

City of Mesquite, Texas

Legislation Text

File #: 18-3620, **Version:** 1

RFP No. 2018-072 - Basic Group Life and Supplemental Life Insurance.

(Authorize the City Manager to finalize and execute an application with The Standard effective January 1, 2019, through December 31, 2024.)

The City of Mesquite issued a Request for Proposal for Basic Group Life and Supplemental Life Insurance. Bid documents were broadcast to vendors through the BidSync electronic bidding system, posted on the City's website and an Advertisement for Bid notice was published in the Daily Commercial Record newspaper. The City received six bids for group life insurance coverage, including one from the City's current carrier, The Standard. All bids were reviewed by the City's benefits consultants Holmes Murphy, and McGriff, Seibels & Williams, in which finalists were selected and best and final offers were solicited. The established scoring parameters are captured in the attached spreadsheet evaluating the proposals.

The City provides basic life insurance to elected officials, directors and employees at no cost. Coverage is three times annual salary for directors, two times annual salary for employees and a flat \$100,000 for elected city officials. The current monthly rate per \$1,000 of coverage is \$0.039 for an average monthly cost to the City of approximately \$4,900. If the City continues with our current carrier, the proposed rate will decrease to \$0.030 for an average monthly cost of \$3,772. The Standard provided the best value by proposing the required level of benefits at the least expensive rates. Additionally, the rates proposed are guaranteed for the first three years of the five-year time period referenced herein.

An option is included as part of the proposal whereby the City retains the right to review this agreement on each renewal anniversary, provided that both parties are in mutual agreement of the terms and rates.

Financial Implications

With The Standard decreasing the life rates from \$0.039 to \$0.030 per thousand dollars of coverage, it will decrease from approximately \$4,900 per month to \$3,772 resulting in \$13,536 of annualized savings to the City. The proposal from Standard also lowered supplemental life insurance rates which employees can purchase on a voluntary basis, thus saving their out of pocket costs.

Recommended/Desired Action

Staff recommends the City Manager be authorized to finalize and execute an application with The Standard effective January 1, 2019.

Attachment(s)

Criteria Evaluation
Marketing Analysis

Drafter

Rick French

Head of Department

Rick French