



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement
ACM: Cassey Ogden
DATE: March 5, 2024

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Lockton Companies, LLC, for Benefit Consultant Services for citywide employee benefit programs for Risk Management; providing for the expenditure of funds therefor; and providing an effective date (RFP 8425 – awarded to Lockton Companies, LLC, for three (3) years, with the option for two (2) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of \$540,000.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Pursue Organizational Excellence and Collaborative and Respectful Leadership.

INFORMATION/BACKGROUND

The City of Denton has utilized the services of a Benefits Consultant for various employee benefit programs since the early 1990s. The Benefits Consultant assists in the solicitation, selection, implementation, and oversight of Denton's group health benefits program, including medical, prescription, stop loss, dental, vision, basic and voluntary life & AD&D, short and long-term disability, and other voluntary benefit programs for employees, dependents, and retirees. The City has worked with our current consultant, McGriff, Seibels & Williams, since 2002.

Staff recommends awarding a contract to Lockton Companies, LLC (Lockton) for Benefit Consultant Services. Lockton is a national leader in delivering a quality partnership to manage employee benefit programs. As the City strives to increase the appeal for both recruitment and retention efforts, Lockton can create high-quality, cost-effective employee benefits packages through market leverage and strong relationships. Lockton's best practices will assist the City in expanding the existing data into information, designing plans based on data analytics, budgeting, procuring, and administering insurance policies. Lockton is the current Broker of Record for general liability and has been an invaluable partner in expanding and improving the Risk Management function for the City.

In support of the City Council's commitment to Pursue Organizational Excellence and Collaborative and Respectful Leadership, staff identified Initiative 3.4.3, Build a Competitive Total Rewards Strategy. The recommended consultant will position Risk Management to develop a Total Rewards program by improving the strategic direction of current offerings and resources available to employees and ensuring we remain market-competitive to attract top-tier talent.

Year of Service	Estimated 5-Year Expenditure
Year 1	\$ 90,000
Year 2	90,000
Year 3	90,000
Year 4	90,000
Year 5	90,000
Contingency 20%	90,000
Total	\$ 540,000

Request for Proposals was sent to 972 prospective suppliers, including 34 Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download and advertised in the local newspaper. Eight (8) proposals were received, references were checked, and proposals were evaluated based upon published criteria including compliance with specifications, probable performance, and price. Best and Final Offers (BAFO) were requested from the top firm. Based upon this evaluation, Lockton Companies, LLC was ranked the highest and determined to be the best value for the City.

NIGP Code Used for Solicitation:	918 - (Service Only) - Consulting Services
Notifications sent for Solicitation sent in IonWave:	972
Number of Suppliers that viewed Solicitation in IonWave:	13
HUB-Historically Underutilized Business Invitations sent out:	139
SBE-Small Business Enterprise Invitations sent out:	386
Responses from Solicitation:	8

RECOMMENDATION

Award a contract with Lockton Companies, LLC, for Benefit Consultant Services for citywide employee benefit programs for Risk Management, in a three (3) year, with the option for two (2) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of \$540,000.

PRINCIPAL PLACE OF BUSINESS

Lockton Companies, LLC
Dallas, TX

ESTIMATED SCHEDULE OF PROJECT

This is an initial three (3) year contract with options to extend the contract for two (2) additional one (1) year periods, with all terms and conditions remaining the same.

FISCAL INFORMATION

These services will be funded from the Health Fund account 850500.7854. Requisitions will be entered on an as-needed basis. The budgeted amount for this item is \$540,000.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Pricing Evaluation
Exhibit 3: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Megan Gilbreath, 940-349-8357.

Legal point of contact: Marcella Lunn at 940-349-8333.