



City of San Antonio

Legislation Details (With Text)

File #: 15-5336

Type: Misc - Professional Services Agreements

In control: City Council A Session

On agenda: 10/29/2015

Title: An Ordinance approving a contract with Dearborn National Life Insurance Company, in an estimated annual amount of \$1,555,474.00, to provide Group Basic Term Life, Accidental Death and Dismemberment (AD&D), and Voluntary Term Life Insurance coverage under the City's Self-Funded Health Benefits Program, for a term of three (3) years, with two renewal terms of one year each at the City's option. [Ben Gorzell, Chief Financial Officer; Lori Steward, Director, Human Resources]

Sponsors:

Indexes: Employee Benefits

Code sections:

Attachments: 1. C1 - Contracts Disclosure Form for Dearborn, 2. Score Summary for Life Insurance, 3. Draft Ordinance, 4. Admin Services Contract, 5. Signed agreement, 6. Ordinance 2015-10-29-0931

Date	Ver.	Action By	Action	Result
10/29/2015	1	City Council A Session	adopted	Pass

DEPARTMENT: Human Resources

DEPARTMENT HEAD: Lori Steward

COUNCIL DISTRICTS IMPACTED: City-Wide

SUBJECT:

Basic Term, Accidental Death & Dismemberment (AD&D) Voluntary Supplemental Term Life Insurance and Dependent Life Insurance

SUMMARY:

This Ordinance authorizes the City Manager or her designee to execute a contract with Dearborn National Life Insurance Company at an estimated annual amount of \$1,555,474.00 to provide Group Basic Term Life, Accidental Death & Dismemberment (AD&D) insurance, Voluntary Supplemental Term Life insurance and Dependent Life insurance coverage. The term of this contract is for three (3) years beginning January 1, 2016, and ending December 31, 2018, with an option to extend the contract for up to two (2) one (1) year extensions, subject to and contingent upon funding by City Council.

BACKGROUND INFORMATION:

The City's Employee Benefits program provides group term life insurance and AD&D insurance to approximately 11,000 eligible uniformed and civilian employees at no cost to the employee. This benefit is equal to one times the employee's annual base salary. 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 salary.

The current contract for these services with Dearborn National Life Insurance Company, including all extensions, will expire on December 31, 2015.

The Human Resources Department issued a Request for Proposal (RFP) for basic term, AD&D, and voluntary supplemental term life insurance coverage on July 6, 2015. The scope of the services contained language to improve efficiency of administration of life and accident benefits and offer competitive pricing for the City and employees who purchase the additional life insurance. The RFP was released on the City's web site and advertised in the Express-News on July 6, 2015. Pre-submittal conference was held on July 17, 2015, to allow for vendor questions and clarification to the RFP. The City received three responses by the deadline of August 10, 2015. All three responses were reviewed by an Evaluation Committee represented by the Human Resources Department.

The Evaluation Committee scored the Respondents according to the evaluation criteria listed in the RFP, which included experience, background and qualifications (20) twenty points, proposed plans (30) thirty points, proposed price (15) fifteen points, local preference program (up to 10 points), veteran-owned small business preference program (5) five points and (20) twenty preference points were allotted for the Small Business Economic Development Advocacy (SBEDA) Program, SBE Prime Contractor Program Affirmative Procurement Initiative at (5) five points, M/WBE Prime Contractor Program Affirmative Procurement Initiative at (10) ten points and Mentorship Incentive Program at (5) five points.

Based on their scores, the committee recommended a firm for award. The finalist score summary is attached to this memorandum.

The Local Preference Program was applied in the evaluation of responses received for this contract; however, none of the Respondents are local businesses. The Veteran-Owned Small Business Preference Program was applied in the evaluation of responses received for this contract; however, none of the Respondents are veteran-owned small businesses.

The SBEDA Program was applied in the evaluation of responses received for this contract; however, none of the Respondents received preference or mentorship points.

As a result of this RFP process, the Evaluation Committee recommends that Dearborn National Life Insurance Company be awarded the contract to provide group term life, AD&D, and voluntary supplemental term life insurance coverage under the City's Self-Funded Health Benefits Program. The proposed rates to be paid by the City under this contract for term life and AD&D will be lower than those currently being paid. Employees opting to participate in the voluntary supplemental term life insurance will see no change in rates.

ISSUE:

Award of this contract will allow for continued 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 enrolled in voluntary supplemental term life and dependent life insurance can continue

coverage at group rates.

ALTERNATIVES:

Due to the fact that the current contract, including extension options expires on December 31, 2015, the alternative to execution of this contract would be the execution of an amendment to the contract that expires on December 31, 2015 subject to agreement by the vendor.

FISCAL IMPACT:

This ordinance authorizes the execution of a contract with Dearborn National Life Insurance Company at an estimated annual amount of \$1,555,474.00 to provide Group Basic Term Life, Accidental Death & Dismemberment (AD&D) insurance, Voluntary Supplemental Term Life insurance, and Dependent Life insurance coverage. Funds for City provided basic life insurance and AD&D coverage are included in the FY 2016 Adopted budget in department operating funds. Voluntary supplemental term life insurance for employees and dependents will be paid through the Employee Benefits Insurance Fund as a direct pass-through of employee payroll deductions to the vendor. The total impact to the FY 2016 Budget will be \$1,166,606 for nine (9) months. Subsequent funding will be contingent upon City Council Adopted appropriations in future fiscal years.

RECOMMENDATION:

Staff recommends approval of this ordinance to execute a contract with Dearborn National Life Insurance Company for a term beginning January 1, 2016, and ending on December 31, 2018, with an option to extend the contract for up to two (2) one (1) year extensions, subject to and contingent upon funding by City Council.

This contract is procured by means of Request for Proposals and Discretionary Contract Disclosure Form is attached