

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

7311

Agenda Number

56.

Meeting Date:

June 23, 2011

Department:

Purchasing

## Subject

Authorize award, negotiation, and execution of a two 36-month service agreement contracts with Assurant, Inc., Kansas City, MO or one of the other qualified proposers to RFP JSD0103 to provide a Dental Maintenance Organization (DMO) dental plan for City of Austin retirees with three 12-month extension options for a total estimated contract amount not to exceed \$1,609,000; and Authorize award, negotiation, and execution of a 36-month service agreement contract with Delta Dental Insurance Company, Alpharetta, GA, or one of the other qualified proposers to RFP JSD0103 to provide an indemnity/PPO dental plan for City of Austin retirees with three 12-month extension options for a total estimated contract amount not to exceed \$11,408,000.

## Amount and Source of Funding

Funding in the amount of \$146,000 for Assurant, Inc., and \$922,000 for Delta Dental will be included in the Fiscal Year 2011-2012 Proposed Operating Budget of the Employees Benefits Fund. Funding for the remaining 27 months of the original 36 months of the original contract period and extension options is contingent upon available funding in future budgets.

## Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing  
Language:

Best proposals of six proposals received.

Prior Council  
Action:For More  
Information:

Jeff Dilbert, Buyer II, 974-2651

Boards and  
Commission  
Action:

MBE / WBE:

This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

Related Items:



## Additional Backup Information

This request allows for the development of an agreement with a qualified proposer that Council selects. If the City is unsuccessful in negotiating a satisfactory agreement with the selected proposer, negotiations will cease with that provider. Staff will return to Council so that Council may select another qualified proposer and authorize contract negotiations with this provider.

The Retiree Dental Program provides City retirees an opportunity to purchase dental coverage for themselves and their dependents. This coverage is paid for solely by the retiree.

This solicitation gave vendors the opportunity to submit proposals for a Dental Maintenance Organization (DMO) and a Preferred Provider Organization (PPO) dental plan. The evaluation committee recommends continuing the current dental plan arrangement by offering retirees the Assurant DMO and Delta Dental's PPO dental plan. The term of these contracts is from January 1, 2012 through December 31, 2014 for the initial period. The one-year extension options, if exercised, will extend the term through December 31, 2017.

The evaluation panel consisted of professional and managerial staff from the Human Resources Department, Employee Benefits Division. They are experts in the industry and recommend these two plans as the best proposed plans offering reasonable rates and good benefit design. In addition, the recommended awardees have excellent references and many years experience in providing these plans.

MBE/WBE solicited: 7

MBE/WBE bid: 0/0

#### **PROPOSAL ANALYSIS**

- a. Adequate competition.
- b. 86 notices were sent including 3 MBEs/4 WBE. Six proposals were received. No MBEs/WBEs responded

#### **APPROVAL JUSTIFICATION**

- a. The proposals submitted by the recommended awardees meet the requirements of the Request for Proposal.
- b. Advertised in the Austin American-Statesman and Internet.
- d. The Purchasing Office concurs with the Human Resources Office's recommendation.