



BOARD OF COUNTY COMMISSIONERS

DATE: July 22, 2008
AGENDA ITEM NO. 18.

Consent Agenda ☒

Regular Agenda ☐

Public Hearing ☐

County Administrator's Signature:

Subject:

Approval of Firm Ranking and Final Negotiated Contract- Insurance- Group Long Term Disability/Short Term Disability Administrative Services Only (ASO)
Contract No. 078-0393-P (AM)

Department:

Personnel / Purchasing

Staff Member Responsible:

Peggy Rowe / Joe Lauro

Recommended Action:

I RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BOARD) APPROVE THE RANKING OF FIRMS AND FINAL NEGOTIATED CONTRACT FOR INSURANCE- GROUP LONG TERM DISABILITY/SHORT TERM DISABILITY ASO WITH STANDARD INSURANCE COMPANY (STANDARD), TAMPA, FLORIDA.

Summary Explanation/Background:

On May 9, 2008, the Purchasing Department, on behalf of the Personnel Department, let a Request For Proposal (RFP) for Insurance- Group Long Term Disability/Short Term Disability ASO for County employees.

Proposals were received from twelve (12) firms. On June 20, 2008, the Evaluation Committee consisting of two (2) staff members from Personnel, one (1) staff member from the Clerk of the Court Finance Department, one (1) staff member from the Tax Collector office, and one (1) staff member from Risk Management Department 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. Approach and Methodology | 250 Points |
| 2. Capability | 350 Points |
| 3. Cost , including rates, and guarantees | 400 Points |

The firms in order of ranking are as follows:

- | | |
|---|---------------|
| 1. Standard Insurance Company | 917.00 Points |
| 2. Prudential Financial | 849.60 Points |
| 3. Unum Life Insurance Company of America D/B/A UNUM | 842.60 Points |
| 4. Hartford Life and Accident Insurance Company D/B/A The Hartford | 821.00 Points |
| 5. Aetna Life Insurance Company | 763.50 Points |
| 6. Life Insurance Company of North America D/B/A CIGNA Group Insurance | 663.00 Points |
| 7. ReliaStar Life Insurance Company D/B/A ING Employee Benefits | 648.00 Points |
| 8. United Healthcare Insurance Company D/B/A United Healthcare Specialty Benefits | 608.00 Points |

9. Sun Life Financial	582.00 Points
10. Humana Specialty Benefits D/B/A Kanawha Insurance Company	570.00 Points
11. Lincoln Financial	548.50 Points
12. Florida Combined Life Insurance Company	539.00 Points

Due to time constraints involving employee open enrollment, negotiations were held with the number one ranked firm, Standard, on June 27, 2008. The Negotiation Team consisting of two (2) staff persons from the Personnel Department and one (1) Purchasing Department representative have negotiated a finalized contract.

It is significant to note that Standard will guarantee their rates for three years, and contingent on a target loss ratio will guarantee rates for 5 years. Standard proposed an alternate funding arrangement which will return to the County an experience rating refund when plan performance is favorable. These additional features offer long term cost stability to the County. Additionally the following was agreed:

1. The Contractor is willing to implement the request for telephonic intake at any time during the contract period if the County is interested.
2. The Contractor agrees to provide an optional Long Term Disability plan, including Lifetime Security Benefit, to the County at a cost of \$.44/\$100.

The annual cost of the proposed contract is \$760,000. This represents a savings of \$220,000 (22%) over the previous program.

The contract is for a thirty-six (36) month period effective October 1, 2008. The contract may be renewed for up to three (3) additional twelve (12) month periods if all terms and conditions remain the same and approval is granted by the County Administrator. The ASO STD may be increased no more than ten percent (10%) and pricing for the fully insured LTD premium will be tied to claims experiences.

Fiscal Impact/Cost/Revenue Summary:

Estimated Annual Cost to the County: \$760,000.00

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.:**

25966

PROJECT: GROUP LONG DISABILITY/SHORT TERM DISABILITY ASO

BID NUMBER: 078-0393-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 (historical): \$1,320,000 for Long term up to 9/30/08 & \$103,860 for Short term up to 9/30/08.

REVIEW SEQUENCE	REVIEW AUTHORITY	REVIEW DATE	REVIEW SIGNATURE	COMMENTS (Attach Separate page if necessary)	COMMENTS INCORPORATE D
1.	Purchasing Dept. Amelia McFarlane, PA Joe Lauro, Director, Candy Mancuso, Asst. Director	4/22/08	Amelia McFarlane	Note to reviewers: Please provide responses to questions/concerns made by Purchasing, if applicable at the time. <i>See Final Form on Finalized document</i>	
2.	Using Department Peggy Rowe/Dave Blasewitz <i>Carolyn Mann</i>	4/24	Dave Blasewitz		
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)	4/25/08	LH	See pg 12	HIGH RISK <input checked="" type="checkbox"/> NOT HIGH RISK
4.	BCC Finance Attn: Cassandra Williams	4/30/08	CBW		
5.	Asst. County Administrator Attn: James Dates	5/1/08	JCN		
6.	Asst. County Administrator Attn: Mark Woodard	5/2/08	MS		
7.	Legal Attn: Michelle Wallace	5/5/08	MW	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: 5/6/08 if not sooner

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
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KENNETH T. WELCH



Joseph Lauro, CPPO/CPPB
Director

June 27, 2008

By: E-MAIL

Standard Insurance Company
Attn: Patrick Feldman, Employee Benefits Manager
4350 West Cypress, Suite 920
Tampa, FL 33607

RE: Insurance – Group Long Term Disability/Short Term Disability
Contract No.:078-0393- (AM)

Dear Mr. Feldman:

At the Negotiation Meeting on June 27, 2008 with County staff from the Purchasing Department and Personnel Department along with you and Ryan Rosenfeld and Christine D'Angelo representing Standard Insurance Company (Contractor) the following points were discussed and agreed upon for a finalized contract for the County's Request For Proposal No. 078-0393-P for Insurance- Group Long term Disability/Short Term Disability:

1. The Contractor agrees to Performance Guarantees which states that they will meet the County's overall service expectations during the contract period to include options of renewal periods and will refund 5% of County's previous fiscal quarter's expenses excluding premium taxes, and commissions, if they fail to do so. The County will be the arbiter of whether the Contractor meets the service expectations even for one (1) incident of non-conformance.
2. The County and the Contractor agree to an implementation Timeline to commence by July 22, 2008 conditional on the Board of County Commissioner's approval of a contract with the Contractor on the same date.
3. The Contractor is willing to implement telephonic intake at any time during the contract period if the County is interested. The Contractor provides a clinical model at no additional cost and an enhanced clinical model at a rate of \$0.25 per employee per month (PEPM). Online claim submission is currently available at the employer level at no additional cost.
3. In addition to the thirty-six (36) months proposed rate guarantee the Contractor agrees to a rate guarantee for the additional two (2) years for the Long Term Disability (LTD) plan contingent upon an incurred loss ratio equal to or lower than 85% of the earned premium for the LTD insurance plan.
4. The Contractor and the County agrees that the County could obtain a lower negotiated rate than the proposed rate for the initial contract period, to include renewal periods, if the claim experience is better than that proposed.
5. The Contractor and the County agrees to enter into agreement for an Alternate funding arrangement as proposed by the Contractor.
6. The Contractor agrees to provide an optional Long Term Disability plan, including Lifetime Security Benefit to the County at a cost of .44/\$100.

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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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 Standard Insurance Company.

Sincerely,

Amelia McFarlane, CPPB
Senior Procurement Analyst

Agree


Patrick Feldman
Employee Benefits Manager

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PINELLAS COUNTY EVALUATION CRITERIA TABULATION SHEET

RFP TITLE: Insurance-Group Long Term Disability/Short Term Disability ASO
RFP #: 078-0393-P (AM)

	COMPANY NAME	EVALUATOR	EVALUATOR	EVALUATOR	EVALUATOR	EVALUATOR	TOTAL POINTS	TOTAL AVERAGE	RANK
		Jim Battyanyi	Dave Blasewitz	Marcus Erickson	Carolyn Mann	Cassandra Williams			
1	Aetna Life Insurance Company	727.50	765.00	795.00	735.00	795.00	3817.50	763.50	5
2	Florida Combined Life Insurance Company	539.50	527.00	527.00	527.00	574.50	2695.00	539.00	12
3	Hartford Life and Accident Insurance Company D/B/A The Hartford	821.00	821.00	821.00	821.00	821.00	4105.00	821.00	4
4	Humana Specialty Benefits D/B/A Kanawha Insurance Company	561.00	568.50	573.50	561.00	586.00	2850.00	570.00	10
5	Life Insurance Company of North America D/B/A CIGNA Group Insurance	709.00	639.00	644.00	674.00	649.00	3315.00	663.00	6
6	Lincoln Financial	562.00	562.00	502.00	537.00	579.50	2742.50	548.50	11
7	Prudential Financial	844.00	854.50	844.00	831.50	874.00	4248.00	849.60	2
8	ReliaStar Life Insurance Company D/B/A ING Employee Benefits	655.50	673.00	583.00	655.50	673.00	3240.00	648.00	7
9	Standard Insurance Company	917.00	917.00	917.00	917.00	917.00	4585.00	917.00	1
10	Sun Life Financial	590.50	595.50	525.50	590.50	608.00	2910.00	582.00	9
11	United Healthcare Insurance Company D/B/A United Healthcare Specialty Benefits	614.00	596.50	614.00	596.50	619.00	3040.00	608.00	8
12	Unum Life Insurance Company of America D/B/A UNUM	823.50	864.00	853.50	836.00	836.00	4213.00	842.60	3

Date: June 20, 2008