



City Council of Fort Walton Beach
ADMINISTRATIVE SERVICES
MEMORANDUM

To: Michael D. Beedie, City Manager
From: Tarey Franxman,
Date: August 8, 2017
Subject: Award of RFP 17-014 for Medical, Dental, Vision and Life Benefits

1. BACKGROUND:

- 1.1. The City of Fort Walton Beach currently offers medical, dental, life and vision insurance to its employees.
- 1.2. The current provider for the Health, Vision and Dental insurance is Public Risk Management (PRM), which is a self-funded insurance pool. The current provider for the Life insurance is Mutual of Omaha.
- 1.3. The City last issued a competitive solicitation for the major insurance policies in 2010.

2. DISCUSSION:

- 2.1. On April 26, 2017, the Purchasing Division issued Request for Proposal (RFP) No. 17-014 for Medical, Dental, Vision and/or Life Benefits.
- 2.2. On June 13, 2017, a total of sixteen (16) proposals were submitted to provide some or all of the requested services.
 - 2.2.1. Ameritas Group
 - 2.2.2. Avesis
 - 2.2.3. Barnes Insurance & Financial Services
 - 2.2.4. Corporate Benefits of the Emerald Coast
 - 2.2.5. Eye Med
 - 2.2.6. Florida Combined Life
 - 2.2.7. Florida League of Cities, Inc.
 - 2.2.8. Gallagher Benefits Services, Inc (PRM)
 - 2.2.9. Mayo Clinic Health Solution
 - 2.2.10. Met Life
 - 2.2.11. OCHS
 - 2.2.12. Solstice
 - 2.2.13. Symetra Group Benefits
 - 2.2.14. The Standard
 - 2.2.15. United Concordia Dental

- 2.2.16. VSP
- 2.3. An Evaluation Committee was assembled to review and rank the proposals. The Committee consisted of the Public Works Director, a Police Sergeant, the Finance Director, and the Human Resources Director. Each committee member reviewed the proposals and rated the vendors on the following evaluation criteria:
- 2.3.1. Responsiveness of RFP Submittal – 5% weighting on 0 to 5 scale
 - 2.3.2. Cost - 20% weighting on 0 to 5 scale
 - 2.3.3. Coverages, Deductibles, Providers – 25% weighting on 0 to 5 scale
 - 2.3.4. Customer Service/Reporting Svcs – 15% weighting on 0 to 5 scale
 - 2.3.5. Wellness & Disease Management Programs – 5% weighting on 0 to 5 scale
 - 2.3.6. Financial Stability – 20% weighting on 0 to 5 scale
 - 2.3.7. State Certified MBE/WOB/SDVOB - 5% weighting on 0 to 5 scale
 - 2.3.8. Local Vendor Preference – 5% weighting on 0 to 5 scale
- 2.4. On June 29, 2017, the Evaluation Committee met in a pre-evaluation setting to categorize the proposals for consistency in scoring. The following categories were suggested:
- 2.4.1. Association/Broker/Insurance Carrier Teams
 - 2.4.2. Broker/Agents
 - 2.4.3. Life Insurance Carriers
 - 2.4.4. Dental Carriers
 - 2.4.5. Dental/Vision Carriers
 - 2.4.6. Vision Carriers
- 2.5. The Evaluation Committee ranked the vendors based on the evaluation criteria. The weighted rankings of the committee, by category, were as follows:
- 2.5.1. Association/Broker/Insurance Carrier Teams
 - 2.5.1.1. Gallagher Benefits Services, Inc. – 20.40
 - 2.5.1.2. Florida League of Cities, Inc – 19.65
 - 2.5.1.3. Mayo Clinic Health Solution – 15.69
 - 2.5.2. Broker/Agents
 - 2.5.2.1. Barnes Insurance & Financial Services – 10.71
 - 2.5.2.2. Corporate Benefits of the Emerald Coast – 8.48
 - 2.5.3. Life Insurance Carriers
 - 2.5.3.1. Florida Combined Life – 15.01
 - 2.5.3.2. The Standard – 13.78

- 2.5.3.3. OCHS – 12.88
 - 2.5.3.4. Symetra Group Benefits – 12.81
 - 2.5.4. Dental Carriers
 - 2.5.4.1. United Concordia Dental – 13.95
 - 2.5.5. Dental/Vision Carriers
 - 2.5.5.1. Met Life – 14.88
 - 2.5.5.2. Solstice – 13.32
 - 2.5.5.3. The Standard – 13.78
 - 2.5.5.4. Ameritas Group – 12.71
 - 2.5.6. Vision Carriers
 - 2.5.6.1. Avesis – 14.21
 - 2.5.6.2. Eye Med – 12.80
 - 2.5.6.3. VSP – 12.66
 - 2.6. The Evaluation Committee then met and discussed the benefits of having one (1) firm provide all insurance. This narrowed down the categories to be considered to Broker/Agents and Association/Broker/Insurance Carrier Teams.
 - 2.6.1. The Committee invited the five (5) companies that submitted proposals in these two (2) categories to provide presentations.
 - 2.7. After the presentations, the Evaluation Committee discussed the proposal rankings and determined that Gallagher Benefits Services, Inc., the incumbent, was the highest ranked proposer.
 - 2.8. It is the City's intention to enter into a contract with PRM & Gallagher Benefits Services, Inc. for an initial one (1) year term beginning October 1, 2017 and ending September 30, 2018, with four (4) additional one (1) year extension(s) available, starting October 1, 2018, and ending September 30, 2022, based on acceptable performance, continuing financial ability and upon mutual agreement of both parties.
- 3. FINANCIAL INFORMATION:**
- 3.1. The total rate change for the insurance coverage will be an increase of 6.82%, which is an estimated increase of \$141K for the FY 2017-18 Proposed Budget.
 - 3.2. The City's total expense for insurance benefits is approximately \$2.2M annually.
- 4. STRATEGIC PLAN INITIATIVE:**
- 4.1. This item complies with the 2017 Strategic Plan: Strategy #1. Economic Diversification & Resiliency.
- 5. RECOMMENDATION:**

- 5.1. Pursuant to City of Fort Walton Beach Code of Ordinances, Volume II, Chapter 4, Section 4.01, Paragraph 4.01.025 and the Purchasing Policies and Procedures, Staff respectfully recommends City Council authorization for the City Manager to negotiate and execute a contract with the highest ranked vendor, Gallagher Benefit Services, Inc., Public Risk Management, for Request for Proposal No. 17-014 for Health, Dental, Vision and Life Insurance.

ATTACHMENTS:

- RFP 17-014 Bid Tabulation (PDF)
- RFP 17-014 Bid Document (PDF)
- RFP 17-014 Addendum No. 1 (PDF)
- RFP 17-014 Addendum No. 2 (PDF)
- RFP 17-014 Addendum No. 3 (PDF)
- RFP 17-014 Addendum No. 4 (PDF)

SIGNATURE BLOCK:

Brandy Ferris	Completed	07/26/2017 1:39 PM
Tarey Franxman	Completed	07/27/2017 9:33 AM
Giuliana Scott	Completed	08/01/2017 10:52 AM
Finance	Completed	08/01/2017 2:56 PM
City Attorney	Completed	08/01/2017 3:42 PM
City Clerk	Completed	08/01/2017 4:05 PM
City Manager	Completed	08/02/2017 2:21 PM
City Council	Pending	08/08/2017 6:00 PM