



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 18-665, **Version:** 2

Consider/Discuss/Act on a Resolution Authorizing the City Manager to Enter into a Contract with Lincoln Financial Group (Lincoln) for Basic & Supplemental Life, Accidental Death & Dismemberment, and Long Term Disability Insurance Coverage

COUNCIL GOAL: Operational Excellence
(2C: Identify opportunities for internal efficiencies and continuous improvement to effect a high performing organizational culture)

MEETING DATE: August 6, 2018

DEPARTMENT: Human Resources & Risk Management

CONTACT: Ike Obi, Human Resources Director

RECOMMENDED CITY COUNCIL ACTION:

- Approval of Resolution

ITEM SUMMARY:

- This Resolution authorizes a contract with Lincoln to provide basic life and accidental and dismemberment, supplemental life, and long term disability insurance coverage for the City of McKinney's employees.

BACKGROUND INFORMATION:

- 18-39RFP was issued on April 14, 2018 with all submittals due on May 8, 2018.
- 226 vendors were invited to participate. Seven companies submitted proposals (ComPsych, Dearborn National, Lincoln, MetLife, Ochs, Standard, Unum, and Voya). An evaluation team consisting of City staff and our benefits consultant (Holmes Murphy), reviewed the proposals and selected three vendors (MetLife, Voya, and Lincoln) for interviews and further evaluation.
- FMLA coverage was included in this solicitation. However, after reviewing the three submittals responsive to this section, the evaluation team and Human Resources determined it would be in the best interests of the City not to award this section of the RFP and will reevaluate our options in FY19.
- Lincoln's proposal offers the most comprehensive and cost-effective coverage for the City. In addition to lowest overall cost, Lincoln's proposal increases the guaranteed issuance amount from \$100,000 to \$250,000; improves overall basic life insurance amount across the board; improves internal efficiencies of program administration; reduces annual premium costs by \$6,500; and provides favorable rate renewal guarantees.
- Contract term is for an initial three (3) year period, with the option to renew for two (2)

additional one (1) year periods.

FINANCIAL SUMMARY:

- Estimated annual cost for services is approximately \$122,958. This amount would vary based on enrollment and volume of covered payroll.
- Funding is available in account:
 - 015-2117-413-8503 for Life, AD&D and LTD Insurance Claims

BOARD OR COMMISSION RECOMMENDATION: N/A