



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		1/25/16		
Department:		Human Resources		
Department Head		Shante' Akafia		
Agenda Coordinator (include phone #): Sharron Mason x7247				
CAPTION				
To ratify and approve the award for RFP 2016-0022-C for Stop Loss Insurance for the period of 1/1/2016 to 1/31/2016 in the estimated amount of \$133,042, and for the period of 2/1/2016 to 12/31/2016 in the estimated amount of \$1,463,459, for an estimated total contract amount of \$1,596,501, to be utilized by Human Resources to ReliaStar Life Insurance Company, and authorizing the City Manager to execute all necessary documents.				
FINANCIAL SUMMARY				
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	2015-16 thru 2016-17	Prior Year (CIP Only)	Current Year	Future Years
		0	2,313,525	399,123
		0	-817,767	0
		0	-1,197,378	-399,123
		0	298,380	0
				2,712,648
				-817,767
				-1,596,501
				298,380
FUND(S): HEALTH CLAIMS FUND				
<p>COMMENTS: This item ratifies and approves the City of Plano's Stop Loss Coverage through December 31, 2016. The anticipated cost in FY 2015-16 of \$1,197,378, and cost in FY 2016-17 of \$399,123 for a total of \$1,596,501 will be funded via regular employee, retiree, and city contributions to the City's Health Claims Fund.</p> <p>STRATEGIC PLAN GOAL: Providing for Stop Loss Coverage against a high level of health claims relates to the City's Strategic Plan Goal of a Financially Strong City with Service Excellence.</p>				
SUMMARY OF ITEM				
See recommendation memo.				
List of Supporting Documents: Recommendation Memo			Other Departments, Boards, Commissions or Agencies NA	



Memorandum

To: Diane Palmer-Boeck, Chief Purchasing Officer

From: Andrea Cockrell, Administrative Services Manager

Date: December 23, 2015

Re: Award of Bid RFP 2016-0022-C for Stop Loss Insurance Coverage

RFP 2016-0022-C

The Stop Loss Insurance Coverage contract encompasses reinsurance coverage for the self-insured medical plan. The Evaluation Committee reviewed and evaluated two (2) proposals in response to the Request for Proposal (RFP) for Stop Loss Insurance Coverage: United HealthCare Services, Inc. and Reliastar Life Insurance Company. SA Benefits was a third vendor who responded, however, they only included pricing for the existing individual stop loss limit and therefore was not considered.

Evaluation was based on the following factors:

- Pricing – 50%
- Meets/exceeds requirements – 50%

Final results showed Reliastar Life Insurance Company with the overall highest scores factoring in the pricing. The estimated annual cost without respect to any reimbursement of claims over the individual stop loss limit is \$1,596,501 (\$62.14 per member per month with an Individual Stop Loss level of \$200,000.) The Evaluation Committee recommends the contract be awarded to Reliastar Life Insurance Company based upon the overall highest score.

Human Resources requests City Council ratify the first monthly payment estimated to be \$133,042 and approve the remaining estimated expenditures of \$1,463,459 for a total estimated amount of \$1,596,501.

Failure to award this contract would result in the City taking on additional risk for catastrophic claims.

CITY OF PLANO

RFP No.: 2016-0022-C
RFP for STOP LOSS INSURANCE
RFP RECAP

RFP Opening Date/Time: **Thursday, November 19, 2015 @ 3:00 p.m. (CST)**

Number of Vendors Notified: 3515

Vendors Submitting "No Bids": None

Number of Proposals Considered: 2

Estimated Overall Cost:

United Healthcare Services, Inc.	\$2,012,197.44 (\$200,000 deductible)
Reliastar Life Insurance Company	\$1,627,331.28 (\$200,000 deductible)

Recommended Vendor(s):

Reliastar Life Insurance Company in the total estimated amount of \$1,596,501(\$200,000 deductible) **Best and Final Offer** for a twelve (12) month contract beginning January 1, 2016 and ending December 31, 2016.

I certify that the above includes all firms contacted to bid and that replies are exactly as stated.

Sharron Mason

December 23, 2015

Sharron Mason
Sr. Buyer

Date