

RESOLUTION NO. 2022-74

AUTHORIZING CONTRACT NO. 2022-039C WITH DELTA DENTAL PLAN OF OHIO, INC. TO PROVIDE DENTAL BENEFITS FOR A PERIOD OF ONE YEAR WITH THREE, ONE-YEAR OPTIONS IN AN AMOUNT ESTIMATED AT \$1,100,000.00 FOR THE FIRST YEAR (GENERAL FUND, VARIOUS DEPARTMENT BUDGETS)

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

WHEREAS, the proposal of Delta Dental Plan of Ohio, Inc., located at 1300 East 9<sup>th</sup> Street, Suite 1703, Cleveland, Ohio to provide dental benefits to the Authority's employees for a period of one year with three, one-year options, was received on June 3, 2022; and

WHEREAS, negotiations with Delta Dental Plan of Ohio, Inc. have resulted in an amount estimated at \$1,100,000.00 based upon the proposed rates and the anticipated utilization; and

WHEREAS, the General Manager, Chief Executive Officer deems the negotiated offer of Delta Dental Plan of Ohio, Inc. 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 Delta Dental Plan of Ohio, Inc., as negotiated, to provide dental benefits to the Authority's 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, Chief Executive Officer of the Authority be and she is hereby authorized to enter into a contract with Delta Dental Plan of Ohio, Inc. to provide dental benefits to Authority employees for a period of one year commencing January 1, 2023 and ending December 31, 2023, 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 estimated at \$1,100,000.00 for dental benefits for the first year. Projected costs are based on current enrollment and rates established for each specific plan for the plan year 2023, and on anticipated enrollment 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 with the Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees; 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 Delta Dental Plan of Ohio, Inc. will attempt to exceed the 10% minimum DBE goal assigned to this procurement.

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

Adopted: August 23, 2022



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President

Attest:



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Secretary-Treasurer




<b>TITLE/DESCRIPTION:</b> <b>CONTRACT:</b> DENTAL BENEFITS FOR A PERIOD OF ONE YEAR WITH THREE, ONE-YEAR OPTIONS  <b>VENDOR:</b> DELTA DENTAL PLAN OF OHIO, INC.  <b>AMOUNT:</b> AMOUNT ESTIMATED AT \$1,100,000.00 FOR YEAR ONE	<b>Resolution No.:</b> 2022-74
	<b>Date:</b> August 18, 2022
	<b>Initiator:</b> Labor and Employee Relations 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 dental benefits for a period of one year with three, one-year options.
- 2.0 **DESCRIPTION/JUSTIFICATION:** The Authority provides medical, prescription drug, dental, vision, life insurance, and flexible spending account benefits to its employees. This action will enable the Authority to continue to provide dental benefits for the period January 1, 2023 through December 31, 2023, 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 3, 2022. Oswald Companies, the Authority’s third-party Benefits Consultant, along with a panel of Authority employees evaluated the proposals in accordance with established Procurement Policies and Procedures. After negotiations, the proposal of Delta Dental Plan of Ohio, Inc., the incumbent, to provide dental 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 year 2023 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 Delta Dental Plan of Ohio, 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 10% DBE goal was established for this procurement based upon estimated annual administrative fees of \$62,467.00. Delta Dental Plan of Ohio, Inc has committed to achieve the DBE participation goal through the utilization of The Markey Group (Caucasian Female-owned) in the amount of \$8,000.00 or 12%.
- 5.0 **POLICY IMPACT:** This procurement must be completed in order to permit the Authority to enroll employees in its dental 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 estimated at \$1,100,000.00 for the first year. This is a 3% increase in the total proposed costs for plan year 2023 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 and be non-compliant with our personnel policies and union labor agreements.

- 6.0 ECONOMIC IMPACT: This procurement will be funded through the General Fund, Various Department budgets, in an amount estimated at \$380,000.00 for life insurance, and in an amount estimated at \$20,000.00 for flexible spending accounts, for a total contract amount estimated at \$400,000.00 for the first year. This is a 7% decrease in the total projected costs for plan year 2023 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 and being out of compliance with our personnel policies and union labor agreements.
- 8.0 RECOMMENDATION: This procurement was discussed by the Board of Trustees at the August 9, 2022 Organizational, Services & Performance Monitoring Committee meeting. It is recommended that the offer of Metropolitan Life Insurance Company as negotiated, be accepted and the resolution passed authorizing the General Manager, Chief Executive Officer 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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General Manager, Chief Executive Officer