



*Carrie Eklund
Central Services Manager
Finance Department*

**ADDENDUM TO BID
Benefits Consultant
RFP NO.: 512-HR-057
ADDENDUM NO.: 1**

To: All Bidders:

In response to a request of the following information, the City has provided additional information on the current vendor/contract.

- Attached is a copy of the current vendor contract for the current consultant.
- The current vendor rates are net of commission. Our current vendor is paid a fee based on the agreement.
- It is estimated that our current vendor has provided approximately 500 hours on site for meetings in the past year but since we are not billed at an hourly rate, the exact amount is not available.
- All other portions remained unchanged.

If you have any questions please contact the Central Services Division at (815) 987-5560.

DATED: May 25, 2012

FINANCE AND PERSONNEL COMMITTEE

Carrie Eklund
Central Services Manager

City of Rockford, Illinois
and
Rockford Consulting & Brokerage, Inc.

CONSULTING AND BROKERAGE AGREEMENT

THIS INSURANCE CONSULTING AND BROKERAGE AGREEMENT ("Agreement") is made and entered into this 1st day of August, 2007, by and between City of Rockford Illinois ("Client" or the "City") a body politic organized and existing under the Constitution and laws of the state of Illinois, and Rockford Consulting & Brokerage, inc. ("Consultant"), an Illinois corporation.

RECITALS

- A. **WHEREAS**, the Client desires to obtain the services of an employee benefits, group insurance consultant and has selected the Consultant to provide such services after a review of competitive proposals solicited through an open process.
- B. **WHEREAS**, the Consultant has over 20 years of expertise and experience in the area of employee benefits consulting and other related areas and has offered to provide such services to the Client as outlined herein.
- C. **WHEREAS**, the Client maintains an employee benefit program, which currently includes group as well as voluntary health insurance, accident insurance, disability insurance, life insurance, dental insurance, as well as third party administration, utilization review, case management, disease management, and other such vendors, programs and lines of coverage as the Client may add or omit from time-to-time.
- D. **WHEREAS**, the Client and the Consultant hereby agree to the following terms and conditions in furtherance of this contract for consulting and brokerage services:

TERMS

1. **Scope of Services**

- 1.1. Consultant agrees to perform such professional services as are set forth in this Agreement with the standard of professional care and skill customarily provided in the performance of such services.
- 1.2. The parties may from time to time extend the scope of services or omit services and the provisions of this Agreement shall apply to all such additions and omissions.
- 1.3. The parties agree to work cooperatively to achieve the best performance under this Agreement.
- 1.4. The Client agrees to pay Consultant such amounts as are specified in this Agreement all upon the following terms and conditions.

The Consultant shall:

- 1.4.1. Render service and perform under this Agreement in the best interest of the Client;
- 1.4.2. Review current agreements with PPOs, TPA, stop loss carriers, and other vendors;
- 1.4.3. Negotiate existing and any new agreements with PPOs, HMOs, stop loss carriers, and other vendors;
- 1.4.4. Review current benefit programs and offer recommendations regarding appropriate revisions thereto and the implementation of fully or partially self insured plans;
- 1.4.5. Consult with the Client before and during union negotiations as needed by Client;
- 1.4.6. Be available to meet with Client to discuss claims experience, exposure changes and general administrative matters as well as review contracts and effectiveness of the employee benefits program;
- 1.4.7. Offer advice regarding trends;
- 1.4.8. Research and recommend improvements to the employee benefits program;
- 1.4.9. Perform other related services as reasonably requested by Client;
- 1.4.10. Assist with open enrollment;
- 1.4.11. Be available to discuss and provide input regarding the custom and practices in the insurance industry involving the application of laws and legislative activity to employee benefits related issues.

The Client shall:

- 1.4.12. Provide Consultant directly with or access to reports, contracts, experience data, census, and all other documents or information necessary for Consultant to provide the services herein; and
- 1.4.13. Designate Consultant as its exclusive broker of record, consultant of record, and or agent of record for all lines of group and individual insurance and employee benefits including but not limited to third party administrator, stop loss carrier, pharmacy benefits manager, utilization reviewer, case manager, preferred provider network(s), and any other vendor providing service or product to the Client's employee benefits plan(s); and
- 1.4.14. Notify Consultant if the Client's liaison overseeing the services provided under this Agreement changes. The Client's liaison overseeing the services provided under this Agreement is the Director of Human Resources; and
- 1.4.15. Recognize that Consultant is not an attorney and rely on its own legal department or corporate counsel for legal advice, interpretation and opinion regarding insurance, plan documents, regulation and legislative requirements, and employee benefits related matters.

2. Term of Agreement and Renewal.

2.1. The term of the Agreement is based upon the description in the City's Request For Proposal 1006-PER-124, §2.3 Contract Length.

2.1.1. The Agreement shall commence August 1, 2007 and run through July 31, 2009

2.1.2. There shall be three (3) one year renewal option periods. Therefore the term of the Agreement can be five (5) years.

2.2. The Agreement shall renew unless either party provides the other written notice of its intention not to renew at least ninety days prior to the anniversary of the Agreement.

3. Compensation and Fees.

3.1. It is intended by the parties that the Client pay a fee to the Consultant.

3.2. It is further intended by the parties that all group insurance products brokered by the consultant be net of commissions where possible.

3.3. Group insurance commissions will offset fee.

3.3.1. The Consultant shall disclose commissions included in the rates charged to the Client by the Client's group insurance vendors and other vendors rendering service to the Client's employee benefits program including third party administrator, stop loss carrier, pharmacy benefits manager, utilization reviewer, case manager, or preferred provider network(s).

3.3.2. Client acknowledges that from time to time some insurance carriers and employee benefits vendors may pay to Consultant an override, service fee, marketing fee, contingent fee, or bonus which is often based upon Consultant's overall book of business. Such fees are not considered commissions.

3.4. The Consultant's fee paid by the Client shall be \$106,153.92 annually. Any changes in Consultant's fees for renewal option years will be mutually agreed.

3.5. The full amount of the Consultant's fee is due upon inception of this Agreement and upon each annual anniversary date for subsequent renewal and option years. Provided, however, the Client may pay the fee in twelve approximately equal monthly payments.

3.6. Extraordinary Service

3.6.1. If the Client requests Consultant to perform services outside the scope of this Agreement, the parties shall negotiate in good faith to reach an agreement as to the additional or adjusted fees and charges for such services.

3.6.2. The Client's hourly rates and/or project rate may be adjusted once the specific requirements of the requested services or project are known.

3.6.3. The Client's hourly rates are subject to change. The ^{City}County shall be notified 30 days in advance. The hourly rates are currently as follows:

Senior Consultant	\$450
Consultant	\$200
Medical Director	\$500
Pharmacy Director	\$500
Senior Account Executive	\$ 75
Account Executive	\$ 55
Labor Specialist	\$200
Computer and IT Specialist	\$150
Human Resource Specialist	\$150
Training	\$145

3.7. Commission to Offset Fee

3.7.1. Group insurance commissions paid by the Client and received by Consultant will be included as part of the Consultant's fee.

4. Termination.

4.1. Either party may terminate this Agreement at any time based upon a material breach of the Agreement by giving the other party ninety days written notice specifying such breach, provided that the breach remains uncured at the end of that period.

4.1.1. Both parties shall work cooperatively and in good faith to cure such breach.

5. Notice.

5.1. Any notice required or permitted to be given by this Agreement shall be delivered by personal delivery, depositing in the United States Mail either postage prepaid, certified or registered, or by telefax with a copy or original deposited in the United States Mail, and addressed as follows:

If to Client: City of Rockford Human Resources
425 East State Street
Rockford, IL 61104

If to Consultant: Rockford Consulting & Brokerage, inc
1639 North Alpine Road
Edgebrook Center, Suite 202
Rockford, IL 61107

5.2. Either party may change the address for notice specified herein by giving the other party notice as stated herein.

6. Governing Law.

6.1. This Agreement is made and entered into in the State of Illinois, and shall be governed by the laws of that State.

7. **Severability.**
 - 7.1. If any part of this Agreement shall be held unenforceable, the rest of this Agreement will nevertheless remain in full force and effect.

8. **Entire Agreement.**
 - 8.1. This is the complete and exclusive Agreement between the parties. This agreement supersedes and replaces all other written and oral communications between the Client and Consultant.

9. **Amendments.**
 - 9.1. This Agreement may be supplemented, amended or revised by mutual agreement of the parties.

10. **Execution in Counterparts.**
 - 10.1. This Agreement will be executed by the parties in two original counterparts.

11. **Paragraph Headings.**
 - 11.1. The paragraph headings in this Agreement are inserted for convenience only and shall not be construed to limit or modify the scope of any provision of this Agreement.

12. **No Construction Against Any Party.**
 - 12.1. This Agreement is the product of informed negotiations between the Client and Consultant. If any part of this Agreement is deemed to be unclear or ambiguous, it shall be construed as if it were drafted jointly by all parties.

IN WITNESS WHEREOF, we the undersigned have caused this Consulting and Brokerage Agreement to be executed and are agreed upon the terms and conditions herein.

CITY OF ROCKFORD, ILLINOIS

DATED this 30 day of July, 2007

BY: Jessica L. Jones
Jessica Jones

TITLE: City of Rockford Human Resources Director

ROCKFORD CONSULTING AND BROKERAGE, INC.

DATED this 27 day of July, 2007

BY: R. Casey Brauns
R. Casey Brauns

TITLE: President & CEO