



AGENDA ITEM REPORT

DATE: October 6, 2020
DEPARTMENT: Human Resources
REQUESTER: Erin Hailstone
TITLE: Award Contract for Long Term and Short Term Employee Disability Benefits

I. MOTION REQUESTED

- A. Award Request for Proposal No. RFP200155CJV, Employee Disability Benefits – Short and Long Term, to Standard Insurance Company to provide long term and short term disability benefits to County personnel and participating entities, on an as needed basis, for an initial three year period.
- B. Authorize the Chair to execute the contract documents on behalf of the Board of County Commissioners.
- C. Grant the County Manager or designee the authority to renew the contract, for up to two additional one-year periods, and to execute all associated documents, as approved in the departments' annual adopted budgets, if doing so is in the best interest of Lee County, and there are no cost increases associated with the renewal.

II. ITEM SUMMARY

This item is the result of a competitive bid process involving 6 companies. Awards a contract to Standard Insurance Company to provide and administer long term and short term employee disability benefits for a three year term. The contract can be renewed for up to two additional one-year periods, upon agreement of both parties. Long term disability costs are employer paid. The insurance rate is currently \$.48/ \$100 of an employee's monthly salary. Long term disability costs for Fiscal Year 2019-2020 are approximately \$817,947. Effective January 1, 2021 the rate will change to \$.32/ \$100 for an anticipated annual cost of \$536,304. This results in a savings of \$281,643 for Fiscal Year 2020-2021. Short term disability is a voluntary benefit that is paid in full by employees and anticipated at \$290,684 for Fiscal Year 2020-2021. Short term disability rates are set by age categories. The Standard has proposed a three year rate guarantee for both long term and short term coverages.

III. BACKGROUND AND IMPLICATIONS OF ACTION

A) Board Action and Other History

Procurement Management obtained proposals for the project known as Request for Proposal No. RFP200155CJV Employee Disability Benefits – Short and Long Term. The project was competitively bid. On the solicitation deadline of 6/25/2020 Procurement Management received six submittals.

An evaluation meeting was held on 7/30/2020 during which the Evaluation Committee considered criterion as listed in the solicitation request including such items as: Account Management and References, Legal and Contractual Considerations, Financials and Plan Design, and Claims and Reporting. Based on the information submitted by the proposers, the Committee reached a consensus to negotiate with and recommend the award of a contract to Standard Insurance Company for use on an as-needed basis for an initial three-year term. The contract can be renewed up to two additional one-year periods, upon the agreement of both parties. Total employer expenditures for these services for Fiscal Year 2019-2020 are approximately \$817,947.

B) Policy Issues

C) BoCC Goals

D) Analysis

E) Options

IV. FINANCIAL INFORMATION

A)	Current year dollar amount of item:	FY 2020-2021 approximately \$536,304
B)	Is this item approved in the current budget?	Yes
C)	Is this a revenue or expense item?	Expense
D)	Is this Discretionary or Mandatory?	Discretionary
E)	Will this item impact future budgets? If yes, please include reasons in III(D) above.	
F)	Fund: Program: Project: Account Strings: Various Operating Department Budgets	

G)	Fund Type?	Other: Liability Fund
H)	Comments:	

V. RECOMMENDATION

Approve

VI. TIMING/IMPLEMENTATION

Effective 1/1/2021

VII. FOLLOW UP

ATTACHMENTS:

Description	Upload Date	Type
<u>Application Disability Coverage</u>	9/24/2020	Backup Material
<u>Proposed Contract</u>	9/24/2020	Contract

REVIEWERS:

Department	Reviewer	Action	Date
Human Resources	Turner, Nicole	Approved	9/24/2020 - 11:24 AM
Human Resources	Hailstone, Erin	Approved	9/24/2020 - 1:58 PM
Budget Services	Henkel, Anne	Approved	9/24/2020 - 4:08 PM
Budget Services	Winton, Peter	Approved	9/24/2020 - 4:11 PM
County Attorney	Swindle, Amanda	Approved	9/28/2020 - 11:15 AM
County Manager	Brady, Christine	Approved	9/28/2020 - 4:44 PM