



Hallandale Beach
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400 South Federal Hwy
Hallandale Beach, FL 33009

City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	June 5, 2019		Item Type: <i>(Enter X in box)</i>	Resolution X	Ordinance	Other	
Fiscal Impact: <i>(Enter X in box)</i>	Yes	No	Ordinance Reading: <i>(Enter X in box)</i>	1st Reading		2nd Reading	
	X		Public Hearing: <i>(Enter X in box)</i>	Yes	No	Yes	No
Funding Source:	523050, 523100		Advertising Requirement: <i>(Enter X in box)</i>	Yes		No	
						X	
Account Balance:			Quasi-Judicial: <i>(Enter X in box)</i>	Yes		No	
						X	
Project Number :	N/A		RFP/RFQ/Bid Number:	RFP # FY 2018-2019-004 CITY OF HALLANDALE BEACH GROUP MEDICAL WITH PHARMACY, MEDICAL GAP PLAN, DENTAL, VISION, EMPLOYEE ASSISTANCE PROGRAM, FLEXIBLE SPENDING ACCOUNT AND COBRA ADMINISTRATION			
Contract/P.O. Required: <i>(Enter X in box)</i>	Yes	No	Strategic Plan Priority Area: <i>(Enter X in box)</i> Safety <input type="checkbox"/> Quality <input checked="" type="checkbox"/> Vibrant Appeal <input type="checkbox"/>				
	X						
Sponsor Name:	Greg Chavarria, City Manager		Department: Human Resources Department	Radu Dodea, Human Resources Director			

Short Title:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AWARDDING RFP FY 2018-2019-004, GROUP MEDICAL WITH PHARMACY, MEDICAL GAP PLAN, DENTAL, VISION, EMPLOYEE ASSISTANCE PROGRAM, FLEXIBLE SPENDING ACCOUNT AND COBRA ADMINISTRATION, FOR TOTAL COSTS NOT TO EXCEED SEVEN MILLION TWO HUNDRED AND FIVE THOUSAND THREE HUNDRED SEVENTY NINE (\$7,205,379.00) DOLLARS; AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH THE

**HIGHEST RANKED PROPOSER; AUTHORIZING THE CITY
MANAGER TO NEGOTIATE AN AGREEMENT WITH THE
SECOND HIGHEST RANKED FIRM SHOULD NEGOTIATIONS
WITH THE HIGHEST RANKED FIRM NOT BE SUCCESSFUL;
PROVIDING AN EFFECTIVE DATE.**

Staff Summary:

BACKGROUND:

The City of Hallandale Beach currently provides Group Health, Group Dental, Group Vision, Group Flexible Spending Accounts, Group COBRA, and Group Employee Assistance Program (EAP) benefits to approximately 1,100 members, out of which 442 are eligible employees and elected officials, and the rest are retirees and additional eligible dependents. The aforementioned insurance contracts are due to expire September 30, 2019.

For the upcoming Fiscal Year 2019/2020 renewal, the City Manager, in conjunction with the Human Resources Director, worked with the City's Insurance Consultant, Gallagher Benefit Services Inc., to initiate a Request For Proposals (RFP) (Exhibit 2 to obtain proposals from Group Health, Group Dental, Group Vision, Group Flexible Spending Accounts, Group COBRA, and Group Employee Assistance Program (EAP), carriers. The release notice for the RFP was sent via email to one hundred and fifteen (115) vendors from the City's Vendor list on March 11, 2019. The RFP was also advertised in the Hallandale Beach Chamber of Commerce website, City's website, DEMANDSTAR website, and City and HBCRA Social Media pages. The RFP was also advertised through the Miami Minority Business Development Agency Business Center, the U.S. Small Business Administration, and the Broward County Community Relations and Outreach Section Office of Economic and Small Business Development.

There were six (6) Firms in attendance at the Non-Mandatory Pre-Proposal Conference and twelve (12) staff members.

In addition to providing the opportunity for Firms to ask questions during the Non-Mandatory Pre-Proposal Conference, the solicitation allowed for additional questions to be sent in via email by no later than March 22, 2019.

Nine (9) proposals were received from the following vendors:

1. Aetna
2. Cigna Healthcare and Life Insurance Company (CHLIC)
3. Solstice Benefits, Inc.
4. Delta Dental Insurance Company
5. National Vision Administrators, LLC
6. Davis Vision, Inc.
7. Metropolitan Life Insurance Company (METLIFE)
8. United Healthcare Insurance Company
9. Wageworks, Inc.

An evaluation committee, appointed by the City Manager, was created to review all the RFP responses and to make a ranking recommendation to the City Commission for award of contracts.

CURRENT SITUATION:

While reviewing the nine (9) proposals, it was determined by the City's consultant, Gallagher Benefits Services, Inc., that WageWorks, Inc. did not meet the Minimum Qualifications Requirements set forth in the RFP. The Firm did not provide the requested documents to meet Minimum Qualification Requirement MQR #1: Licenses, Minimum Qualification Requirement MQR #2: Coverage Rating, and Minimum Qualification Requirement MQR #3: Previous Experience. On April 29, 2019 WageWorks, Inc., submitted, via e-mail, a request to withdraw Firm's proposal response from the process.

Evaluation Committee

The Evaluation Committee, appointed by the City Manager, was composed of the following individuals representing the following employee groups:

- Alyssa Jones-Wood, Green Initiatives Coordinator, representing Professional/Management Employees
- Raul Rivera, Police Sergeant, representing Police Employees Union (PBA)
- Carol Gushwa, Fire Rescue Captain, representing Fire Employees Union (IAFF)
- Amber Cox, Administrative Assistant, representing General Employees Union (AFSCME)
- Linda Rosario, Junior Accountant, representing Unrepresented Employees

On February 22, 2019, an Evaluation Committee training meeting was held to explain in depth the current health insurance plan, the RFP process, and the Cone of Silence. At this meeting, Gallagher Benefit Services, Inc. (GBS), consultant was present to discuss group medical with pharmacy, medical gap plan, dental, vision, employee assistance program, flexible spending account and cobra administration insurance. The Evaluation Committee was instructed to reach out to respective employee groups to obtain feedback to be included in the RFP before its release.

On February 25, 2019, the Human Resources Department, in preparation for the annual insurance benefits plan renewals, released a survey to be completed by all City of Hallandale Beach Employees. The survey requested feedback on the current insurance benefit options the City provides from employees to be returned to the Human Resources Department.

On March 4, 2019, a second Evaluation Committee training meeting was held for the two (2) Evaluation Committee members that were not available to attend the training meeting held on February 22, 2019. The Evaluation Committee training meeting was held to explain in depth the current health insurance, the RFP process and the Cone of Silence. The Evaluation Committee was instructed to reach out to respective employee groups to obtain feedback to be included in the RFP before it is released.

On March 6, 2019, a third and final Evaluation Committee training meeting was held to discuss the communication received from each respective represented group being represented by each Evaluation Committee member and for Human Resources Department to review the information received back from the Insurance Benefits Survey released on February 25, 2019 to all City of

Hallandale Beach Employees by the Human Resources Department. The Cone of Silence was discussed again in detail by the Procurement Department. Based upon typical industry practice and the recommendation of the consultant, oral presentations were not held for this RFP.

On March 8, 2019 Director of Procurement, Andrea Lues, sent each individual Evaluation Committee member an email reminder about each of the trainings that have taken place and asking for any input obtained from the various employees/groups each Evaluation Committee member represents before the RFP was to be released on March 11, 2019. Any input provided was incorporated into the RFP.

On May 7, 2019, at 8:30 a.m., a Sunshine Evaluation Committee meeting was held with the Evaluation Committee to discuss the proposals received. At this meeting, Gallagher Benefit Services, Inc., Consultant hired for this project through Resolution No. 2019-004 provided a written recommendation for each proposer having met or not met the Minimum Qualification Requirements (MQRs). Consultant also provided an outline comparing the proposals and provided guidance to the Evaluation Committee in their review of each proposal. An Evaluation Committee Sunshine meeting was held immediately after.

On May 7, 2019, the Evaluation Committee submitted summary rating sheets for the nine (9) Firms (Exhibit 3).

Staff recommends approval of the attached Resolution awarding RFP # FY 2018-2019-004 Group Medical with Pharmacy, Medical Gap Plan, Dental, Vision, Employee Assistance Program, Flexible Spending Account and Cobra Administration, and authorizing the City Manager and City Attorney to negotiate and execute an agreement with the highest ranked firm, AETNA, and should negotiations with the highest ranked firm fail, authorize the City Manager and the City Attorney to negotiate with the second highest ranked firms, Cigna Healthcare and Life Insurance Company, Solstice Benefits Inc., National Vision Administrators LLC, in an amount not to exceed the budget of \$7,205,379, representing a 3% increase over Fiscal Year 2018/2019 budgeted amounts. A fiscal impact breakdown for each line of coverage will be included with the June 19th, 2019 Agenda Item.

WHY THIS ACTION IS NECESSARY:

Pursuant to Chapter 23, Section 23-4, Competitive Bidding Required, all purchases of and contracts for equipment, supplies and contractual services, when the estimated cost shall exceed \$50,000.00 shall be based on competitive bids. Furthermore, pursuant to Chapter 23, Section 23-6, Award of Contract, the City Manager shall have the authority to recommend to the City Commission award of contracts.

FISCAL IMPACT:

Based on the RFP responses, staff is anticipating a fiscal impact not to exceed \$7,205,379 for Group Medical with Pharmacy, Medical Gap Plan, Dental, Vision, Employee Assistance Program, Flexible Spending Account and Cobra Administration benefits.

Proposed Action:

Staff recommends approval of the attached Resolution awarding RFP # FY 2018-2019-004 Group Medical with Pharmacy, Medical Gap Plan, Dental, Vision, Employee Assistance Program, Flexible Spending Account and Cobra Administration, and authorizing the City Manager and City Attorney to negotiate and execute an agreement with the highest ranked firm, AETNA, and should negotiations with the highest ranked firm fail, authorize the City Manager and the City Attorney to negotiate with the second highest ranked firms, Cigna Healthcare and Life Insurance Company, Solstice Benefits Inc., National Vision Administrators LLC, in an amount not to exceed the budget of \$7,205,379, and, authorize the City Manager the ability to renew contracts with each carrier on a year to year basis in the best interest of the City.

Attachment(s):

- Exhibit 1 - Resolution
- Exhibit 2 – RFP # FY 2018-2019-004 City of Hallandale Beach Group Medical With Pharmacy, Medical Gap Plan, Dental, Vision, Employee Assistance Program, Flexible Spending Account and COBRA Administration
- Exhibit 3 – Summary Rating Sheet
- Exhibit 4 – Award Recommendation Memorandum