



City of San Antonio

Legislation Details (With Text)

File #: 20-5287

Type: Miscellaneous Item

In control: City Council A Session

On agenda: 10/1/2020

Title: Ordinance approving a contract with Dearborn Life Insurance Company to provide Basic Life, Accidental Death and Dismemberment (AD&D), Voluntary Supplemental Life Insurance, and Dependent Life Insurance to all eligible City of San Antonio employees and their eligible dependents in an estimated annual amount of \$1,538,871, for a term beginning January 1, 2021, and ending December 31, 2023, with an option to extend the contract for up to two one-year terms. Funding is available in the Proposed FY 2021 Employee Benefits Fund. [Ben Gorzell, Chief Financial Officer; Lori Steward, Director, Human Resources]

Sponsors:

Indexes:

Code sections:

Attachments: 1. SCORE Summary Matrix - RFP 20-050 Basic Life Accidental Death, 2. Agreement, 3. Draft Ordinance, 4. Contracts Disclosure Form Dearborn, 5. Ordinance 2020-10-01-0705

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

DEPARTMENT: Human Resources

DEPARTMENT HEAD: Lori Steward, Human Resources Director

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT: Basic Life and Accidental Death & Dismemberment, Voluntary Supplemental Life Insurance, and Dependent Life Insurance

SUMMARY:

This ordinance authorizes the City Manager or his designee to execute a contract with Dearborn Life Insurance Company, in an estimated annual amount of \$1,538,871 to provide Basic Life and Accidental Death & Dismemberment (AD&D), Voluntary Supplemental Life Insurance, and Dependent Life Insurance to all eligible City of San Antonio employees and their eligible dependents. The term of this contract is for three (3) years beginning January 1, 2021 and ending December 31, 2023, with an option to extend the contract for up to two (2) one (1) year extensions, subject to and contingent upon funding from the City Council.

BACKGROUND INFORMATION:

The City's Employee Benefits program provides group term life insurance and AD&D insurance to approximately 11,265 benefit eligible uniformed and civilian employees at no cost to the employee. This benefit is equal to one times the employee's annual base salary up to \$300,000. In addition, civilian employees may elect, at their own cost, voluntary supplemental term life insurance coverage equal to one to five times the employee's annual base salary. The sum of all basic and supplemental coverage is not to exceed \$1.5 million per employee. Civilian employees may also enroll in dependent life insurance coverage for a spouse or domestic partner at \$25,000 and for children at \$10,000 each.

The current contract for these services with Dearborn Life Insurance Company, including all extensions, will expire on December 31, 2020. The Human Resources Department conducted a search for a vendor with broad knowledge and experience in providing basic term, AD&D, and voluntary supplemental term life insurance coverage and dependent life insurance coverage.

PROCUREMENT PROCESS:

The Finance Department, Purchasing Division, on behalf of the Human Resources Department, released a Request for Proposal (RFP) on March 16, 2020 seeking proposals for a qualified Respondent interested in providing basic term, AD&D, and voluntary supplemental term life insurance coverage. A pre-submittal conference was held on March 25, 2020, to allow for vendor questions and clarification to the RFP. The RFP's scope of services contained language to provide competitive pricing in matching current benefit levels and for additional life insurance including enhancements beyond current benefit levels. Eight (8) proposals were received by the May 6, 2020 deadline. One (1) proposal was deemed non-responsive for exceptions to the RFP's indemnification requirements. Thus, seven (7) firms were deemed eligible for review.

The Evaluation Committee included representatives from the Human Resources Department. The committee reviewed and scored each proposal response based on a total of 100 points; Thirty (30) points allotted for experience, background and qualifications; Thirty five (35) points allotted for proposed plans; Twenty (20) points allotted for proposed price; Up to ten (10) points for the Local Preference Program; and five (5) points allotted for the Veteran-Owned Small Business Preference Program.

The Small Business Economic Development Advocacy (SBEDA) Program was not applied to this evaluation process.

The Local Preference Program was applied in the evaluation of responses received for this contract however, none of the firms were local businesses.

The Veteran-Owned Small Business Preference Program was applied in the evaluation of responses received for this contract; however, none of the firms were Veteran-Owned Small Businesses.

ISSUE:

Award of this contract will allow the City to provide basic term life insurance benefits and AD&D coverage for full-time civilian and uniformed employees, which is an integral part of the City's Employee Benefits Program. Civilian employees and their dependents will be able to enroll in voluntary supplemental term life and dependent life insurance as well.

ALTERNATIVES:

Due to the fact that the current contract, including extension options, expires on December 31, 2020, the alternative to executing this contract would be that City employees would be without Group term life and AD&D insurance coverage.

FISCAL IMPACT:

This ordinance authorizes the City Manager or his designee to execute a contract with Dearborn Life Insurance Company to provide Basic Life and Accidental Death & Dismemberment (AD&D), Voluntary Supplemental Life Insurance, and Dependent Life Insurance to all eligible City of San Antonio employees and their eligible dependents. Funding is available in the FY 2021 Adopted Budget in the amount of \$674,841 for Basic Life and Accidental Death & Dismemberment (AD&D), and funding in the amount of \$1,538,871 is included in the FY 2021 Employee Benefits Fund Adopted Budget. The term of this contract is for three (3) years beginning January 1, 2021 and ending December 31, 2023, with an option to extend the contract for up to two (2) 1-year extensions, subject to and contingent upon funding from the City Council. Subsequent funding will be contingent upon City Council appropriations for FY 2022 and future fiscal years.

RECOMMENDATION:

Human Resources department staff recommends approval of this ordinance to execute a contract with Dearborn Life Insurance Company to provide Basic Life and Accidental Death & Dismemberment (AD&D), Voluntary Supplemental Life Insurance, and Dependent Life Insurance to all eligible City of San Antonio employees and their eligible dependents for an annual estimated amount of \$1,538,871, for a term beginning January 1, 2021, and ending on December 31, 2023, with an option to extend the contract for up to two (2) 1-year extensions, subject to and contingent upon funding by City Council.

This contract is procured by means of Request for Proposal and a Contract Disclosure Form is attached.