

BOARD OF COUNTY COMMISSIONERS

DATE: July 1, 2008

AGENDA ITEM NO. 17.

Consent Agenda



Regular Agenda

Public Hearing



County Administrator's Signature: *WMSW/FEM*

Subject:

Approval of Firm Ranking and Final Negotiated Contract- Group Term Life Insurance
Contract No. 078-0343-P (AM)

Department:

Personnel / Purchasing

Staff Member Responsible:

Peggy Rowe / Joe Lauro

Recommended Action:

I RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BOARD) REJECT THE PROPOSALS RECEIVED FROM LAFAYETTE LIFE INSURANCE COMPANY, PRUDENTIAL INSURANCE COMPANY OF AMERICA AND SUN LIFE FINANCIAL ON BEHALF OF LON BRYAN AND COMPANY, PONTE VEDRA BEACH, FLORIDA FOR BEING NON-RESPONSIVE FOR SUBMITTING MULTIPLE PROPOSALS.

I FURTHER RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BOARD) APPROVE THE RANKING OF FIRMS AND FINAL NEGOTIATED CONTRACT FOR GROUP TERM LIFE INSURANCE WITH HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY (HARTFORD), TAMPA, FLORIDA.

Summary Explanation/Background:

On April 11, 2008, the Purchasing Department let a Request For Proposal (RFP) for Group Term Life Insurance for County employees on behalf of the Personnel Department.

Proposals were received from fifteen (15) firms. Three (3) non-responsive proposals were removed from further consideration. On June 4, 2008, the Evaluation Committee consisting of two (2) staff members from Personnel, one (1) staff member from the Property Appraiser, one (1) staff member from Consumer Protection and Justice Coordination, and one (1) staff member from the Clerk of the Court along with a member of the Purchasing Department acting as a facilitator, met and evaluated the responsive proposals.

The Evaluation Committee evaluated the firms per the following criteria:

1. Capability 400 Points
2. Price 600 Points

The firms in order of ranking are as follows:

1. Hartford Life and Accident Insurance Company	863 Points
2. Standard Insurance Company	829 Points
3. Minnesota Life Insurance Company d/b/a Minnesota Life	802 Points
4. Metropolitan Life Insurance Company (MetLife)	760 Points
5. Life Insurance Company of North America d/b/a Cigna Group Insurance	636 Points
6. Aetna Life Insurance Company	621 Points
7. Reliance Standard Life Insurance Company	611 Points
8. United Healthcare Insurance Company d/b/a United Healthcare Specialty Benefits	554 Points
9. AIG Life Insurance Company	538 Points
10. ReliaStar Life Insurance Company d/b/a ING Employee Benefits	371 Points
11. Unum Life Insurance Company of America d/b/a UNUM	302 Points
12. Humana d/b/a Kanawha Insurance Company	296 Points

Due to time constraints involving employee open enrollment, negotiations were held with the number one ranked firm, Hartford, on June 13, 2008. The Negotiation Team consisting of two (2) staff persons from the Personnel Department and two (2) Purchasing Department representatives have negotiated a finalized contract that includes the following:

1. Performance guarantees per Exhibit A on the attached negotiated points letter.
2. An implementation timeline to commence on July 7, 2008. The Contractor will be required to provide electronic certificates by September 15, 2008 and paper copies by October 15, 2008.
3. In addition to the thirty-six (36) months proposed rate guarantees, the Contractor also agrees to a rate guarantee for the 4th year that is dependent on a loss ratio of 90% or less as measured after twenty-four (24) months coverage or upon the date requested by the County, if later.
4. The Contractor agrees to use the County's existing enrollment and change form.
5. The Contractor agrees to support the use of an electronic form whenever the County implements such format.

Several firms, including the incumbent (Minnesota Life), proposed substantial savings as compared to the current contract. The annual cost of the proposed contract is \$485,000.00; this represents a savings of \$305,000.00 (39%) when compared to current contract expenditures.

The contract is for a thirty-six (36) month period effective October 1, 2008. The contract may be renewed for up to four (4) additional twelve (12) month periods if all terms and conditions remain the same and approval is granted by the County Administrator. Premiums may be increased based upon experience and other factors in an amount mutually agreed upon by the parties.

Fiscal Impact/Cost/Revenue Summary:

Estimated Annual Cost to the County: \$485,000.00

Funding for the program is currently included in the individual department's FY09 budget.

Exhibits/Attachments Attached:

1. Contract Review
2. Negotiated Points Letter
3. Evaluation Criteria Tabulation



**PURCHASING DEPARTMENT
CONTRACT REVIEW TRANSMITTAL**

CATS
NO.:

25658

PROJECT: GROUP TERM LIFE INSURANCE

BID NUMBER: 078-0343-P (AM)

REQ. NUMBER: N/A

TYPE: ☐ Purchase Contract

☐ Other:

☐ Construction-Less than \$100,000

☐ One Time

In accordance with the policy guide for Contract Administration, the attached documents are submitted for review and comment.

Upon completion of review, complete Contract Review Transmittal and forward to next Review Authority listed. Please indicate suggested changes by revising, in RED, the appropriate section of the document reflecting the exact wording of the change.

RISK MANAGEMENT: Please enter required liability coverage on pages: 12 AND 13

PRODUCT ONLY ☐

This is an Annual contract. Estimated Expenditure: \$803,477.00 annually

REVIEW SEQUENCE	REVIEW AUTHORITY	REVIEW DATE	REVIEW SIGNATURE	COMMENTS (Attach Separate page if necessary)	COMMENTS INCORPORATED
1.	Purchasing Dept. Amelia McFarlane, PA Joe Lauro, Director, Candy Mancuso, Asst. Director	3/24/08	<i>[Signature]</i>	Note to reviewers: Please provide responses to questions/concerns made by Purchasing, if applicable at the time.	
2.	Using Department Peggy Rowe/Dave Blasewitz <i>[Signature]</i>	3/27/08	<i>[Signature]</i>	See attached page.ccm	

Using Dept please check attached vendor list. Circle vendors you want bids mailed to. Add additional vendors with complete information (Name, Address, Phone and Fax)

3.	Risk Management Attn: Loretta Hunter (Check applicable box at right)	3/27/08	<i>[Signature]</i>	See pg 12	HIGH RISK <input checked="" type="checkbox"/> NOT HIGH RISK
4.	BCC Finance Attn: Cassandra Williams	4/2/08	<i>[Signature]</i>		
5.	Asst. County Administrator Attn: James Dates	4/2/08	<i>[Signature]</i>		
6.	Asst. County Administrator Attn: Mark Woodard	4/3/08	<i>[Signature]</i>		
7.	Legal Attn: Michelle Wallace	4/4/08	<i>[Signature]</i>	Agreement Attached	

****RETURN ALL DOCUMENTS TO PURCHASING****

Make all inquiries to:	Amelia McFarlane, CPPB Senior Procurement Analyst	at Extension 43149
In order to meet the following schedule, please return your requirements to Purchasing by: 4/14/08		

06/2006 (ag)

TENTATIVE DATES

Legal Ad-BID/RFP Mail Out: TBD
BID/RFP Opening: TBD
Board/County Admin/Purchasing Director Approval: TBD

**BOARD OF COUNTY
COMMISSIONERS**

ROBERT B. STEWART - CHAIRMAN
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RONNIE DUNCAN
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KAREN WILLIAMS SEEL
KENNETH T. WELCH



Joseph Lauro, CPPO/CPPB
Director

By: E-MAIL

The Hartford Life & Accident Insurance
Attn: Jacob Story, Account Executive
4830 W Kennedy Blvd - Ste 270
Tampa, FL 33609

RE: Group Term Life Insurance
Contract No.:078-0343- (AM)

Dear Mr. Story:

At the Negotiation Meeting on June 13, 2008 with County staff from the Purchasing Department and Personnel Department along with you and Nancy Young representing The Hartford Life & Accident Insurance (Contractor) the following points were discussed and agreed upon for a finalized contract for the County's Request For Proposal No. 078-0343-P for Group Term Life Insurance:

1. The Contractor agrees to Performance Guarantees per attached Exhibit A.
2. The County and the Contractor agrees to an implementation Timeline to commence by July 7, 2008 conditional on the County's approval of a contract with the Contractor on July 1, 2008. The County will require that the Contractor provide electronic certificates by September 15, 2008 and paper copies by October 15, 2008.
3. In addition to the thirty-six (36) months proposed rate guarantee the Contractor agrees to a rate guarantee for the 4th year dependent on a loss ratio of 90% or less as measured after 24 months coverage or upon to the date requested by the County if later.
4. The Consultant confirms as proposed, that they will use the County's existing enrollment and change form and news ones will be requested only during new applications.
5. The Contractor will support the use of an electronic form whenever the County implements that format.

PLEASE ADDRESS REPLY TO:
400 South Ft. Harrison, Sixth Floor
Clearwater, Florida 33756
Phone: (727) 464-3311
FAX: (727) 464-3925
Website: www.pinellascounty.org/purchase



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Joseph Lauro, CPPO/CPPB
Director

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Contract No. 078-0038-P (AM)

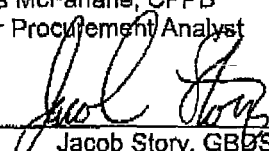
It is understood that the above points become part of the Final Agreement as well as the other documents comprising the Agreement to include the Request for Proposal and any addenda issued, along with the Certificate of Insurance required under Section C of the Request for Proposal and the Consultant's proposal response.

Please indicate your agreement to the negotiated points listed above, by signing below as indication of your authority to negotiate and make final decisions on behalf of The Hartford Life & Accident Insurance

Sincerely,

Amelia McFarlane, CPPB
Senior Procurement Analyst

Agree



Jacob Story, GBBS
Account Executive

PLEASE ADDRESS REPLY TO:
400 South Ft. Harrison, Sixth Floor
Clearwater, Florida 33756
Phone: (727) 464-3311
FAX: (727) 464-3825
Website: www.pinellascounty.org/purchase



Performance Guarantees -- Exhibit A for Pinellas County

The Hartford¹ is willing to financially guarantee our performance in the categories outlined below. The financial guarantee will be an amount not to exceed (a) 1% of the annual premium on for each of your coverages for which The Hartford has issued to you an insurance policy, and (b) 10% of annual fees for Administrative Services Only ("ASO") arrangements issued to you by The Hartford. The term of any performance guarantee shall be one year, with all reporting and performance guarantee documentation conducted by The Hartford. After the initial year, we will work with Pinellas County to determine whether the financial guarantees will be continued and/or revised. The proposed financial distributions / weightings of each category are outlined below.

REGIONAL ACCOUNTS			
Category	Standard	Measurement Source	Proposed Annual Amount
Claims Processing			
Decision Turnaround Time:	95% of Life claims approved/denied within five business days of The Hartford's receipt of complete and accurate information. This Standard is based on the overall results of the claim office.	The Hartford Data Warehouse Report	25%
Financial Accuracy:	98% accuracy in total dollars paid. This Standard is based on the overall results of the claim office.	The Hartford Quality Assurance Report	20%
Transaction/Payment Accuracy:	95% of Life claims payment accuracy. This Standard is based on the overall results of the claim office (total number of claims with no errors divided by the total number of claims audited).	The Hartford Quality Assurance Report	25%
Claims Call Center			
Queue Time:	Average time in queue of 30 seconds or less. This Standard is based on the overall results of the claim office.	The Hartford Phone System Reports	15%
Abandonment Rate:	Less than three percent, which is subject to the overall results of the claim office.	The Hartford Phone System Reports	15%

¹The Hartford[®] as used herein refers to issuing companies Hartford Life Insurance Company and Hartford Life and Accident Insurance Company and Hartford Comprehensive Employee Benefit Service Company, a third party administrator.



PINELLAS COUNTY EVALUATION CRITERIA TABULATION SHEET

**RFP TITLE: Group Term Life Insurance
RFP #: 078-0343-P (AM)**

	COMPANY NAME	EVALUATOR Dave Blasewitz	EVALUATOR Carolyn Mann	EVALUATOR Tom Rohr	EVALUATOR Vivian Sierchio	EVALUATOR Ivory Swain	TOTAL POINTS	TOTAL AVERAGE	RANK
1	Aetna Life Insurance Company	637.00	617.00	617.00	617.00	617.00	3105.00	621.00	6
2	AIG Life Insurance Company	534.00	534.00	534.00	554.00	534.00	2690.00	538.00	9
3	Life Insurance Company of North America DBA CIGNA Group Insurance	636.00	616.00	656.00	656.00	616.00	3180.00	636.00	5
4	The Hartford Life and Accident Insurance DBA The Hartford	855.00	855.00	875.00	875.00	855.00	4315.00	863.00	1
5	Reliastar Life Insurance Company DBA ING Employee Benefits	363.00	363.00	383.00	383.00	363.00	1855.00	371.00	10
6	Humana D/B/A Kanawha Insurance Company	280.00	300.00	300.00	300.00	300.00	1480.00	296.00	12
7	Metropolitan Life Insurance Company (Metlife)	776.00	756.00	756.00	776.00	736.00	3800.00	760.00	4
8	Minnesota Life Insurance Company DBA Minnesota Life	810.00	810.00	790.00	810.00	790.00	4010.00	802.00	3
9	Reliance Standard Life Insurance Company	615.00	595.00	615.00	635.00	595.00	3055.00	611.00	7
10	Standard Insurance Company	833.00	833.00	813.00	833.00	833.00	4145.00	829.00	2
11	United HealthCare Insurance Company DBA United HealthCare Specialty Benefits	550.00	550.00	550.00	570.00	550.00	2770.00	554.00	8
12	Unum Life Insurance Company of America DBA UNUM	306.00	326.00	286.00	306.00	286.00	1510.00	302.00	11

Date: June 4, 2008