



Legislation Details (With Text)

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

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

Sponsors:

Indexes:

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Attachments: 1. 140128_Proposal Evaluations_20140807.pdf

Date	Ver.	Action By	Action	Result
8/7/2014	1	City Commission	Approved as Recommended	

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

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

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.

The City issued a Request for Proposal for Group Life Benefits in 2014 for a three-year term, but was interested in rate guarantees beyond the initial three-year term. As a result of this process, the City received four responses to the RFP. The proposals were evaluated by staff based on price and the ability to match the City’s current life insurance benefit, including a requirement that all current covered employees and retirees would continue to be covered without a loss of benefit. The policy form was rated as a pass/fail and each company was evaluated based on financial strength and the ability to perform the services provided and finally price. Since only those life insurance companies that matched the City’s benefit requirements could be considered, price was essentially the factor that had the most impact on the selection process. The price proposals ranged from a low price of .215/1000 to .30/1000.

Using the above criteria, and considering this is a price driven selection process, staff rated the proposal submitted by Symetra Life Insurance Company through Gallagher Benefits Services as the lowest qualified proposal. The proposal of 21.5 cents per thousand was less than any other proposal. The coverage offered is identical to the coverage currently provided. The Symetra Life Insurance Company has guaranteed the rate of 21.5 cents per thousand for three years and included a carrier option to negotiate additional rate guarantees based on loss performance for two additional years.

Funds of approximately \$290,000 have been included in the proposed Fiscal Year 2014 Employee Health and Accident Benefits Fund operating budget.

The City Commission authorize: 1) the selection for Group Life Insurance to Symetra Life Insurance Company as proposed by Gallagher Benefit Services for three years beginning October 1, 2014; 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 a contract with Symetra Life Insurance Company and Gallagher Benefits Services, subject to the approval of the City Attorney as to form and legality.