



## Legislation Details (With Text)

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<b>File created:</b>	10/31/2020			<b>In control:</b>	Office of Procurement Services
<b>On agenda:</b>	12/9/2020			<b>Final action:</b>	12/9/2020
<b>Title:</b>	Authorize a three-year service contract and policy, with two one-year renewal options, to provide City paid basic life insurance - Standard Insurance Company, most advantageous proposer of four - Not to exceed \$2,368,737 - Financing: Employee Health Benefits Fund (subject to annual appropriations)				
<b>Sponsors:</b>					
<b>Indexes:</b>	300				
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<b>Attachments:</b>	1. Resolution				

Date	Ver.	Action By	Action	Result
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**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** December 9, 2020

**COUNCIL DISTRICT(S):** N/A

**DEPARTMENT:** Office of Procurement Services

**EXECUTIVE:** Elizabeth Reich

### SUBJECT

Authorize a three-year service contract and policy, with two one-year renewal options, to provide City paid basic life insurance - Standard Insurance Company, most advantageous proposer of four - Not to exceed \$2,368,737 - Financing: Employee Health Benefits Fund (subject to annual appropriations)

### BACKGROUND

This action does not encumber funds; the purpose of a service contract is to establish firm pricing for services, for a specific term, which are ordered on an as needed basis.

This service contract and policy will provide group basic term life insurance for all active City employees. The City currently offers \$75,000 basic life insurance coverage to full-time employees at no cost to the employee. Full-time employees can voluntarily purchase additional group (supplemental) life coverage up to three times their annual base salary not to exceed \$500,000, as well as dependent life and accidental death and dismemberment coverage via payroll deduction.

A six-member committee from the following departments reviewed and evaluated the qualifications:

- Department of Human Resources (2)
- Office of Budget (1)
- Office of Risk Management (1)
- Office of Economic Development Business Workforce and Inclusion Division (1)\*
- Office of Procurement Services (1)\*

\*The Office of Procurement Services only evaluated the cost and the Office of Economic Development Business Workforce and Inclusion Division only evaluated the Business Inclusion and Development Policy.

The committee selected the successful respondent on the basis of demonstrated competence and qualifications under the following criteria:

- Overall approach and methodology 30 points
- Cost 30 points
- Capability and expertise 25 points
- Business Inclusion and Development Policy 15 points

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out email notifications to vendors registered under relevant commodity codes. To further increase competition, the Office of Procurement Services uses historical solicitation information, the Internet, and vendor contact information obtained from user departments to contact additional vendors.

On November 10, 2015, the City Council authorized a living wage policy that requires contractors to pay their employees a “living wage” rate as established annually by the Massachusetts Institute of Technology Living Wage Calculator for Dallas County by Resolution No. 15-2141. The current calculated living wage during the solicitation process of this contract is \$11.71; the selected vendor meets this requirement.

#### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On December 9, 2015, City Council authorized a three-year service contract and policy, with two one-year renewal options, to provide City paid basic life insurance for \$1.75 per employee per month; and elective employee paid supplemental group term life, elective dependent life and accidental death and dismemberment insurance coverage with Standard Insurance Company by Resolution No. 15-2265.

On November 28, 2018, City Council authorized Supplemental Agreement No. 1 to exercise the first of two, one-year renewal options to the service and policy contract with Standard Insurance Company to provide City paid basic life insurance for \$1.75 per employee per month; and elective employee paid supplemental group term life, elective dependent life, and accidental death and dismemberment insurance coverage by Resolution No. 18-1708.

On May 22, 2019, City Council authorized a three-year service contract, with two one-year renewal options, to provide voluntary benefits to employees and eligible retirees, a self-funded vendor-administered Employee Benefits Program with Standard Insurance Company by Resolution No. 19-0784.

On November 13, 2019, City Council authorized Supplemental Agreement No. 2 to exercise the second of two one-year renewal options to the service contract with Standard Insurance Company to provide only City paid basic life insurance for \$1.75 per employee per month from January 1, 2020 to April 30, 2020; and \$4.65 per employee per month from May 1, 2020 to December 31, 2020, by Resolution No. 19-1782.

### **FISCAL INFORMATION**

Fund	FY 2021	FY 2022	Future Years
Employee Health Benefits	\$789,579.00	\$789,579.00	\$789,579.00

### **M/WBE INFORMATION**

In accordance with the City's Business Inclusion and Development Policy adopted on September 23, 2020, by Resolution No. 20-1430, as amended, the M/WBE participation on this contract is as follows:

Contract Amount	Category	M/WBE Goal	M/WBE %	M/WBE \$
\$2,368,737.00	Other Services	23.80%	1.59%	\$37,550.00
<ul style="list-style-type: none"> <li>• This contract does not meet the M/WBE goal, but complies with good faith efforts.</li> <li>• Standard Insurance Company - Non-local; Workforce - 2.55% Local</li> </ul>				

### **PROCUREMENT INFORMATION**

Method of Evaluation for Award Type:

Request for Competitive Sealed Proposal	<ul style="list-style-type: none"> <li>• Utilized for high technology procurements, insurance procurements, and other goods and services</li> <li>• Recommended offeror whose proposal is most advantageous to the City, considering the relative importance of price, and other evaluation factors stated in the specifications</li> <li>• Always involves a team evaluation</li> <li>• Allows for negotiation on contract terms, including price</li> </ul>
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The Office of Procurement Services received the following proposals from solicitation number BKZ20-00014045. We opened them on September 11, 2020. This service contract is being awarded in its entirety to the most advantageous proposer.

\*Denotes successful proposer

<b><u>Proposers</u></b>	<b><u>Address</u></b>	<b><u>Score</u></b>	<b><u>Amount</u></b>
*Standard Insurance Company	1100 SW 6th St. Portland, OR 97204	86.50	\$2,368,737.00

Dearborn Life Insurance Co.	701 East 22nd St. Suite 300 Lombard, IL 60148	73.08	\$5,380,416.90
Securian Financial Group	400 Robert St. N St. Paul, MN 55101	60.96	\$5,414,256.00
Metropolitan Life Insurance Company	200 Park Ave. New York, NY 10166	56.30	\$5,718,807.90

**OWNER****Standard Insurance Company**

Greg Ness, Chief Executive Officer  
Dan McMillan, Vice President