



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 21-0683, **Version:** 1

Consider/Discuss/Act on a Resolution Authorizing the City Manager to Enter into a Contract with Lincoln National Life Insurance Company (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 effectuate a high performing organizational culture)

MEETING DATE: August 3, 2021

DEPARTMENT: Human Resources & Risk Management

CONTACT: Ike Obi, Director of Human Resources Risk Management

RECOMMENDED CITY COUNCIL ACTION:

- Approval of Resolution

ITEM SUMMARY:

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

BACKGROUND INFORMATION:

- The City was faced with a fifty-four (54) percent increase, effective January 1, 2022, based on the City's group claims experience. The decision was made to solicit formal proposals for the City's basic and supplemental life and accidental and dismemberment, long-term disability insurance coverage.
- City issued a request for proposal (21-48RFP) to accept proposals for basic life and accidental and dismemberment, supplemental life and long-term disability insurance coverage on May 23, 2021.
 - Advertised in the McKinney Courier Gazette
 - Posted on McKinney TV
 - 183 matching eBid Supplier Notifications
 - Including 24 Historically Underutilized Business Supplier Notifications
- Out of 183 supplier notifications, eight (8) proposals were received on June 10, 2021.
- A committee comprised of staff from the Human Resources Department, Holmes Murphy Associates, City's benefits consultant, reviewed and ranked the proposals based on the

following criteria:

- 40 Points: Price
- 20 Points: Service, Billing & Administration
- 20 Points: Ability to mirror current contract terms
- 10 Points: Evidence of Insurability (EOI) Process
- 10 Points: Reputation and References
- Lincoln's proposal offers the most comprehensive and cost-effective coverage for the City and provides favorable two-year rate renewal guarantees.
- Contract term is for a rate guarantee for a 3 (three) year period.

FINANCIAL SUMMARY:

- Estimated annual cost for services is approximately \$163,115. 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