

**CITY OF TEMPE  
REQUEST FOR COUNCIL ACTION**
**Council Meeting Date: 04/02/2015  
Agenda Item: 5B8**

**ACTION:** Award a one-year contract with four, one-year renewal options, to Hartford Life and Accident Insurance Company who will underwrite coverage for City provided life insurance, accidental death and dismemberment insurance, commuter/travel insurance and allow for employee paid supplemental options to be overseen by the Internal Services Department.

**FISCAL IMPACT:** The total City cost for this contract will not exceed \$150,000. The contract start date is July 1, 2015, therefore sufficient funds will be appropriated in the Health Fund – cost center 4167 (Employees) – for the anticipated expenditure in the upcoming fiscal year. The total projected revenue for Hartford Life and Accident Insurance Company is estimated at \$350,000 which includes the combined costs for coverage provided by the City and employees who elect supplemental coverage.

**RECOMMENDATION:** Approve the award of the contract.

**BACKGROUND INFORMATION:** (RFP 15-100) The City of Tempe issued a Request for Proposal (RFP) to establish a contract for City provided life insurance, accidental death and dismemberment insurance, and commuter/travel insurance that allows for employee paid supplemental options.

Solicitation Criteria

Four responses were received and reviewed by the Six-Sided Partnership using the criteria indicated in the table below:

Award Criteria		Weight
Pricing		6 (38%)
Plan Design, Benefits and Conformity to Scope		4 (25%)
General Administration		3 (19%)
	Financial Stability	
	Customer Service	
	Billing	
	Contractual/Legal Compliance	
	References	
Additional Benefits Offered		2 (13%)
Overall Response to RFP		1 (5%)
	Quality, composition and completeness	
	Acceptance of Tempe Terms and Conditions	

Results of Scoring

Firm	Score	Annual Cost
The Hartford*	136.44	\$ 322,438
MetLife	132.01	\$ 336,341
The Standard*	130.21	\$ 351,524
Minnesota Life*	117.73	\$ 477,255

\*The offer includes a three year rate guarantee.

### Recommendation

It is the consensus of the committee to award a contract to Hartford Life and Accident Insurance Company, the high scorer, who has provided the lowest cost for both City provided and employee paid supplemental coverage.

### Cost

The Hartford is the current City provider for life Insurance plans. Their offer for a new contract includes a rate reduction for City provided life insurance costs which results in annual cost savings of approximately \$28,000.

**ATTACHMENTS:** Vendor RFP Documents

**STAFF CONTACT(S):** Suzanne Olson, Human Resources Benefits Manager, (480) 350-2975

Department Director: Renie Broderick, Internal Services Director

Legal review by: David Park, Assistant City Attorney

Prepared by: Tony Allen, CPPB, Procurement Officer