

**AGENDA**



**Recommendation for Council Action**

**AUSTIN CITY COUNCIL**

**Regular Meeting: August 9, 2018**

**Item Number: 110**

**Purchasing Office**

Authorize negotiation and execution of a contract with ARAG Services, LLC, a subsidiary of ARAG North America, Inc., to provide a group pre-paid legal plan, for a term of five years, for a total contract amount not to exceed \$4,228,000. (Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

<b>Lead Department</b>	Purchasing Office.
<b>Fiscal Note</b>	Funding in the amount of \$759,000 is contingent upon approval of the Fiscal Year 2018-2019 Operating Budget of the Employee Benefits Fund of the Human Resources Department. Funding for the remaining contract term is contingent upon available funding in future budgets.
<b>Purchasing Language</b>	The Purchasing Office issued a Request for Proposals (RFP) 5800 KDS3002 for these services. The solicitation issued on May 7, 2018 and it closed on May 24, 2018. Of the four offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City’s Financial Services website, Austin Finance Online. Link: <a href="https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=125510">Solicitation Documents &lt;https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=125510&gt;</a> .
<b>For More Information</b>	Inquiries should be directed to the City Manager’s Agenda Office, at 512-974-2991 or <a href="mailto:AgendaOffice@austintexas.gov">AgendaOffice@austintexas.gov</a> < <a href="mailto:AgendaOffice@austintexas.gov">mailto:AgendaOffice@austintexas.gov</a> > NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation’s Authorized

	Contact Person: Kim Larsen, at 512-974-2261 or <a href="mailto:kim.larsen@austintexas.gov">kim.larsen@austintexas.gov</a> <mailto:kim.larsen@austintexas.gov>.
<b>Client Department(s)</b>	Human Resources Department.

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**Additional Backup Information:**

The contract will provide a group pre-paid legal plan for City employees and employees of affiliated employers (City of Austin Employee’s Retirement System, the Austin Fire Fighters Relief and Retirement Fund and the Austin Police Retirement System). Since 1999, the City has offered employees and their dependents a group pre-paid legal plan as part of their benefits package to assist with a wide range of legal needs, such as: wills, real estate planning, small claims court, family law, traffic offenses not including driving under the influence, landlord disputes, and general legal matters. In addition to the benefits currently offered, the new contract will offer benefits related to: identity theft, elder care law, social security, insurance disputes and four hours of general in-office legal services.

The current contract expires December 31, 2018. The proposed rates are lower than the current rates that employees pay. The requested authorization amount is based on historical spending and allows for anticipated annual enrollment increases. Approval of this contract must occur in August so that City staff will have enough time to prepare materials for open enrollment, which begins in mid-October and ends mid-November.

An evaluation team with expertise in this area evaluated the offers and scored ARAG Services, LLC, as the best to provide these services based upon cost, compliance to requirements, applicable experience, local business presence, and the service-disabled veteran business enterprise presence.

If a contract is not secured, employees will not have an affordable legal service option through the City’s benefit plan beginning January 1, 2019, and will have to seek legal services at higher market rates.