



City of Austin

Recommendation for Action

File #: 25-1836, **Agenda Item #:** 25.

9/11/2025

Posting Language

Authorize a contract for actuarial and consulting services for benefit programs for the Human Resources Department with The Segal Company (Southeast), Inc., dba Segal for an initial term of three years with up to three 1-year extension options, for a total contract amount not to exceed \$4,065,000. Funding: \$825,000 is available in the Operating Budget of the Human Resources Department. Funding for the remaining contract term is contingent upon available funding in future budgets.

Lead Department

Financial Services Department.

Client Department(s)

Human Resources Department.

Fiscal Note

Funding in the amount of \$825,000 is available in the Fiscal Year 2025-2026 Operating Budget of the Human Resources Department.

Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

The Financial Services Department issued a Request for Proposals solicitation RFP 5800 SMW3033 for these services. The solicitation was issued on June 9, 2025, and closed on July 8, 2025. Of the eight offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including all offers received, is available for viewing on the City's website. This information can currently be found at: https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=142783

MBE/WBE:

This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program). For the services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

Additional Backup Information:

The contract will provide analysis of the City's benefit programs to help determine medical, prescription, and

dental plan rates, recommend funding levels, estimate plan costs, and identify possible changes to plan design. It also provides performance of claim audits and assistance in the development, evaluation, and negotiation of future Requests for Proposals for providers of medical stop-loss, care management, and pharmacy benefit management services. Additionally, it will provide periodic performance reports on the City's plans, measuring costs, application of discounts, and contributions versus expenses. These services are required to maintain compliance with State and Federal regulations.

This contract replaces a contract that will expire February 22, 2026. Execution of the contract is needed immediately to support upcoming projects that will span over six years and cannot be delayed until the current contract expires. The current contractor will still provide services outside of these projects. Authorization amounts are based on departmental estimates and historical spending. The recommended contractor is not the current provider of these services.

An evaluation team with expertise in this area evaluated the offers and scored The Segal Company (Southeast), Inc., d/b/a Segal as the best to provide these services based on service-disabled veteran enterprise, local preference, company qualifications and experience, project concept and strategy, regulation compliance and legislative requirements, references, and personnel qualifications and experience.

If a contract is not secured, the self-funded health and dental plans may be at risk of noncompliance with State and Federal regulations.

Contract Details:		
Contract Term	Length of Term	Contract Authorization
Initial Term	3 years	\$2,030,000
Optional Extension 1	1 year	\$760,000
Optional Extension 2	1 year	\$765,000
Optional Extension 3	1 year	\$510,000
Total	6 years	\$4,065,000

Note: Contract Authorization amounts are based on the City's estimated annual usage.