMINISTRATIVE SERVICES WITH PRINCIPAL LIFE INSURANCE COMPANY FOR ADMINISTRATION OF THE CITY OF CARSON SELF-INSURED DENTAL PLAN AGREEMENT (CITY COUNCIL)**

#### **I. SUMMARY**

The City entered into an “Agreement for Administrative Services” with Principal Life Insurance Company effective November 1, 2017 (“Agreement”) (Exhibit 1), for processing of non-discretionary claims and provision of administrative services related to the dental insurance plan for City employees. The Agreement provided for an initial one-year term with options for the City to extend the term of the Agreement for up to three successive one-year terms thereafter.

Effective November 1, 2018, Amendment No. 1 to the Agreement (Exhibit 2) extended the initial term of the Agreement by two years (until November 1, 2020) with all other provisions remaining intact, including the fee rates and the City’s three one-year options to extend. Amendment No. 2 to the Agreement (Exhibit 3), which was approved by City Council on August 4, 2020, exercised the first of the City’s three one-year options, thereby extending the term expiration date of the Agreement from November 1, 2020 to November 1, 2021, with two one-year options remaining thereafter. Amendment No. 3 to the Agreement (Exhibit 4), which was approved by City Council on September 7, 2021, exercised one of the two one-year options, thereby extending the term expiration date of the Agreement from November 1, 2021 to November 1, 2022.

Staff now requests City Council approval of Amendment No. 4 to the Agreement (Exhibit 5) to exercise the City’s remaining one-year option to extend the term of the Agreement, thereby extending the term expiration date from November 1, 2022 until November 1, 2023.

## **II. RECOMMENDATION**

1. APPROVE Amendment No. 4 to the Agreement to exercise the City's remaining one-year option to extend the term of the Agreement, thereby extending the term expiration date from November 1, 2022 until November 1, 2023, at existing fee rates and 2. AUTHORIZE the Mayor to execute Amendment No. 4 following approval as to form by the City Attorney.

## **III. ALTERNATIVES**

Take any other action deemed appropriate, subject to the requirements of applicable law.

## **IV. BACKGROUND**

The Agreement continues to provide for City to pay Principal a monthly fee, calculated on a per-City-employee basis, for performance of the Agreement. The fee rates, which have been in effect without increase since the commencement of the Agreement, are as shown in "Fee Addendum 1" to the Agreement (Administrative Services Fee of \$6.20 per City employee; Broker Fee of \$1.50 per City employee). Principal has offered City another "rate pass" for this renewal period, meaning the existing rates will be continued through the extension period proposed by Amendment No. 4 (i.e., until November 1, 2023) (Exhibit 5).

## **V. FISCAL IMPACT**

With the approval of Amendment 4, there will be no fiscal impact FY 2022-23 budget.

## **VI. EXHIBITS**

1. Agreement for Administrative Services (pgs. 3-20)
2. Contract Amendment No. 1 (pgs. 21-26)
3. Contract Amendment No. 2 (pgs. 27-32)
4. Contract Amendment No. 3 (pgs. 33-37)
5. Proposed Contract Amendment No. 4 (pgs. 38-43)

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