

RESOLUTION NO. 2018-88

AUTHORIZING CONTRACT NO. 2018-055D WITH THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA TO PROVIDE LIFE INSURANCE BENEFITS FOR A PERIOD OF ONE YEAR WITH THREE, ONE-YEAR OPTIONS IN AN AMOUNT NOT TO EXCEED \$501,530.00 FOR THE BASE YEAR (GENERAL FUND, VARIOUS DEPARTMENT BUDGETS)

WHEREAS, the Authority provides life insurance benefits as well as voluntary life insurance coverage to its employees; and

WHEREAS, the proposal of The Guardian Life Insurance Company of America, located at 7 Hanover Square, New York, NY 10004, to provide life insurance benefits to the Authority's employees for a period of one year with three, one-year options was received on June 15, 2018; and

WHEREAS, negotiations with The Guardian Life Insurance Company of America have resulted in a negotiated amount not to exceed \$501,530.00.00 for the base contract year based on the rates submitted and the anticipated utilization; and

WHEREAS, the Interim CEO, General Manager/Secretary-Treasurer deems the negotiated offer of The Guardian Life Insurance Company of America to be in the best interest of the Authority, price and all other factors considered, and recommends acceptance thereof 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 offer of The Guardian Life Insurance Company of America, as negotiated, to provide 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 Interim CEO, General Manager/Secretary-Treasurer of the Authority be and he is hereby authorized to enter into a contract with The Guardian Life Insurance Company of America to provide life insurance benefits to Authority employees for a period of one year commencing January 1, 2019 and ending December 31, 2019 with authority to exercise three, one-year options.

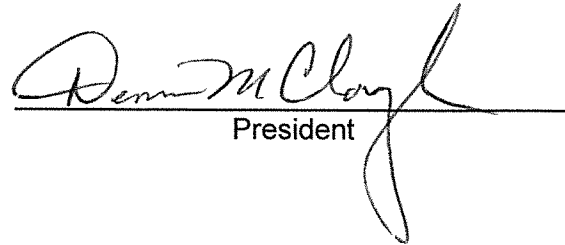
Section 3. That said procurement shall be payable from the General Fund, Various Department budgets, in an amount not to exceed \$501,530.00 for the base year. Projected costs are based on current enrollment and rates established for each specific plan for the plan year 2019 and on anticipated enrollments and rates for each of the option years.

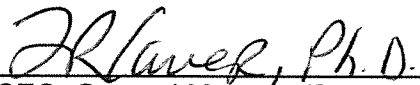
Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon future funding, compliance by the contractor to the Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution No. 2015-76; bonding and insurance 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 The Guardian Life Insurance Company of America will attempt to exceed the 12% minimum DBE goal assigned to this procurement.

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

Adopted: September 18, 2018

  
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President

Attest:   
\_\_\_\_\_  
Interim CEO, General Manager/Secretary-Treasurer



<b>TITLE/DESCRIPTION:</b> <b>CONTRACT:</b> LIFE INSURANCE BENEFITS FOR A PERIOD OF ONE YEAR WITH THREE, ONE-YEAR OPTIONS <b>VENDOR:</b> THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA <b>AMOUNT:</b> NTE \$501,530.00 FOR THE BASE YEAR	<b>Resolution No.:</b> 2018-88
	<b>Date:</b> September 13, 2018
	<b>Initiator:</b> Human Resources Department
<b>ACTION REQUEST:</b> <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 accessibility to life insurance benefits for a period of one year with three, one-year options.

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 continue to provide life insurance benefits for the period January 1, 2019 through December 31, 2019, with the Authority's option to exercise up to three, one-year options.

3.0 **PROCUREMENT BACKGROUND:** The Request for Proposals ("RFP") 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 June 15, 2018. Oswald Companies, 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 The Guardian Life Insurance Company of America was determined to be the most advantageous to the Authority to provide life insurance benefits to its employees.


Projected costs are based on current enrollment and rates established for each specific plan for the year 2019 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 The Guardian Life Insurance Company of America, 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 goal on administrative fees was established for this procurement. Based upon estimated annual administrative fees of \$70,350.00. Guardian Life Insurance Company of America has committed to achieve the goal through the utilization of The Rutledge Group, Inc. (African American owned) in an amount of \$8,442.00 annually.

5.0 **POLICY IMPACT:** This procurement must be approved in order to permit the Authority to enroll employees in its life insurance benefits program 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 \$501,530.00 for the base year. This is a 3% decrease in the total projected costs for plan year 2019 based on anticipated enrollment.
- 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 procurement was discussed by the Board of Trustees at the September 11, 2018 Organizational, Services & Performance Monitoring Committee meeting. It is recommended that the offer of The Guardian Life Insurance Company of America as negotiated, be accepted and the resolution passed authorizing the Interim CEO, General Manager/Secretary-Treasurer to enter into a contract.
- 9.0 ATTACHMENTS: None.

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



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Interim CEO, General Manager/Secretary-Treasurer