

CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Office of Management & Budget/Insurance & Benefits

AGENDA DATE: October 27, 2009

CONTACT PERSON NAME AND PHONE NUMBER: David Almonte, 541-4350
Terrence Freiburg, Purchasing Mgr., 541-4313

DISTRICT(S) AFFECTED: All

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

Award Request for Proposal 2009-262R titled Employee Supplemental Benefits Bid to United Concordia Dental for Dental Preferred Provider Organization (PPO), to MetLife for Dental Maintenance Organization (DMO), to Block Vision for Vision Coverage, Trustmark, Inc. for Disability Coverage and to The Standard for Basic and Supplemental Life Insurance for an initial four (4) year period beginning January 1, 2010 through December 31, 2013 with the option to renew for two additional two (2) year periods.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

The City of El Paso sought proposals from qualified firms for fully insured Dental Plans, Vision Plans and Basic and Supplemental Life Insurance. The dental, vision and supplemental life insurance programs are employee supported. The basic life insurance program is provided by the City to eligible employees at no cost. Basic term life insurance coverage of \$50,000 is provided to non-uniformed employees and uniformed fire personnel. Basic term life insurance coverage of \$15,000 is provided to uniformed police personnel. A listing of the vendors that submitted proposals is attached.

The evaluation committee consisted of Andres Rodriguez, El Paso Municipal Police Officers Association, Paul Thompson, Firefighter & Board Member of Local 51, International Association of Firefighters, Inc., Monica Casarez, Benefits Supervisor, Insurance & Benefits, and Jeff Tepsick, Accountant, El Paso Water Utilities. The consultants used for this proposal were John Hennessey and Cindy Chung from The Hay Group in Dallas, Texas.

The initial rating of the proposals was conducted in accordance with Purchasing Policies and Procedures. The RFP Score Summary sheets are attached. The recommended vendors submitted the lowest most responsive proposals. The consultant and committee are recommending the following vendors for the respective ancillary benefits:

- United Concordia Dental for coverage under a preferred provider organization (PPO) dental plan. Concordia is the incumbent and received the highest score by the evaluation committee. The proposed rates are an average of 7% lower than

the current rates and are guaranteed for two years. The benefits remain the same. There is no cost to the City for this coverage.

- MetLife (formerly Safeguard) Dental for coverage under a dental maintenance organization (DMO) dental plan. MetLife is the incumbent and received the highest score by the evaluation committee. The proposed rates are 10% higher than the current rates; the benefits remain the same. The rates are guaranteed for two years with an 8% cap increase for the third year. The other two proposals had higher initial rates, rate guarantees for four years but with lesser benefits than MetLife. There is not cost to the City for this coverage.
- Block Vision for vision plan coverage. Block Vision is the current incumbent and received the highest score by the evaluation committee. The proposed rates are 2% lower than the current rates and have a four year rate guarantee. The coverages will remain the same. There is no cost to the City for this coverage.
- Trustmark, Inc. for disability coverage. There were two disability proposals submitted – Assurant and Trustmark. The Assurant proposal provided less benefit for employees than the current plan; disability coverage would only be provided after a 72 hour hospitalization. Neither the current plan nor the Trustmark proposal have this stipulation. The Trustmark rates are on the average 35% lower than the current disability rates. The Hay Group reviewed other disability proposals they have analyzed for other clients and recommend that the award go to Trustmark. The Hay Group considers their disability proposal fair and adequate. There is no cost to the City for this coverage.
- The Standard for basic life coverage and supplemental coverage. The Standard received the highest score by the evaluation committee. The Standard had the lowest most competitive rates for basic and supplemental coverage. The annual cost to the City for basic life coverage with The Standard is estimated at \$326,000; a 35% increase from the current rates. The City's basic life rates have not increased since 2007. Part of the additional cost is due to the increase in the basic life coverage from \$15,000 to \$50,000 for uniformed fire personnel effective January 1, 2010. The basic life rates are guaranteed for 3 years. Under the Standard's proposal, the supplemental life rates will not increase for the employees and are guaranteed for 3 years.

Overall the consultant and committee's goal was to recommend the providers with the best plan designs, decreases in rates where possible or minimal increase in rates and best possible service available for the City and its employees.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Council previously extended the contracts for these services in August 2008.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

\$326,000 - Self-funded health plan, account # 502119.

BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

Information copy to appropriate Deputy City Manager

PROJECT FORM
REQUEST FOR PROPOSALS

DATE: October 09, 2009

PROJECT: CITY OF EL PASO 2009 EMPLOYEE SUPPLEMENTAL BENEFITS
DEPARTMENT: OMB – INSURANCE AND BENEFITS
SOLICITATION NO: 2009-262R
BUDGET NOs: 04100248-45121-502119
FUNDING SOURCE: Self Insured Health Fund – Life Benefits
REPRESENTATIVE DISTRICT(S): All

RECOMMENDATION:

Item:	Dental (PPO)
Vendor:	United Concordia Insurance Company, Harrisburg, PA
Item:	Dental (DMO)
Vendor:	Metropolitan Life Insurance Company, Dallas, TX
Item:	Vision
Vendor:	Block Vision of Texas, Inc., Dallas, TX
Item:	Disability
Vendor:	Trustmark Insurance Company, Lake Forrest, IL
Item:	Life
Vendor:	Standard Insurance Company, Portland, OR
Amount:	\$326,000.00 estimated annual expenditures

The Office of Management and Budget and the Financial Services Department-Purchasing Division, based on evaluation factors established for this RFP, recommend award to: United Concordia Insurance Company for Dental Preferred Provider Organization (PPO) dental plan, to Metropolitan Life Insurance Company for Dental Maintenance Organization (DMO) dental plan, to Block Vision of Texas, Inc. for Vision Plan Coverage, to Trustmark Insurance Company for Disability Coverage, and to Standard Insurance Company for Basic and Supplemental Life Insurance.

This is a four (4) year contract for City of El Paso 2009 Employee Supplemental Benefits. Contract period begins January 1, 2010 through December 31, 2013, with the option to extend the term of the contract for two (2) additional two-year periods, if the option is exercised prior to the expiration of the original term of the contract. There is no cost to the City for the Dental PPO, Dental DMO, Vision, Disability, and Supplemental Life Insurance coverage. The annual cost to the City for basic life insurance coverage is estimated at \$326,000.00.

RFPS SOLICITED-	<u>51</u>	(21 local)
RFPS RECEIVED-	<u>18</u>	
"NO OFFER" RECEIVED	<u>0</u>	

TOTAL ESTIMATED AWARD: \$1,304,000.00
(Four-Year Total)

COUNCIL APPROVED REJECTED MUNICIPAL CLERK _____

APPROVED:

COUNCIL MEETING DATE: October 27, 2009


Terrence Freiburg
Purchasing Manager
Financial Services-Purchasing Division
cc: Rfp File

	Dental	Disability	Life	Vision
Allstate Workplace Division			X	
Always Care	X		X	X
Assurant Employee Benefits	X	X		
Avesis TPAs				X
Block Vision				X
Davis Vision				X
Delta Dental	X			
Dental Select	X			
Eyetopia				X
Fort Dearborn Life	X			
Humana	X		X	X
Metlife	X		X	
The Hartford			X	
The Standard			X	
Trustmark		X		
United Concordia Dental	X			
Vision Care VSP				X
	8	2	6	7

23 Total proposals

RFP Criteria	Maximum Points	Dental Preferred Provider Organization (PPO)				
		Delta Dental	Ft. Dearborn Life	United Concordia Dental	Always Care	Humana
Service Capability, Responsiveness	30	13.1	9.4	28.1	22.5	12.2
Fees	50	40.6	34.4	50.0	46.9	43.7
Financial Stability	10	5.3	2.5	8.5	8.6	6.9
Quality of Response	10	3.8	0.6	9.1	9.2	7.4
Total	100	62.8	46.9	95.7	87.2	70.2
Ranking		4	5	1	2	3

RFP Criteria	Dental Maintenance Organization (DMO)			
	Maximum Points	Assurant	Metlife	Dental Select
Service Capability, Responsiveness	30	23.5	19.7	13.1
Fees	50	37.5	50.0	46.9
Financial Stability	10	8.2	8.1	4.7
Quality of Response	10	9.2	6.5	4.4
Total	100	78.4	84.3	69.1
Ranking		2	1	3

RFP Criteria	Vision Coverage			Humana	Block Vision	Davis Vision	Eyetopia/ Dental Select/ Vision Coverage	VSP	Avesis
	Maximum Points	Always Care	Dental Select/ Vision Coverage						
Service Capability, Responsiveness	30	9.4	11.7	13.1	27.6	27.2	11.3	12.2	9.8
Fees	50	18.8	18.8	24.3	50.0	50.0	9.4	14.9	15.6
Financial Stability	10	6.4	6.6	6.6	9.9	8.8	5.6	5.6	5.6
Quality of Response	10	6.4	5.5	6.4	9.1	8.3	5.6	5.5	6.3
Total	100	40.9	42.5	50.4	96.5	94.3	31.9	38.1	37.3
Ranking		5	4	3	1	2	8	6	7

RFP Criteria	Maximum Points	Life Insurance				
		Allstate	Always Care	Metlife	The Hartford	The Standard
Service Capability, Responsiveness	30	5.6	22.4	14.3	23.3	27.7
Fees	50	9.0	40.2	24.6	27.7	50.0
Financial Stability	10	1.9	8.5	7.2	7.8	9.4
Quality of Response	10	2.5	8.5	5.3	6.9	9.3
Total	100	19.0	79.5	51.4	65.7	96.3
Ranking		5	2	3	4	1

CITY OF EL PASO REQUEST FOR PROPOSAL (RFP)

TITLE: CITY OF EL PASO 2009 EMPLOYEE SUPPLEMENTAL BENEFITS

DEPARTMENT: OFFICE OF MANAGEMENT AND BUDGET - INSURANCE AND BENEFITS DIVISION

RFP DATE: JULY 29, 099

BID # 2009-262R

ALWAYS CARE BENEFITS INC.	BATON ROUGE, LA
AMERICAN HERITAGE LIFE INSURANCE COMPANY	JACKSONVILLE, FL
AVESIS THIRD PARTY ADMINISTRATORS, INC.	PHOENIX, AZ
BLOCK VISION OF TEXAS, INC.	DALLAS, TX
DAVIS VISION INC.	PLAINVIEW, NY
DELTA DENTAL INSURANCE COMPANY (DELTA DENTAL)	FLOWER MOUND, TX
DENTAL SELECT	SALT LAKE CITY, UT
EYETOPIA VISION CARE	SAN ANTONIO, TX
FORT DEARBORN LIFE INSURANCE COMPANY	DOWNERS GROVE, IL
HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY	SIMSBURY, CT
HUMANA DENTAL INSURANCE COMPANY	DE PERE, WI
METROPOLITAN LIFE INSURANCE COMPANY	DALLAS, TX
STANDARD INSURANCE COMPANY	PORTLAND, OR
TEXAS EDUCATOR BENEFITS INC., DBA COMPLETE BENEFIT SERVICES	EL PASO, TX
TRUSTMARK INSURANCE CO.	LAKE FOREST, IL
UNITED CONCORDIA INSURANCE COMPANY	HARRISBURG, PA
UNION SECURITY INSURANCE COMPANY	KANSAS CITY, MO
VISION SERVICE PLAN INSURANCE CO. (CT)	PLANO, TX
RFP'S SOLICITED: 51	RFP'S RECEIVED: 18
RFP'S LOCAL: 21	NO RFP'S: 0

APPROVED: mw

DATE: 8-4-09

TEXAS MUNICIPAL LEAGUE
ATTN: JOANNA BENAVIDEZ
1821 RUTHERFORD LAND, STE. 300
AUSTIN, TX 78754

ACCESS ADMINISTRATORS
ATTN: DAVID WYSONG
7100 WESTWIND
EL PASO, TX 79912 *UTF*

ASSURED BENEFITS ADMINISTRATORS
ATTN: SUE AUSTIN
4100 RIO BRAVO, 211
EL PASO, TX 79902

HEALTH ADMINSTATION SVS, INC.
ATTN: GLENN HILLYER
100 GLENBOROUGH DR., SUITE
450
HOUSTON, TX 77067-3614

AETNA
ATTN: LOUIE HEERWAGEN
2777 STEMMONS FREEWAY, SUITE
300
DALLAS, TX 75207-2509

BLUE CROSS BLUE SHIELD TEXAS
ATTN: DINDEE SOZA
118 MESA PARK DR.
EL PASO, TX 79912

EL PASO FIRST GROUP HEALTH
ATTN: MANUEL MARQUEZ
2501 N MESA
EL PASO, TX 79902

UNICARE
ATTN: CHARLES ANDOLINA
3820 AMERICAN DRIVE, MS 104
PLANO, TX 75075

GREAT WEST *UTF*
ATTN: GENE WEDGEWORTH
120 S BROADWAY STE. #216
TYLER, TX 75702

METLIFE *UTF*
ATTN: ANGELA HUDGENS
16301 QUORUM DR., SUITE 120 B
ADDISON, TX 75001

THE GUARDIAN *UTF*
ATTN: MARK BURNSIDE
3131 E CAMELBACK ROAD, STE.
135
PHOENIX, AZ 85016

PRUDENTIAL
ATTN: ALAN REX
8117 PRESTON RD., STE. 600
DALLAS, TX 75225

JEFFERSON PILOT FINANCIAL *UTF*
ATTN: KATHRYN PHILLIPS
9001 AIRPORT FREEWAY, SUITE 600
NORTH RICHLAND HILLS, TX 76180

TEXAS TRUE CHOICE *UTF*
ATTN: ILONA LYBE *UTF*
5000 LEGACY DR., SUITE 190
PLANO, TX 75024

SENIOR DIRECTOR PUBLIC
SECTOR ✓
ATTN: EDMUNDO GAMBOA JR.
1900 PUEBLO CORONA
EL PASO, TX 79936

PLANS FOR LIFE LLC *UTF*
ATTN: JESUS H. BUSTILLOS, FIC
6044 GATEWAY EAST #450
EL PASO, TX 79905

COMBINED
ATTN: CRISTINA M. RODRIGUEZ
2701 BERT YANCEY
EL PASO, TX 79936

COMBINED ✓
P O BOX 370371
EL PASO, TX 79937

ATTN: IRENE ESTALA
MARNELL & ASSOCIATES
702 WYOMING AVENUE
EL PASO, TX 79902

INTEGRITY EMPLOYEE
ASSISTANCE
ATTN: DEBORAH M. ONTIVEROS
1600 N LEE TREVINO, SUITE C-7
EL PASO, TX 79936

AFLAC *UTF*
ATTN: LOUIE ALMANZA ✓
6006 N MESA, SUITE 1009
EL PASO, TX 79912

STAR ROBBINS & CO. *UTF*
ATTN: WALTER KUSIAK
853 E 4TH ST.
LONDON, KY 40741

ATTN: LISA A. JUAREZ *UTF*
J & G PROCUREMENT SERVICES
734 S. MESA HILLS, #113
EL PASO, TX 79912

ATTN: TINA SAUNDERS
METLIFE INSURANCE COMPANY ✓
5400 LBJ FREEWAY
SUITE 1460, LOCKBOX 30 ✓
DALLAS, TX 75240

MAYNARD & ASSOCIATES
ATTN: ANNA MAYNARD ✓
6201 ESCONDIDO, STE. 15A
EL PASO, TX 79912

JACK CARR, INC.
1600 N. E. LOOP 410 SUITE 100
SAN ANTONIO, TX 78209

KYLE GILLS ✓
1308 RUSTIC TIMBER
FLOWER MOUND, TX 75028

ATTN: PATRICIA DELANEY
WM. RIGG CO.
2001 BRYAN STREET SUITE 800
DALLAS, TX 75201-3031

HARBORAGE *UTF*
ATTN: LOUIE ALMANZA
6006 N. MESA SUITE 1009
EL PASO, TX 79912

AFLAC ✓
ATTN: ROSANNA SCIALDONE
5959 GATEWAY WEST STE. 368
EL PASO, TX 79925

*Put up packet
6/29/2005
[Signature]*

ANNA MAYNARD *duplication see 1*
6201 ESCONDIDO SUITE 15A
EL PASO, TX 79912

HEALTHSMART PREFERRED CARE
ATTN: RAY HILL
2002 WEST LOOP 289, SUITE 103
LUBBOCK, TX 79453 *UTF ✓*

WARD SERVICES
2 ATTN: SHANE CAMPBELL
3800 FOREST DRIVE, SUITE B101
COLUMBIA, SC 29204
UTF

ING EMPLOYEE BENEFITS
ATTN: LISA M. SPREDEMANN
7720 N 16TH STREET, STE. 150 ✓
PHOENIX, AZ 85020

VISUAL ACCENTS OPTICAL
BOUTIQUE
ATTN: ANGIE MOEHLIG ✓
1220 N OREGON
EL PASO, TX 79902

ATTN: SHANE CAMPBELL *duplication see 2*
WARD SERVICES
3800 FOREST DRIVE SUITE B101
COLUMBIA, SC 29204

ATTN: BRANDON MILLER
HAYS COMPANIES
80 SOUTH 8TH STREET #700 ✓
MINNEAPOLIS, MN 55402

ATTN: RALPH CAMPBELL
MCKINLEY FINANCIAL SERVICES
545 NORTH ANDREWS AVENUE ✓
FORT LAUDERDALE, FL 33301

ATTN: SHARON WILLBANKS
COLONIAL SUPPLEMENTAL
INSURANCE *UTF*
P.O. BOX 222
MANSFIELD, TX 76063-0222

ATTN: LISA M. SPREDEMANN *duplication see 3*
ING EMPLOYEE BENEFITS
7720 N. 16TH STREET, SUITE 150
PHENIX, AZ 85020

AMERICAN INSURNET
ATTN: CHUCK EBERLE
644 LINN STREET, SUITE 430 ✓
CINCINNATI, OH 45203

COLONIAL SUPPLEMENTAL
ATTN: SHEILA PETTY
1201 AVERYT AVENUE
COLUMBIA, SC 29210

COLONIAL INSURANCE *UTF*
ATTN: GEORGE GOMEZ ✓
10935 BEN CRENSHAW
EL PASO, TX 79936

HARTFORD LIFE - GROUP SALES *UTF*
ATTN: TERRY GAUNT ✓
17855 DALLAS PARWAY, STE. 100
DALLAS, TX 75287

AFLAC *UTF*
ATTN: STEVEN TENWICK
809 CLOUDBURST DRIVE
EL PASO, TX 79912

SPECTERA *UTF*
ATTN: NELSON ARMSTRONG ✓
1225 N LOOP WEST STE. 900
HOUSTON, TX 77008

ALLSTATE WORKPLACE DIVISION
ATTN: STACIE HAMPTON ✓
5525 N MACARTHUR #610
IRVING, TX 75038

ATTN: JAY CONDRY
HUMANA
8111 LBJ FREEWAY SUITE 200
DALLAS, TX 75251

ATTN: JEANNE SIMS ✓
FIRSTIER
270 OAK TRAIL DRIVE
DOUBLE OAK, TX 75077

ATTN: JOHN D. BASS
UNITEDHEALTHCARE
5959 NORTHWEST PARKWAY STE
107
SAN ANTONIO, TX 78249

RYAN O. ADAMS ✓
AFLAC
5959 GATEWAY WEST STE 368
EL PASO TX 79925

YOLANDA ESTRADA
INSURANCE AGENCY dba
ALLSTATE
11345 MONTWOOD STE. B
EL PASO, TEXAS 79936

EYETOPIA VISION PLANS
ATTN: MARSHA CURRY
28120 HWY 281 N. SUITE 108
SAN ANTONIO, TX 78260

added 7/20/09 ccf

*pick up
copy of
solicitation
4/23/2009*