



**Cherokee County, Georgia
Agenda Request**

Item#: 12.10.

SUBJECT:
Voluntary Benefits Consultant.

MEETING DATE:
2/20/2018

SUBMITTED BY:
Lori H. Thompson

COMMISSION ACTION REQUESTED:

Consider awarding the County's standard agreement to Insurance Offices of America to recommend, service and administer the voluntary benefits plans offered to County employees.

FACTS AND ISSUES:

On behalf of the Human Resources Department, the Procurement Department issued an RFP seeking proposals for a Voluntary Benefits Provider and Consultant to provide, service and administer Voluntary Benefits Plans for County employees. The plans requested were: Critical Illness, Cancer, Accident, Permanent Life Insurance, and an additional Hospital option. The County currently does not have a contracted provider for group voluntary benefits; the current voluntary benefits program being offered to employees are individual policies. Transitioning to group policies will provide a cost savings to employees, if they desire to change providers.

The Consultant/administrator will be involved in monthly new employee enrollment as well as during open enrollment during the last week of October through the first week of November and throughout the entire length of the contract.

Seven (7) proposals were received and evaluated. Insurance Offices of America was the top scoring proposal and offers the most cost effective policies.

This agreement is at no cost to the County, this is an optional benefit that employees can purchase.

BUDGET:

Budgeted Amount:	Account Name:
Amount Encumbered:	Account #:
Amount Spent to Date:	Remaining Budget:
Amount Requested:	

ADMINISTRATIVE RECOMMENDATION:

Approve awarding the County's standard agreement to Insurance Offices of America to recommend, service and administer the voluntary benefits plans offered to County employees.

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Procurement Summary IOA	Backup Material
<input type="checkbox"/> Memorandum Vol Benefits Source Selection	Backup Material
<input type="checkbox"/> Voluntary Evaluation Scoring	Backup Material
<input type="checkbox"/> Agreement	Backup Material

Procurement Summary

Date Submitted: 2/14/2018
Submitted by: Dale Jordan
PSA Number:
Initial Term Value: \$ 1,560,000.00
Period of Performance: Initial Term of 3 Years (2021) with 5 Year Option (2026)
Supplier Name: Insurance Office of America (IOA)
General Description: Voluntary Benefit Brokerage Services
Source of Funds: Employee Payroll Deduction (no cost to the County)

Contract Information

Proposed Contract Type

<input checked="" type="checkbox"/>	Standard Professional Services Agreement
<input type="checkbox"/>	PSA with Exceptions Approved by Counsel
<input type="checkbox"/>	Supplier Agreement Approved by Counsel
<input type="checkbox"/>	Standard Purchase Order

Formal Advertised Procurement: Yes No*

Number of Bidders Contacted / Number of Bids Received: _____ | 8

Supplier Selection Based on:

<input type="checkbox"/>	Only One Bidder
<input type="checkbox"/>	Lowest Bidder
<input type="checkbox"/>	Lowest Evaluated Bidder
<input checked="" type="checkbox"/>	Highest Proposal Scoring
<input type="checkbox"/>	Other*

Weight	Evaluation Criteria
30%	Portfolio/Prev. Experience
30%	Pricing/Financial Strength
30%	Customer Service
10%	References

If Award to Non-County Business:
 (If Applicable)

<input checked="" type="checkbox"/>	No Cherokee County Business submitted bid/proposal
<input type="checkbox"/>	CC Business bid/proposal was non-responsive/not-responsive
<input type="checkbox"/>	CC Business not within 5% of Low Bid (for consideration)
<input type="checkbox"/>	CC Business Total Evaluated Score Inadequate (for consideration)

Summary of Analysis / Scoring

Total Score*	Evaluated Price*	Bidder	Location	Rep Brand
80.30		Insurance Offices of America/Various	Atlanta, GA	Various
60.90		Insurance Logic/All State		Various
59.10		EPIC/Colonial		Colonial

Fair Price Determination:

Method	Price Analysis Type
<input type="checkbox"/>	Lowest Bidder
<input type="checkbox"/>	Lowest Evaluated Bidder
<input checked="" type="checkbox"/>	Best Pricing Among Comparable Features / Suppliers
<input type="checkbox"/>	Market Analysis or Market Pricing
<input type="checkbox"/>	State Contract Pricing
<input type="checkbox"/>	Other, see attached price analysis.

Important Price Evaluation Notes: For source selection purposes pricing was scored in proportion to the lowest price proposed for each category.

Each price was scored against all the other bids to evaluate overall pricing, see scoring summary.

The current cost for voluntary benefits run at about \$520,000 annually and the estimated value of the contract for the new benefits reflects the same overall level of spend since this is a function of the strength of the offering the perception of to those purchasing them.

Why Other Than Low Bidder Selected: N/A
 (If Applicable)

***Notes:**

See Source Selection Memorandum to file for source selection discussion and scoring.

MEMORANDUM TO FILE

13-Feb-18

Subject: Source Selection

Author: Dale Jordan

The RFP broke down the selection evaluation criteria into four categories:

Product Portfolio/Experience	30%
Financial Proposal	30%
Customer Service/Acct Mgt	30%
Reference	10%

The purpose of the RFP was two-fold, to identify a Broker/Partner to provide services related to the management of Voluntary Benefits and to also select replacement programs for the ones currently being provided. The evaluation team performed a detailed review of each aspect of each program to develop the portfolio scoring. The financial proposal was scored by assigning the points five points available to the lowest cost proposal for each program. One point was assigned to the highest price producer and the range between the highest price and the lowest price was then proportionally scored. Customer service and Account Management were evaluated taking into account the entire proposal. The scores were then totaled and it was determined that IOA was in a position where the 10 points References were not required to be selected as the highest scoring organization.

	<u>Score Before Reference Cks</u>	<u>Final Scores</u>
IOA	70.5	80.3
Allstate	51.5	60.9
EPIC / Colonial	49.4	59.1
		*Best Possible
Hodges-Mace	49.1	59.1
TransAmerica	48	58
EPIC/Various	39.7	49.7
Lincoln	38.4	48.4
NY Life	16.6	26.6

With the possibility that reference checks could potentially render the IOA relationship as undesirable and result in non-responsible proposal, the second and third place Brokers were also included in the reference evaluations. Rather than add cost to the evaluation phase of the project when the other five proposals that were mathematically removed from susceptibility of winning the award, the five proposals under the line were not evaluated for references. When the three reference checks were completed, the highest scoring candidate to become the voluntary benefits broker/consultant was IOA. See attached high level scoring summary.

*Best Possible is the would be score with perfect 10 reference scores.

**Voluntary Benefits
Summary Scoring
February 2018**

		BROKER A	BROKER B	BROKER C	BROKER D	BROKER E	BROKER F	BROKER G	BROKER H
Broker	EPIC Consultants		EPIC Consultants	Lincoln Financial Life Insurance Company	Insure Logic/AllState	Jamie Bendall TransAmerica	Insurance Offices of America	Hodges-Mace	New York Life Insurance Company
	Colonial Life & Accident Insurance Company		The Hartford & AFLAC	Lincoln Financial (Accident & Critical Illness includes cancer)	Insure Logic/AllState	TransAmerica	Colonial for Cancer, Critical Illness & Hospital, Boston Mutual for Accident, TrustMark for Life Ins.	MetLife	Permanent Life only
Insurance Carrier									
Available Points	1A) Portfolio Scoring								
5.0	Accident	3.5	3.7	3.3	3.6	3.6	4.0	2.9	0.0
5.0	Cancer	3.1	0.0	0.0	1.6	3.0	3.1	0.9	0.0
5.0	Critical Illness	3.6	4.1	3.3	2.0	3.8	3.5	3.2	0.0
5.0	Hospital	3.1	2.7	0.0	2.3	2.4	3.1	3.1	0.0
5.0	Perm Life	1.8	1.8	0.0	1.2	2.0	1.9	1.5	3.0
25.0	Total Points	15.2	12.2	6.7	10.7	14.7	15.6	11.7	3.0
5.0	1B) Previous Exp	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
30.0	Category 1 Score	20.2	17.2	11.7	15.7	19.7	20.6	16.7	8.0

		BROKER A	BROKER B	BROKER C	BROKER D	BROKER E	BROKER F	BROKER G	BROKER H	
Available Points	2B Pricing		EPIC Consultants	EPIC Consultants	Lincoln Financial Life Insurance Company	Insure Logic/AllState	Jamie Bendall TransAmerica	Insurance Offices of America	Hodges-Mace	New York Life Insurance Company
	5.0	Accident	4.8	3.0	1.6	2.6	1.8	4.0	2.0	0.0
5.0	Cancer	5.0	0.0	0.0	0.6	4.0	5.0	0.0	0.0	
5.0	Critical Illness	3.3	3.6	3.4	2.5	1.0	3.3	2.1	0.0	
5.0	Hospital	3.6	4.1	0.0	4.8	5.0	3.6	1.0	0.0	
5.0	Perm Life	1.0	1.0	0.0	4.6	3.2	5.0	4.4	1.2	
25.0	Total Points	17.7	11.8	5.0	15.1	15.0	20.9	9.5	1.2	
5.0	AM Best	5.0	4.5	5.0	5.0	5.0	5.0	4.0	5.0	
30.0	Category 2 Score	22.7	16.3	10.0	20.1	20.0	25.9	13.5	6.2	

Available Points	Customer Service & Account Management	EPIC Consultants	EPIC Consultants	Lincoln Financial Life Insurance Company	Insure Logic/AllState	Jamie Bendall TransAmerica	Insurance Offices of America	Hodges-Mace	New York Life Insurance Company
30.0	Category 3 Score	6.5	6.2	16.8	15.7	8.3	23.9	18.9	2.4

90.0	Subtotals	49.4	39.7	38.4	51.5	48.0	70.5	49.1	16.6
------	-----------	------	------	------	------	------	------	------	------

Ranking	3	6	7	2	5	1	4	8
---------	---	---	---	---	---	---	---	---

Available Points	Reference Checks	EPIC Consultants	EPIC Consultants	Lincoln Financial Life Insurance Company	Insure Logic/AllState	Jamie Bendall TransAmerica	Insurance Offices of America	Hodges-Mace	New York Life Insurance Company
10.0	Category 4 Score	9.7			9.4		9.5		

Available Points	Total Scores	EPIC Consultants	EPIC Consultants	Lincoln Financial Life Insurance Company	Insure Logic/AllState	Jamie Bendall TransAmerica	Insurance Offices of America	Hodges-Mace	New York Life Insurance Company
100.0	Total Points	38.1			60.9		30.3		

For Total Scoring Assumed Average of Reference Scoring Received to Adjust Balance of Proposals for References:									
Available Points	Average Reference Scores		EPIC Consultants	Lincoln Financial Life Insurance Company		Jamie Bendall TransAmerica		Hodges-Mace	New York Life Insurance Company
10.0	9.6		49.3	48.1		57.7		58.7	26.2