

# Mayor and Council Communication

**DATE:** 03/31/26

**M&C FILE NUMBER:** M&C 26-0241

**LOG NAME:** 14FY2026 HEALTH BENEFITS BROKERAGE SERVICES

## **SUBJECT**

(ALL) Authorize Execution of a Vendor Services Agreement with HUB International to Support Management of the City's Health and Welfare Benefits and Related Financial Consultative Services, in an Annual Amount Up to \$487,500.00 for the One-Year Initial Term and Authorize Four One-Year Renewal Options in an Amount Up to \$487,500.00 for the First Renewal and with an Escalator of Up to 5% Per Year for the Second Through Fifth-Year Renewals and a Total Amount Up to \$3,000,000.00 Over a Five-Year Period

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## **RECOMMENDATION:**

It is recommended that the City Council authorize execution of a Vendor Services Agreement with HUB International for management of the City's health and welfare benefits and related financial consultative services, in an amount up to \$487,500.00 for the initial one-year term and authorize four one-year renewal options, up to \$487,500.00 for the first renewal, with the second through fifth renewals using the annual increase cap of five percent, for a total amount up to \$3,000,000.00 over the five-year period.

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## **DISCUSSION:**

The purpose of this Mayor and Council Communication (M&C) is to authorize the execution of a Vendor Services Agreement with HUB International to support management of the City's health and welfare benefits and related financial consultative services, in an annual amount up to \$487,500.00 for the one-year initial term, and authorize four one-year renewal options in an amount up to \$487,500.00 for the first renewal, with the second through fifth-year renewals using the annual increase cap of five percent, for a total amount up to \$3,000,000.00 over the five-year period.

HUB International is to provide the City of Fort Worth (City) with support for healthcare-related risk management, consultative services and regulatory compliance that require specialized professional judgement and advisory expertise. The City recently engaged in a project to develop strategic priorities for employee and retiree health benefits as well as overall management of the City's Health Funds. An aggressive, multi-year strategic plan has been established to guide the City through necessary steps to develop plans, programs, and funding options that are fiscally sustainable. Because of the short timelines and need to understand our financial position better, the request is to expand the City's partnership with HUB International, who will drive needed changes, in partnership with internal teams.

The authorized amount is solely for professional advisory and brokerage services, including strategic consulting, market analysis, carrier negotiations, renewal support, plan design review, and compliance guidance related to the City's employee health and welfare benefit programs. This authorization does not include or authorize the purchase of insurance policies or payment of insurance premiums. Any insurance procurement or premium expenditures will be subject to separate authorization in accordance with City policy and applicable law.

HUB agrees to put fifty percent of its consulting fee at risk based on the City's satisfaction with HUB Services. HUB International will work with the City to identify key performance indicators important to the City as part of HUB International service guarantee.

HUB International will provide professional service support for employee benefits brokerage services to serve as the primary point of contact for procurement of benefit insurances, financial analysis of the City's Health Funds, ensure regulatory compliance, and act as an administrative extension of the HR Benefits team.

Funding will be budgeted in the General Oper & Maint category within the Group Health Insurance Fund for the Human Resources Department.

**TERM:** Following approval of this M&C, this agreement will begin upon execution of a Vendor Services Agreement for one year (Initial Term).

**RENEWALS:** The agreement may be renewed for up to four (4), successive one-year renewal terms following the end of the Initial Term.

**EXEMPT PROCUREMENT:** The City Attorney's Office has determined that HUB International is exempt from competitive bidding under the provisions of Chapter 252 of the Texas Local Government Code as a service necessary to procure professional consulting services.

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## **FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are available in the current operating budget, as previously appropriated, in the Group Health Insurance Fund to support the approval of the above recommendation and execution of the agreement. Prior to any expenditure being incurred, the Human Resources Department has the responsibility to validate the availability of funds.

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**Additional Information Contact:**