Legislation Details (With Text)

File #:	060473.	**Version:** 0	**Name:**	Award of Contract for Group Life Insurance to Standard Life Insurance Company as Proposed by Gallagher Benefits Services (B)
Type:	Staff Recommendation		**Status:**	Passed
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Title:	Award of Contract for Group Life Insurance to Standard Life Insurance Company as proposed by Gallagher Benefits Services (B) This item involves a request for the City Commission to approve the selection of Standard Life Insurance Company as the provider for Group Life Insurance Benefit.			
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Date	Ver.	Action By	Action	Result
9/25/2006	0	City Commission	Approved as Recommended	Pass

..Title

Award of Contract for Group Life Insurance to Standard Life Insurance Company as proposed by Gallagher Benefits Services (B)

This item involves a request for the City Commission to approve the selection of Standard Life Insurance Company as the provider for Group Life Insurance Benefit.

..Explanation

The City of Gainesville provides employer paid life insurance to all regular employees who work twenty hours or more and all retirees. The benefit varies based on the employee's base salary. Most employees receive two times their annual base salary, up to a maximum benefit of $50,000. For example, if an employee's base salary is equal to, or greater than $25,000 per year, they will receive the maximum benefit of $50,000.

Recently, the City issued a Request for Proposal (RFP) for Group Life Benefits. As a result of this process, the City received twenty-six different options proposed by six different agents. The proposals were evaluated by staff based on the following criteria:

Cost - (Rate per $1000 of benefit)	60%
Administrative Capabilities and Experience	20%
Financial Stability (AM Best rating)	20%
TOTAL	100%

Using the above criteria, staff rated the proposal submitted by Standard Life Insurance Company through Gallagher Benefits Services as the lowest qualified proposal. The proposal of 12.2 cents per thousand was substantially less than any other proposal. The coverage offered is identical to the coverage currently provided and Standard agreed to cover all employees/retirees that are eligible whether actively at work or not. In addition, Standard Life Insurance Company has guaranteed the rate of 12.2 cents per thousand for three years. The annual savings (over current cost) of this proposal is approximately $150,000. The total savings to the City over the life of the rate guarantee will be approximately $450,000.

Funds of approximately $180,000 have been included in the proposed Fiscal Year 2007 Employee Health and Accident Benefits Fund operating budget.

The City Commission authorize: 1) the award of the contract for Group Life Insurance to Standard Life Insurance Company as proposed by Gallagher Benefit Services for a period of three years beginning October 1, 2006; 2) the issuance of a Purchase Order in an amount sufficient to cover the applicable charges for Group Life Insurance; and, 3) the City Manager or designee to negotiate and execute, subject to the approval of the City Attorney as to form and legality, a contract with Standard Life Insurance Company and Gallagher Benefits Services.

Alternative Recommendation A:
The City could choose the next lowest bid received from Haught Financial. MetLife would be the carrier and if selected, there would be an additional $98,000 per year in premium payments.

The City Commission authorize: 1) the award of the contract for Group Life Insurance to Metlife as proposed by Haught Financial Services for a period of three years beginning October 1, 2006; 2) the issuance of a Purchase Order in an amount sufficient to cover the applicable charges for Group Life Insurance; and, 3) the City Manager or designee to negotiate and execute, subject to the approval of the City Attorney as to form and legality, a contract with MetLife and Haught Financial Services.