



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:		10/27/14			
Department:		Human Resources			
Department Head		Shante Akafia			
Agenda Coordinator (include phone #): Sharron Mason - Ext. 7247					
CAPTION					
RFP No. 2014-169-C for a one (1) year contract with three (3) City optional one (1) year renewals for life insurance, to be utilized by Human Resources to Cigna Corporation, in an estimated total amount of \$3,229,348, 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:	2014-15, 2015-16, 2016-17, 2017-18, 2018-19	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget		0	605,503	2,623,845	3,229,348
Encumbered/Expended Amount		0	0	0	0
This Item		0	-605,503	-2,623,845	-3,229,348
BALANCE		0	0	0	0
FUND(S): VARIOUS FUNDS					
<p>COMMENTS: This item, in the total amount \$3,229,348, approves a contract for life and accidental death and disability (AD&D) insurance through the 2018 calendar year at an annual cost of \$807,337 for each calendar. Funding for this contract is spread across all city funds that pay for employee salary and benefits and will be captured in the annual budget appropriation of each future fiscal year.</p> <p>STRATEGIC PLAN GOAL: Contracting for employee Life and AD&D insurance as a component of Plano's benefit package for employees relates to the City's goal of Financially Strong City with Service Excellence.</p>					
SUMMARY OF ITEM					
Staff recommends awarding a one (1) year contract with three (3) City optional one (1) year renewals for RFP 2014-169-C for life insurance to Cigna Corporation, in an estimated total amount of \$3,229,348 to be utilized by Human Resources and conditioned upon timely execution of any necessary contract documents. (City of Plano Internal Contract No. 2014-396-C).					
List of Supporting Documents: Recommendation of Award Memo and RFP Recap			Other Departments, Boards, Commissions or Agencies		



Memorandum

To: Diane Palmer-Boeck, Purchasing Manager

From: Andrea Cockrell, Administrative Services Manager

Date: October 7, 2014

Re: Award of RFP No. 2014-169-C for Life Insurance
City of Plano Internal Contract No. 2014-396-C

The City offers life and accidental death and disability (AD&D) insurance as a benefit to its employees and retirees. The City recently requested proposals for the life and AD&D insurance contract. The Evaluation Committee reviewed and evaluated nine (9) proposals in response to the Request for Proposal (RFP) for Life Insurance: Cigna Corporation, Aetna Life Insurance Company, Standard Insurance Company, The Guardian Life Insurance Company of America, AIG Benefit Solutions, ING North America Insurance Corporation, Minnesota Life and Accident Insurance Company, Hartford Life and Accident Insurance Company, and Unimerica, a subsidiary of United Healthcare Services, Inc. (the incumbent).

Members of the Evaluation Committee rated each proposal independently, without reviewing cost of service. The City's benefits consultant also prepared a comparison spreadsheet so all similarities and differences would be easily visible. The final scores were discussed amongst the Evaluation Committee. Lastly, the pricing was factored into the overall final score.

The evaluation criteria were based on:

- Contract provisions – 30%
- Reporting/network – 15%
- Reputation and references – 15%
- Pricing – 40%

Final results showed Unimerica, a subsidiary of United Healthcare Services, Inc. with the overall highest scores including pricing. The City submitted best and final offers to the top three vendors. After reviewing the three best and final offers, the City recommends awarding the contract to Cigna Corporation, in the estimated annual cost of \$807,337 with the contract totaling \$3,229,348 for years 2015 – 2018, which is over \$100,000 lower than the other two vendors who submitted best and final offers. This represents a \$304,262 savings from the current contract. Cigna Corporation guaranteed the rates for 3 years with a contingent rate guarantee in year 4 based upon the loss ratio.

Failure to renew this contract will result in a loss of life and accidental death and disability benefits to employees and retirees.

CITY OF PLANO

RFP No.: 2014-169-C
RFP for LIFE INSURANCE
City of Plano Internal Contract No. 2014-396-C

RFP RECAP

RFP Opening Date/Time: **Monday, April 21, 2014 @ 3:00 p.m. (CDT)**

Number of Vendors Notified: 1646

Vendors Submitting "No Bids": None

Number of Proposals Considered: 9

<u>Estimated Overall Cost:</u>	Cigna Corporation	\$826,564
	Unimerica, a subsidiary of United Healthcare Services, Inc.	\$925,751
	Aetna Life Insurance Company	\$942,283
	Standard Insurance Company	\$958,814
	The Guardian Life Insurance Company of America	\$964,324
	Minnesota Life Insurance Company	\$1,041,470
	AIG Benefit Solutions	\$1,046,981
	ING North America Insurance Corporation	\$1,046,981
	Hartford Life and Accident Insurance Company	\$1,377,606

Recommended Vendor(s):

Cigna Corporation in their best and final estimated amount of \$807,337.

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

Sharron Mason

October 8, 2014

Sharron Mason
Sr. Buyer

Date