

PERSONNEL AND HIRING COMMITTEE REPORT relative to proposed Third Supplemental Agreement to Professional Services Agreement (Contract No. C-134116) with Standard Insurance Company to extend the term by three years

Recommendation for Council action:

APPROVE and AUTHORIZE the General Manager, Personnel Department to execute, the Third Supplemental Agreement to the Professional Services Agreement (Contract No. C-134116) with Standard Insurance Company to extend the term by three years providing a ten-year term effective January 1, 2018 through December 31, 2027, subject to approval as to form by the City Attorney.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that funding is provided by the Human Resources Benefits Budget, Civilian FLEX Program Account and by participant fees. There is no additional impact to the General Fund.

Financial Policies Statement: The CAO reports that as budgeted funds are available to support the proposed Agreement and expenditures in the current year are limited to the appropriation of funds, the recommendation of the August 27, 2026 CAO report complies with the City's Financial Policies.

Community Impact Statement: None submitted.

TIME LIMIT FILE – NOVEMBER 2, 2026

(LAST DAY FOR COUNCIL ACTION – NOVEMBER 2, 2026)

Summary:

On October 14, 2026, your Committee considered an August 27, 2026 CAO report relative to proposed Third Supplemental Agreement to Professional Services Agreement (Contract No. C-134116) with Standard Insurance Company to extend the term by three years. According to the CAO, the Personnel Department (Department), at the direction of the Joint Labor Management Benefits Committee (JLMBC), is requesting approval to execute the proposed Third Supplemental Agreement to Professional Services Agreement, Contract No. C-134116 (Agreement) with Standard Insurance Company (Contractor) to continue providing disability insurance services for the City's LAwell Civilian Benefits Program (Services) for eligible civilian City employees.

The original Agreement provided a three-year term effective January 1, 2018 through December 31, 2020, with an option to extend the term up to an additional two years. The First Supplemental Agreement exercised the option to extend the term an additional two years for a revised term effective January 1, 2018 through December 31, 2022. In November 2022, the Department reported to the JLMBC that due to staffing shortages

and numerous concurrent benefits-related procurement processes the Department was unable to complete a new competitive procurement process for the Services before the Agreement expired. At the November 4, 2022 JLMBC meeting, the Department recommended, and the JLMBC approved, the extension of the Agreement by two additional years through December 31, 2024. The Department found it necessary to continue the services under the agreement again after the Second Amended and Restated Agreement expired due to unsuccessful negotiations with the winning bidder and a recommendation by the JLMBC to cancel the Request for Proposals for Disability Insurance Plan services released in early 2024.

At the August 14, 2025 JLMBC meeting, the JLMBC approved an extension of the Agreement for an additional two years to allow for the Department to complete a new competitive procurement process for the Services. Approval of the proposed Agreement extends the current term by three years resulting in a 10-year term effective January 1, 2018 through December 31, 2027. The proposed Agreement includes a ratification clause to allow the Contractor to continue providing Services prior to execution of the proposed Agreement to ensure the continued provision of disability insurance plans for City employees.

Compensation for Services is based on the agreed upon premium rate for the plan and the number of employees enrolled in the plan. The premium rates remain the same as under the original Agreement. The scope of work continues to include providing:

- Basic short-term and basic long-term disability insurance
- Supplemental disability insurance
- Insurance plan underwriting and general responsibilities
- Customer support and open enrollment communication services
- Group disability tax reporting and collection services
- Program evaluation, reports, and data services.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendation contained in the CAO report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Personnel and Hiring Committee

COUNCILMEMBER	VOTE
McOSKER:	YES
RODRIGUEZ:	YES
SOTO-MARTINEZ:	ABSENT

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10/14/26

-NOT OFFICIAL UNTIL COUNCIL ACTS-