

Management Committee

Meeting date: September 11, 2019

For the Metropolitan Council meeting of September 25, 2019

Subject: Long-Term Disability Insurance Contract

District(s), Member(s): All

Policy/Legal Reference: Council Policy 3-3 Expenditures – Procurement of Goods and Services over \$500,000

Staff Prepared/Presented: Marcy Cordes, Chief Labor Relations Officer, 651-602-1582

Division/Department: RA Human Resources - Benefits

Proposed Action

That the Metropolitan Council authorizes the Regional Administrator to negotiate and execute a contract with National Insurance Services in an amount not to exceed \$2,434,000 to provide long-term disability insurance for eligible employees for a period of five years, January 1, 2020 through December 31, 2024.

Background

Long-Term disability insurance is an employer paid benefit for employee groups with the exception of some part-time police who pay a portion of the premium. ATU does not have the long-term disability benefit. The current contract with MetLife expires December 31, 2019. A formal Request for Proposals was issued May 30, 2019. Proposals were due June 27, 2019. Proposals were submitted by the following three companies: Hartford; MetLife; National Insurance Services. All proposals were evaluated individually by each panel member without collaboration with any other panel member. Proposals were evaluated on the following criteria: quality; qualifications; experience; price.

Rationale

The evaluation panel reached consensus that the proposal submitted by National Insurance Services represents the best value to the Council. National Insurance Services is offering a five-year rate guarantee at the lowest fees of all proposals and at lower fees than the current rate. The current rate is .203 per \$100 of covered payroll and the proposed rate is .183 per \$100 of covered payroll.

Thrive Lens Analysis

Authorization to enter into a contract with National Insurance Services for long-term disability insurance supports the Thrive outcome of Stewardship by providing long-term disability insurance coverage at fixed low rates for the next five years.

The Office of Equal Opportunity reviewed the scope of work and did not assign an MCUB goal, and no potential MCUB vendors were identified. The CFO and Vice President are women. National Insurance Services has a public sector focus.

Funding

Funding is considered in each operating budget of each division.

Known Support / Opposition

The long-term disability benefit is in bargaining unit contracts. There is no known opposition.