

RESOLUTION NO. 2014-81

AUTHORIZING CONTRACT NO. 2014-092D WITH METLIFE SECURITIES, INC. TO PROVIDE DENTAL AND LIFE INSURANCE BENEFITS FOR A PERIOD OF ONE YEAR WITH THREE, ONE-YEAR OPTIONS IN AMOUNTS NOT TO EXCEED \$1,120,000.00 AND \$331,429.00 RESPECTIVELY FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$1,451,429.00 FOR THE BASE YEAR (GENERAL FUND, VARIOUS DEPARTMENT BUDGETS)

WHEREAS, the Authority provides dental and life insurance benefits to its employees;
and

WHEREAS, the proposal of MetLife Securities, Inc., located at 9200 South Hills, Blvd, Suite 130, Cleveland, Ohio 44147, to provide dental and life insurance benefits for a period of one year with three, one-year options was received on July 25, 2014; and

WHEREAS, negotiations with MetLife Securities, Inc. have resulted in an amount not to exceed \$1,120,000.00 for dental and in an amount not to exceed \$331,429.00 for life insurance for a total contract amount not to exceed \$1,451.429.00 for the base year; and

WHEREAS, the General Manager/Secretary-Treasurer deems the negotiated offer of MetLife Securities, Inc. to be the most advantageous to the Authority, price and all other factors considered, and recommends acceptance hereof by the Board of Trustees.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the proposal submitted by MetLife Securities, Inc., as modified by negotiations, to provide dental and life insurance benefits to Authority employees for a period of one year with three, one-year options be and the same is hereby accepted.

Section 2. That the General Manager/Secretary-Treasurer of the Authority be and he is hereby authorized to enter into a contract with MetLife Securities, Inc. to provide these benefits for a period of one year commencing January 1, 2015 and ending December 31, 2015 and is authorized to exercise the one-year options.


Section 3. That this procurement shall be payable from the General Fund, Various Department budgets, in an amount not to exceed \$1,120,000.00 for dental and in an amount not to exceed \$331,429.00 for life insurance for a total contract amount not to exceed \$1,451,429.00 for the base year. Projected costs are based on current enrollment and rates established for each specific plan for the plan year 2015 and on anticipated enrollments and rates for each of the options years.

Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon appropriation of funds for future years, compliance by each contractor to the Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution No. 2013-031; bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that MetLife Securities, Inc. will attempt to exceed the 12% DBE goal assigned to this procurement.

Section 6. That this resolution shall become effective immediately upon its adoption.

Adopted: September 16, 2014



President

Attest: 

CEO, General Manager/Secretary-Treasurer



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|---|---|
| TITLE/DESCRIPTION: CONTRACT: DENTAL AND LIFE INSURANCE COVERAGES FOR ONE YEAR WITH THREE, ONE-YEAR OPTIONS VENDOR: METLIFE SECURITIES, INC. AMOUNT: AMOUNT NTE \$1,120,000.00 FOR DENTAL AND AMOUNT NTE \$331,429.00 FOR LIFE FOR TOTAL CONTRACT AMOUNT NTE \$1,451,429.00 FOR THE BASE YEAR | Resolution No.: 2014-81 |
| | Date: September 11, 2014 |
| | Initiator: Human Resources Department |
| ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____ | |

- 1.0 **PURPOSE/SCOPE:** This action will allow the Authority to enter into a contract to offer its employees access to dental and life insurance benefits.
- 2.0 **DESCRIPTION/JUSTIFICATION:** The Authority provides medical, prescription drug, dental, vision and life insurance benefits to its employees. This action will enable the Authority to provide dental and life insurance benefits for the period January 1, 2015 through December 31, 2015 with the Authority's option to exercise up to three, one-year options.
- 3.0 **PROCUREMENT BACKGROUND:** The Request for Proposals was posted on the GCRTA website and advertised in the local newspapers, as required. Providers were asked to propose on any or all lines of coverage. Proposals were received on July 25, 2014 for this solicitation. AJ Gallagher, the Authority's Benefits Consultant, and a panel of Authority employees evaluated the proposals in accordance with established Procurement Policies and Procedures. After negotiations, the proposal of MetLife Securities, Inc. to provide both dental and life insurance benefits was determined to be the most advantageous to the Authority.

 Projected costs are based on current enrollment and rates established for each specific plan for the plan year 2015 as detailed in Attachment A and on anticipated enrollment and rates for each of the option years. A cost analysis has been performed by the Procurement Department and the proposal of MetLife Securities, Inc., as modified by negotiations, has been determined to be fair and reasonable to the Authority.
- 4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** All Affirmative Action requirements have been met. A 12% DBE participation goal on administrative fees was established for this procurement. Based upon estimated annual administrative fees of \$80,550.00, MetLife Securities, Inc. has committed to achieve the goal through the utilization of Washington Enterprises (African-American-owned) in the amount of \$9,666.00 annually.
- 5.0 **POLICY IMPACT:** This procurement must be completed in order to permit the Authority to offer its employees dental and life insurance benefits in accordance with the Authority's personnel policies and contractual agreements with the labor unions.

- 6.0 **ECONOMIC IMPACT:** This procurement will be funded through the General Fund, Various Department budgets, in an amount not to exceed \$1,120,000.00 for the dental plan and in an amount not to exceed \$491,000.00 for life insurance for a total contract amount not to exceed \$1,611,000.00 for the base year medical plan. This is a 7% increase in the total projected costs for plan year 2015.
- 7.0 **ALTERNATIVES:** Reject this offer. Rejection of this offer would risk not having these benefits available to the Authority's employees.
- 8.0 **RECOMMENDATION:** This contract was discussed by the Finance Committee at their September 2, 2014 meeting. It is recommended that the offer of MetLife Securities, Inc., as modified by negotiations, be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer to enter into a contract.
- 9.0 **ATTACHMENTS:** Attachment A.

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.



CEO, General Manager/Secretary-Treasurer

ATTACHMENT A

RECOMMENDED PROVIDERS AND ESTIMATED BUDGET FOR PLAN YEAR 2015

| <u>Employee Benefit Plans</u> | <u>Estimated Enrollment</u> | <u>Plan Type</u> | <u>Funding</u> |
|---------------------------------|-----------------------------|---------------------|----------------|
| [MEDICAL] | | | |
| Medical Mutual | 1502 | PPO/HMO | Self-Funded |
| HealthSpan | 356 | HMO | Fully-Insured |
| | | | |
| [DENTAL] | | | |
| MetLife | 1926 | PPO | Fully-Insured |
| | | | |
| [VISION] | | | |
| National Vision Administrators | 2004 | PPO | Fully-Insured |
| | | | |
| [TERM LIFE INSURANCE] | | | |
| Metlife | Actives & Retirees | | Fully-Insured |
| | | | |
| [PRESCRIPTION DRUG] | | | |
| Medical Mutual | 1502 | | Self-Funded |
| | | | |
| <u>TOTAL 2014 BUDGET</u> | | \$27,100,000 | |
| | | | |
| <u>TOTAL 2015 BUDGET</u> | | \$28,700,000 | |
| | | | |