

RESOLUTION NO. 2022-75

AUTHORIZING CONTRACT NO. 2022-039D WITH METROPOLITAN LIFE INSURANCE COMPANY TO PROVIDE LIFE INSURANCE AND FLEXIBLE SPENDING ACCOUNT BENEFITS FOR A PERIOD OF ONE YEAR WITH THREE, ONE-YEAR OPTIONS IN AN AMOUNT ESTIMATED AT \$380,000.00 AND \$20,000.00 RESPECTIVELY FOR A TOTAL CONTRACT AMOUNT ESTIMATED AT \$400,000.00 FOR THE FIRST YEAR (GENERAL FUND, VARIOUS DEPARTMENT BUDGETS)

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

WHEREAS, the proposal of Metropolitan Life Insurance Company ("MetLife"), located at 1111 Superior Avenue, Suite 800, Cleveland, Ohio 44114 to provide life insurance and flexible spending account 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 MetLife have resulted in an amount estimated at \$400,000.00 based on the rates submitted and the anticipated utilization; and

WHEREAS, the General Manager, Chief Executive Officer deems the negotiated offer of MetLife 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 Metropolitan Life Insurance Company ("MetLife"), as negotiated, to provide life insurance and flexible spending account 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 MetLife to provide life insurance and flexible spending account 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 \$380,000.00 for life insurance benefits and in an amount estimated at \$20,000.00 for flexible spending account benefits, for a total contract amount estimated at \$400,000.00 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 MetLife 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



President

Attest:



Secretary-Treasurer



TITLE/DESCRIPTION: CONTRACT: LIFE INSURANCE & FLEXIBLE SPENDING ACCOUNTS FOR A PERIOD OF ONE YEAR WITH THREE ONE-YEAR OPTIONS VENDOR: METROPOLITAN LIFE INSURANCE COMPANY ("METLIFE") AMOUNT: AMOUNT ESTIMATED AT \$380,000.00 FOR LIFE INSURANCE AND 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	Resolution No.: 2022-75
	Date: August 18, 2022
	Initiator: Labor and Employee Relations 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 accessibility to life insurance and flexible spending account 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 life insurance and flexible spending account 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 Metropolitan Life Insurance Company ("MetLife"), to provide life insurance and flexible spending account 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 MetLife, 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 on annual administrative fees for life insurance and flexible spending totaling \$93,023.00. MetLife has committed to achieve the goal through the utilization of TM Consulting (African American male-owned) in the amount of \$12,000.00 of 12.9%.
- 5.0 **POLICY IMPACT:** This procurement must be completed in order to permit the Authority to enroll employees in its life insurance and flexible spending account benefit programs in accordance with the Authority's personnel policies and contractual agreements with the labor unions.

- 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 Delta Dental Plan of Ohio, Inc., 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.



General Manager, Chief Executive Officer