



## Legislation Text

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File #: 21-1921, Version: 1

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**STRATEGIC PRIORITY:** Government Performance and Financial Management  
**AGENDA DATE:** October 27, 2021  
**COUNCIL DISTRICT(S):** N/A  
**DEPARTMENT:** Office of Procurement Services  
**EXECUTIVE:** Elizabeth Reich

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### **SUBJECT**

Authorize (1) a three-year service contract, with one two-year renewal option, for City paid long term disability benefits and administration of grandfathered life insurance policies - Standard Insurance Company, most advantageous proposer of two - Not to exceed \$8,626,122 - Financing: Employee Benefits Fund (subject to annual appropriations); and (2) a three-year service contract, with one two-year renewal option, for pre-paid legal and identity theft protection services - MetLife Legal Plans, Inc., most advantageous proposer of five - Financing: No cost consideration to the City (coverage to be paid for by the employee – see Fiscal Information)

### **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 third-party administrator contract will provide City-Paid Long-Term Disability (LTD) for full-time employees working 40 hours a week and with 1-year or more of service. This benefit will pay 60 percent of income replacement after 90-days of the employee becoming disabled, terminally ill and being unable to work. LTD is typically a basic component to any health benefits program but will be a new benefit to City employees. Implementation of this program will also help the City replace the outdated Catastrophic Leave Program by 2023.

The awarded vendor will also provide administration services to support approximately 2,500 grandfathered self-funded life policies with an average policy amount of \$2,500. The awarded vendor is including the provision of this service with the City-Paid LTD benefits.

This action will also provide legal resources and identity theft benefit options through a third-party vendor to support employee legal identification and theft services via online resources, email, and/or telephonic support. This is a fully insured product paid by participating employees. This contract offers a comprehensive range of benefits products that will allow employees to custom tailor the benefit package to their individual needs. The awarded firm is required to manage all aspects of employee marketing and enrollment, and to provide ongoing customer service for the voluntary benefits products and the provision of support staff during open enrollment periods.

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

- City Controller's Office (1)
- Department of Human Resources (2)
- Department of Transportation (1)
- Office of Community Care (1)
- Office of Procurement Services (1)\*

\*The Office of Procurement Services only evaluated the cost and local preference, if applicable.

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

- Cost 35 points
- Overall approach and methodology 30 points
- Capability and expertise 30 points
- Local Preference -5 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. Additionally, in an effort to secure more competition, the Office of Business Diversity sent notifications to chambers of commerce and advocacy groups to ensure maximum vendor outreach.

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 \$12.38; the selected vendor meets this requirement.

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

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.

The Government Performance & Financial Management Committee received this item for consideration on May 20, 2019.

#### **FISCAL INFORMATION**

Pre-paid legal and identify theft services are no cost consideration to the City but a cost consideration on the others. Pre-paid legal and identify theft protection services will be paid for by the employee.

| Fund                   | FY 2022        | FY 2023        | Future Years   |
|------------------------|----------------|----------------|----------------|
| Employee Benefits Fund | \$2,875,374.00 | \$2,875,374.00 | \$2,875,374.00 |

**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                                                                                                                                                                                                                                                                           | Procurement Category | M/WBE Goal | M/WBE % | M/WBE \$     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------|---------|--------------|
| \$8,626,122.00                                                                                                                                                                                                                                                                            | Other Services       | N/A        | 2.03%   | \$175,522.44 |
| <ul style="list-style-type: none"> <li>The Business inclusion and Development Policy does not apply to Other Service contracts, however the prime contractor is subcontracting with certified M/WBEs.</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> |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

The Office of Procurement Services received the following proposals from solicitation number BKZ21-00016259. We opened them on July 2, 2021. This service contract is being awarded to the most advantageous proposers by group.

\*Denotes successful proposers

| <b><u>Proposers</u></b>     | <b><u>Address</u></b>                               | <b><u>Score</u></b> |
|-----------------------------|-----------------------------------------------------|---------------------|
| *Standard Insurance Company | 1100 Southwest 6th St.<br>Portland, OR 97204        | 87.80 - Group 1     |
| Dearborn Life Insurance Co. | 701 East 22nd St.<br>Suite 300<br>Lombard, IL 60148 | 80.36 - Group 1     |

| <b><u>Proposers</u></b>                                         | <b><u>Address</u></b>                                                   | <b><u>Score</u></b>        |
|-----------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------|
| <del>*MetLife Legal Plans, Inc.</del>                           | <del>200 Park Ave.<br/>New York, NY 10166</del>                         | <del>80.80 – Group 2</del> |
| <del>Pre-Paid Legal Services, Inc.<br/>dba LegalShield</del>    | <del>One Pre-Paid Way<br/>Ada, OK 74820</del>                           | <del>74.89 – Group 2</del> |
| <del>InfoArmor, Inc. dba Allstate<br/>Identity Protection</del> | <del>7350 North Dobson Rd.<br/>Suite 101<br/>Scottsdale, AZ 85256</del> | <del>64.62 – Group 2</del> |
| <del>Empowered Benefits, LLC</del>                              | <del>525 North Tryon St.<br/>Suite 900<br/>Charlotte, NC 28202</del>    | <del>62.60 – Group 2</del> |
| <del>USA Legal Services, Inc.</del>                             | <del>8133 Baymeadows Way<br/>Jacksonville, FL 32256</del>               | <del>62.45 – Group 2</del> |
| <del>Navarro Insurance Group, LP</del>                          | <del>9235 Katy Frwy.<br/>Suite 100<br/>Houston, TX 77024</del>          | <del>62.39 – Group 2</del> |

## **OWNERS**

### **Standard Insurance Company**

~~Greg Ness, Chief Executive Officer  
Dan McMillan, Vice President~~

### **MetLife Legal Plans, Inc.**

~~Ingrid Tolentino, Chief Executive Officer~~