



**AGENDA ITEM REQUEST FORM  
CITY OF JOHNSON CITY, TEXAS  
CITY COUNCIL**

**ITEM NO. 12**

**MEETING DATE:** May 4, 2021

**AGENDA PLACEMENT:**

- Ceremonial
- Consent
- Individual
- Closed Session

**CAPTION:**

Discussion of and action on a Professional Services Agreement between the City of Johnson City, Texas and Crandall & Associates, Inc. for Agent of Record employee insurance services, including, but not limited to, medical, dental, vision, and other voluntary insurances, for Zero Dollars and No Cents (compensated by commissions received from insurance carriers) for a term of three (3) years; and authorizing the Chief Administrative Officer to execute said Agreement on behalf of the City Council of the City of Johnson City, Texas. (Staff)

**EXECUTIVE SUMMARY:**

City Staff desires to select Crandall & Associates, Inc. as the City's Agent of Record for employee insurance services. The firm has been in business since 1987, and its President, Shirley Crandall, has worked in the employee insurance services field since the early 1980's.

As an Agent of Record, the firm would be responsible for competitively bidding employee insurances on an annual basis prior to / during the annual budget process. Crandall & Associates offers Agent of Record services for medical, dental, vision, short- and long-term disability, basic and voluntary life, and supplemental employee benefits. Moreover, the firm holds relationships with large healthcare providers offering insurance coverage within the State of Texas.

Lastly, the firm would be responsible for annually onboarding employees through the open enrollment process and assisting employees with employee benefit questions and/or concerns throughout the year.

**FINANCIAL:** N/a

**ATTACHMENTS:**

- Proposed Agreement
- Crandall & Associates, Inc. Information

**SUGGESTED ACTION:**

Motion to approve a Professional Services Agreement between the City of Johnson City, Texas and Crandall & Associates, Inc. for Agent of Record employee insurance services, including, but not limited to, medical, dental, vision, and other voluntary insurances, for Zero Dollars and No Cents (compensated by commissions received from insurance carriers) for a term of three (3) years; and authorizing the Chief Administrative Officer to execute said Agreement on behalf of the City Council of the City of Johnson City, Texas.

**PREPARED BY:** City Staff

**DATE SUBMITTED:** 4/30/21

STATE OF TEXAS

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PROFESSIONAL

BEXAR COUNTY

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SERVICES

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AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT (the "Agreement") is made and entered into by and between the \_\_\_\_\_ ("CITY"), and CRANDALL & ASSOCIATES, INC. ("AGENT OF RECORD"), a Texas corporation, effective the \_\_\_\_ day of \_\_\_\_\_, 2020 (the "Effective Date"). CITY and AGENT OF RECORD shall collectively be referred to as the "Parties."

ARTICLE I  
PURPOSE

1.01 The purpose of this Agreement is for CITY to obtain the services of AGENT OF RECORD as an insurance consultant to provide assistance and advice to CITY in the planning, analysis, structure, design, implementation, administration, and management of CITY's comprehensive insurance requirements. AGENT OF RECORD shall act in a fiduciary capacity to CITY in providing the services described herein, and shall owe CITY the duty of due care, good faith, and loyalty in providing such services. The term "insurance" when used in this Agreement shall include, but not be limited to: medical insurance, voluntary insurance benefits and enrollment services. Specifically, Agent of Record shall assist with the following:

- A. Provide recommendation for the proposed benefit components, specifically in the area of design, funding, cost and administration. This will include a review of current and proposed plan features and rate structures. Assist with the development and planning of long range health insurance strategies and identifying future trends in employee benefits.
- B. Conduct negotiations with the carrier(s) and vendors to obtain coverage at the lowest rates possible for essentially the same or better coverage as is year over year.
- C. Provide general problem-solving pertaining to health, dental and vision plans throughout the plan year.
- D. Any other duties critical to the proper formation of a health insurance /employee benefit plan and its optimal operation and participation.
- E. Analyze and review all health and other carriers' proposals, statements, claims forms/ processing for the \_\_\_\_\_.
- F. Provide Johnson City with reasonable preliminary renewal figures during the budget process.
- G. Assist the City Administrator with required employee presentations.
- H. Identify issues and exposures with insurance carriers, if any.

- I. Notify the City of any changes resulting from the new health care legislation, other state and federal legislative changes or legal decisions, which would affect insurance coverage of the City and its employees, although CITY acknowledges that AGENT OF RECORD is not an attorney, and cannot be held liable for awareness of the entire ramifications of the Affordable Care Act, nor of the entire scope of state and federal legislative changes and legal decisions that may affect the CITY and its employees.
- J. Reviewing policies and endorsements for accuracy and conformity to specifications and negotiated coverages.
- K. Develop strategies for presentation and implementation of any new benefit plans to all employee groups as necessary.
- L. Provide coverage summaries for all new coverages and updates on changes to existing coverages.
- M. Monitor claims status and assist in obtaining timely resolution of the submitted claim.
- N. Help identify and implement Wellness programs if available.

**ARTICLE II**  
**DESIGNATION OF REPRESENTATIVES**

2.01 CITY hereby appoints the City Administrator as its designated representative with regard to the services to be performed hereunder by AGENT OF RECORD. CITY's designated representative shall be the primary point of contact for AGENT OF RECORD.

2.02 AGENT OF RECORD hereby appoints Shirley Crandall or her qualified designee, as its designated representative with regard to the services to be performed by AGENT OF RECORD. AGENT OF RECORD's designated representative shall be the primary point of contact for CITY.

**ARTICLE III**  
**TERM AND TERMINATION**

3.01 This Agreement shall commence on the date of execution by CITY and continue for a term of three (3) years (the "Term"), and may be renewed by the CITY, if mutually agreed by both parties, for subsequent three (3) year terms, unless terminated as provided herein.

3.02 Either Party shall have the right to terminate this Agreement for cause, in whole or in part, in the event the other Party materially breaches any of its duties or obligations under this Agreement, which breach is not cured within thirty (30) days of receipt of written notice of breach

from the non-breaching Party to the breaching Party, describing the alleged breach in reasonable detail.

3.03 Upon receipt of notice of termination by CITY, AGENT OF RECORD shall, unless the notice provides otherwise, immediately discontinue all services in connection with the performance of this Agreement. Within thirty (30) days from the date of termination of this Agreement, AGENT OF RECORD shall submit statements showing, in detail, the services performed by AGENT OF RECORD under this Agreement prior to the effective date of termination.

#### **ARTICLE IV** **OBLIGATIONS OF AGENT OF RECORD**

4.01 AGENT OF RECORD covenants and agrees to act as an insurance consultant for CITY and to provide assistance and advice to CITY in the planning, analysis, structure, design, implementation, administration, and management of CITY's comprehensive insurance services, as described in this Agreement and in the Request for Qualifications for Comprehensive Insurance Consulting (the "RFQ"), issued by the CITY dated April 27, 2020.

The following professional services and work will be provided by AGENT OF RECORD under this Agreement shall be provided by AGENT OF RECORD to the extent seen as reasonable and necessary by AGENT OF RECORD in its reasonably executed discretion:

A. Medical and Voluntary Benefits:

- 1) Assist CITY in managing and designing medical and voluntary insurance plans in a cost-effective manner that are in the best interest of employees and within budgetary constraints;
- 2) Review and revise, if necessary, all policies dealing with medical and voluntary insurance to provide best options for CITY employees based on budgetary constraints;
- 3) Receive phone calls from vendors and referrals from CITY staff, including interviewing prospective providers for services beneficial to CITY;
- 4) Monitor contracts and discounts provided by medical insurance providers;
- 5) Conduct cost containment analysis and provide timely recommendations for all CITY medical and voluntary benefit plans;
- 6) Provide quarterly reports of analysis and timely cost projections as requested by CITY;

- 7) Analyze medical and voluntary insurance plans offered by vendors, write Request for Proposals ("RFP"s), monitor bid process, quantify bids, provide comparison of bids, set up vendor presentations, and provide information necessary to make recommendations;
- 8) Compare insurance rates, premium distributions and allocations for the self funded medical plan based on experience, general economy and regional experience;
- 9) Negotiate with providers for the best rate and benefit combination;
- 10) Develop transition plan when carriers are changed;
- 11) Assist in establishing administrative procedures for medical and voluntary insurance plans;
- 12) Inform CITY of new developments involving insurance as a result of industry trends and State of Texas and Federal legislation and recommend appropriate action;
- 13) Develop education plan for employees that conveys the availability of benefits as well as the true cost of healthcare;
- 14) Review the efficiency and effectiveness of the medical and voluntary benefits administration processes and provide any necessary recommendations; and

4.02 AGENT OF RECORD covenants and agrees that it shall act in a fiduciary capacity to CITY in providing the services and work described herein, and that it shall provide CITY the duty of due care, good faith, and loyalty in providing such services and work to CITY. In doing so, AGENT OF RECORD understands and agrees that it will receive no financial interest or benefit from the CITY, of any type or amount, either direct or indirect, relating to the acquisition by CITY of any insurance policy or product, or any financial instrument, annuity, or plan, during the Term of this Agreement. In addition, AGENT OF RECORD covenants and agrees that, in providing the services contemplated under this Agreement, it shall offer complete and unbiased advice and consultation to CITY with respect to any and all insurance and/or financial options and plans available to CITY, and will not limit the scope of any such advice relating to insurance and/or financial options and plans to products offered by, or entities with which, AGENT OF RECORD may have an agency, business, or other relationship. CITY acknowledges that AGENT OF RECORD has fiduciary relationships with other municipalities, and verifies that there is no conflict of interest for AGENT OF RECORD when providing similar advice, services

and insurance and financial products to such other clients, all of which information shall be confidential to AGENT OF RECORD.

4.03 AGENT OF RECORD covenants and agrees that it will at all times employ, maintain, and assign a sufficient number of additional competent and qualified professionals and other personnel to provide the services and work required hereunder in a manner satisfactory to CITY.

4.04 AGENT OF RECORD covenants and agrees that the services and work to be performed hereunder for CITY shall be performed by personnel directly employed by AGENT OF RECORD, or by a subcontractor, subconsultant, agent or representative to AGENT OF RECORD that CITY has given prior written approval for AGENT OF RECORD to utilize, which approval shall not be unreasonably refused. AGENT OF RECORD further agrees that upon request by CITY, it shall provide to CITY statements signed by any subcontractor or subconsultant contracted by AGENT OF RECORD, attesting to the fact that the subcontractor or subconsultant shall provide the services as represented in this Agreement, including any incorporated documents, and that the subcontractor or subconsultant is able to stipulate to all the terms, conditions, and requirements of the Agreement, without any disruption to the service delivery.

#### **ARTICLE V** **OBLIGATIONS OF CITY**

5.01 CITY's designated representative shall coordinate meetings between CITY (including any CITY officials, CITY management, and/or their respective representatives) and AGENT OF RECORD. CITY will inform AGENT OF RECORD of CITY's current policies, practices, and procedures to assist AGENT OF RECORD in its analysis.

5.02 CITY's designated representative will respond with reasonable promptness in obtaining information and documentation as requested by AGENT OF RECORD in performing the services and work contemplated under this Agreement.

5.03 All obligations of CITY pursuant to this Article V shall be utilized by AGENT OF RECORD solely for the purpose of performing the services and work required under this Agreement.

5.04 CITY shall provide a formal meeting with AGENT OF RECORD during the month of March of each year in which this Agreement is in effect, the purpose of which shall be to review and discuss the services provided by AGENT OF RECORD since the last renewal of the Agreement and the work to be completed to obtain necessary information to prepare proposals for the next fiscal year and budget.

#### **ARTICLE VI** **COMPENSATION AND PAYMENT TERMS**

6.01 AGENT OF RECORD is compensated by commissions received from insurance carriers.

**ARTICLE VII**  
**REPRESENTATIONS AND WARRANTIES OF AGENT OF RECORD**

7.01 AGENT OF RECORD represents and warrants that it has not violated any of the laws of the State of Texas with respect to the solicitation and procurement of the award of the services and work contemplated under this Agreement, including, but not limited to, Sections 34.02, 36.02 and 37.10 of the Texas Penal Code.

7.02 AGENT OF RECORD represents and warrants that the only written or oral communication between AGENT OF RECORD, or a bona fide employee working solely for AGENT OF RECORD, and CITY, through its agents, representatives, or employees, for the purpose of soliciting or securing the award of the services and work contemplated under this Agreement consists solely of the filing of the Proposals with CITY. AGENT OF RECORD represents and warrants that it has made full written disclosure to CITY, prior to execution of this Agreement, of any oral or written communication, that might reasonably constitute a solicitation to procure the award by the City Council of the services and work required under this Agreement.

7.03 AGENT OF RECORD represents and warrants that it is not aware of any conflicts of interest that will, or could, affect in any manner, its ability to objectively perform the services and work contemplated under this Agreement.

7.04 AGENT OF RECORD represents and warrants that all statements and materials in the Proposals or any other materials provided to CITY regarding its qualifications to perform the services and produce the work contemplated under this Agreement are materially true and correct in all respects, and are not materially misleading or incomplete for any reason, including by reason of omission.

7.05 Any representation or warranty made under this Agreement shall survive the termination of this Agreement.

**ARTICLE VIII**  
**NOTICES**

All notices required to be given under this Agreement shall be in writing, and shall either be personally served against a written receipt therefore, or given by certified mail or registered mail, return receipt requested, postage prepaid and addressed to the proper party at the address which appears below, or at such other address as the Parties hereto may hereafter designate in accordance herewith. All notices given by mail shall be deemed to have been given at the time of receipt of such notice by the addressee, and shall be effective from such date.

AGENT OF RECORD  
Crandall & Associates  
5406 Prue Road  
San Antonio, Tx 78240



**ARTICLE IX**  
**COMPLIANCE WITH LAWS AND ORDINANCES**

AGENT OF RECORD agrees to comply with all federal and state laws, regulations or ordinances applicable to the work or services under this Agreement.

**ARTICLE X**  
**LEGAL CONSTRUCTION**

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalid, illegal, or unenforceable provision shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

**ARTICLE XI**  
**TEXAS LAW TO APPLY**

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to conflicts of law principles that would require the application of the laws of any other state. Venue for any action including any action brought under Federal Law in Federal Court arising hereunder shall be in Bexar County, Texas.

**ARTICLE XII**  
**ENTIRE AGREEMENT**

This Agreement shall constitute the only agreement of the Parties with respect to the subject matter of the Agreement.

**ARTICLE XIII**  
**AMENDMENT**

No amendment, modification or alteration of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof, and duly executed by the Parties hereto.

**ARTICLE XIV**  
**INDEPENDENT CONTRACTOR STATUS/NO THIRD-PARTY BENEFICIARY**

AGENT OF RECORD is providing services to CITY as an independent contractor. AGENT OF RECORD may engage subcontractors to provide certain of the services contemplated herein, but shall remain fully responsible and liable for the subcontractor's performance. AGENT OF RECORD shall provide prior notice to CITY before any services are provided hereunder by any subcontractors. AGENT OF RECORD shall provide CITY the name of any subcontractor, and shall require the subcontractor to adhere to and comply with and be bound by all the terms, conditions, and requirements of this Agreement. AGENT OF RECORD shall be fully liable for all acts and omissions of its employees, subcontractors, and their suppliers, and shall be specifically responsible for sufficient supervision and examination to assume compliance in every respect with the Agreement requirements, terms, and conditions. No provision of this Agreement shall be for the benefit of any party except CITY and AGENT OF RECORD and there will be no third-party beneficiaries to this Agreement. The provisions of this Article shall survive the termination of this Agreement, to the extent applicable.

**ARTICLE XV**  
**ASSIGNMENT**

AGENT OF RECORD may not assign their rights, privileges and obligations under this Agreement, in whole or in part, without the prior written consent of CITY.

EXECUTED IN DUPLICATE ORIGINALS, EACH OF WHICH SHALL HAVE THE FULL FORCE AND EFFECT OF AN ORIGINAL, as of the Effective Date.

JOHNSON CITY

CRANDALL & ASSOCIATES, INC.

\_\_\_\_\_  
**Rick Schroder**  
**Chief Administrative Officer**

\_\_\_\_\_  
**Shirley Crandall**  
**President**

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## ABOUT US

In 1987, the dream began to grow a successful service-oriented **insurance agency** with a competitive edge. Through the diligent efforts of a team of talented and experienced professionals, and with the confidence we have earned from our clients, we have grown and are recognized as a respected leader in the **San Antonio** and **South Texas** business community. Crandall & Associates is licensed to conduct business in ten other states, as well.

Today, we are a **full-service insurance agency** providing our clients with unparalleled **services and products** that meet the business community's ever-changing and evolving needs. We are "Insurance By Design" and "Service By Professionals." Let us design and service ALL your insurance needs.

TO REACH OUR AGENCY, CALL US AT (210) 696-8333 OR EMAIL US AT [ADMIN@CRANDALLASSOC.COM](mailto:ADMIN@CRANDALLASSOC.COM).

## YOUR CRANDALL & ASSOCIATES TEAM

To better serve you at Crandall & Associates, we have put together a staff of qualified and experienced people to handle your day to day insurance **questions and requests**. It is our intention to provide you with service superior to that you might receive anywhere else. Your comments and suggestions are always welcomed.

### SHIRLEY CRANDALL, LUTCF

**President**

Shirley Crandall was first introduced to the insurance industry in high school when she worked part-time for The Travelers Insurance Company. She continued her employment with this insurance company throughout college, commuting from San Antonio to Southwest Texas State University (now Texas State University) in San Marcos.

Following graduation from Southwest Texas State with a BBA in Marketing, Shirley accepted a position in commercial sales for a telecommunications company. After 18 months she resigned to return to her roots in insurance and has remained in the insurance industry since then.



**— READ MORE**

Shirley accepted a position selling partially self-funded medical and dental insurance plans to employers with over 100 employees at Transport Life Insurance Company. During the mid 1980's, Texas experienced an economic downturn and her clients were downsizing and/or purchased by another company. After four years in this position, Shirley decided to open her own insurance agency in January 1987 to provide an opportunity to acquire a larger share of the market. The agency was originally named SHIRLEY CRANDALL and strictly specialized in employee benefits and Shirley was the only employee.

The agency experienced continued growth due to Shirley's insurance knowledge, marketing and service skills. The agency was incorporated in 1991 and renamed Crandall & Associates, Inc. The agency relocated to its current corporate headquarters 3 acre site in January 1993. For



several years Shirley received numerous client requests to expand the agency's portfolio to include Commercial and Personal Lines. In 1995 Crandall & Associates, Inc became a full service, multi-line insurance agency

Shirley holds a General Lines Agent license (Life, Accident, Health and HMO and Property and Casualty). She received the designation of Life Underwriter Training Council Fellow (LUTCF) in 1992. She has served as president of the San Antonio Association of Health Underwriters. Shirley currently serves on the board of Clarity and Deborah's House non-profit organizations. She enjoys serving and taking an active role in these and other non-profit organizations to give back to the community.

Shirley is also active in The Oakes Club and the National Association of Women Business Owners (NAWBO). She has served as co-chair of NAWBO's Entrepreneurial Spirit Awards (ESA) luncheon which is a fund raising event to provide scholarships to young women interested in owning their own businesses. She served as the Door Prize co-chair for the 2004 and 2005 ESA luncheons and currently serves on the Corporate Partner Relations committee.

She resides in San Antonio with her three children.



## LAUREN CULP

**Vice President - Employee Benefits**

Lauren handles rating for the employee benefits side of Crandall & Associates. After attending Texas A&M University, she decided to join the family business in July 2013, alongside her mother, Shirley, and brother, Tom. Lauren ensures our clients get the best medical rates and coverage for their employees.

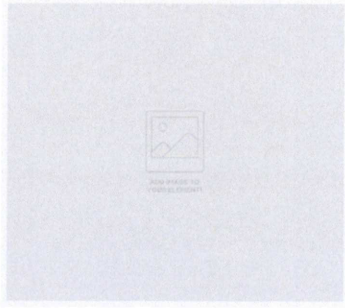


## THOMAS W. CULP, CIC, CLCS

**Vice President - Property and Casualty**

Tom is a licensed agent in both property & casualty, as well as life, accident, and health insurance. Upon graduating from Texas Tech University, he joined the family business with his mother, Shirley, and sister, Lauren, in August of 2014. Since then, he has obtained the Certified Insurance Counselor and the Commercial Lines Coverage Specialist designations. Tom would be more than happy to answer any questions on new or existing policies, coverages, endorsements, or any other questions you may have.





## NANCY KROGH

### Commercial Lines

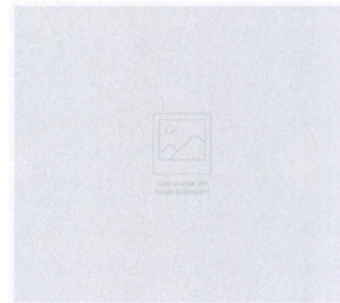
Nancy joined Crandall and Associates in October 2020 and brings 25 years of experience in the insurance industry to the team. Her prior experience was at other agencies handling different types of accounts, but also had a focus in healthcare. Reach out to Nancy if there's anything you might need!



## DAVID NICOLAS MIRANDA, CPCU, INS, API, AIS

### Commercial Lines

David joined Crandall & Associates in December 2020. He started his insurance carrier in 2003 and has been working for independent insurance agencies since 2008. In that time David has attained his Chartered Property & Casualty Underwriter (CPCU) designation as well as the INS, API, and AIS designations to grow his knowledge of the insurance industry so that he may better serve his clients. David is always eager to help in any way. Don't hesitate to reach out with any of your insurance-related questions or requests.



## DIANE ODIORNE

### Commercial Lines

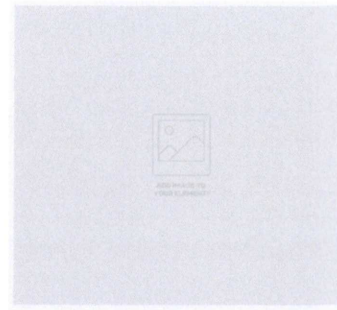
Diane is a licensed insurance agent that handles both business and personal accounts. She joined the Crandall & Associates team in November 2014 with over 34 years of experience in the insurance industry. Of those 34 years, she spent 19 years working with Traveler's Insurance Company and the remaining years were spent with independent agencies. Call Diane if you need to make any changes to your commercial or personal accounts, as well as any other questions you may have.



## DANIEL LEWIS

### Employee Benefits

Daniel started with Crandall and Associates in July of 2020. Daniel has received degrees in Information Technology with a concentration in Database Development as well as Business Administration from the University of Phoenix. He brings over 15 years of experience in the employee benefits world. Previous stops have included large and small TPAs along with large and mid-sized broker houses before finally landing at Crandall and Associates. Primary focus and passion is on the small to mid-sized employer groups that are often over looked due to their smaller size.



## MICHELLE BURNETT, SGS

### Employee Benefits

Michelle is a licensed Life, Health and Accident agent. She joined Crandall & Associates in September 2009. With over 10 years of experience she handles the small group employee benefits accounts. She received her Bachelor of Business Administration degree with a concentration in Health Care Administration from Howard Payne University in Brownwood, Texas. Call Michelle if you need to make any changes to your employee benefits account or to discuss any questions you may have.

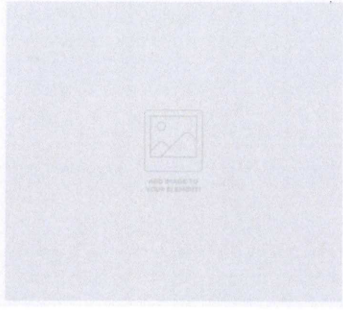


## JANA NENTWICH

### Employee Benefits

Jana joined the Crandall & Associates team in April 2017. She is a licensed Life, Health and Accident agent bringing over fifteen years of industry experience. She has worked with a large insurance carrier specializing in self-funded group plans. Her knowledge also includes Medicare Advantage and Supplement plans. Jana has an eye for detail and enjoys offering great customer service to our clients.





## LIZ CASTANEDA

### Bookkeeper

Liz came to Crandall & Associates in May of 2020. After graduating from Darton State College with an Associate Degree in 2016, she obtained a bachelors degree at Georgia Southwestern State University in Accounting. The majority of accounting background has been with small business bookkeeping over the last 5 years, and is experienced with payroll, accounts payable, accounts receivable and accounts reconciliations. She really enjoys working for a family tight knitted company like Crandall and Associates!

Are you ready to let us redefine your definition of unparalleled service?

[CONTACT US](#)



## EMPLOYEE BENEFITS

As an employer, you need to offer employee benefits included in a hiring package. Employees, and potential employees, are attracted to a solid **Benefits Package** and consider this in addition to salary. Benefits are a fundamental component in marketplace competition, part of a total compensation package to attract and retain employees. The variety and generosity of benefits typically depends on the size of your business, your resources, and your bargaining power in the benefits arena. Employee benefits enrollment provide security to the family unit as well as the employee by providing medical coverage, health insurance, life insurance, long term disability, long term care, dental, short term disability, vision insurance, cafeteria plan, retirement plan and other customized coverages.



MEDICAL



DENTAL



VISION



SHORT-TERM DISABILITY



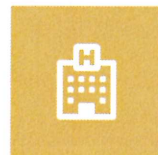
LONG-TERM DISABILITY



BASIC LIFE



VOLUNTARY LIFE



SUPPLEMENTAL BENEFITS  
(CANCER, ACCIDENT, CRITICAL ILLNESS)

If you have any questions on these benefits, please **contact us**.

## SOME OF THE COMPANIES WE REPRESENT INCLUDE:



Contact Crandall & Associates today to get started on creating a competitive package.

[CONTACT US](#)