



HISTORIC
FRANKLIN
TENNESSEE

09-23-14

ITEM #7
WRKS

MEMORANDUM

September 12, 2014

TO: Board of Mayor and Aldermen

FROM: Eric S. Stuckey, City Administrator *Eric*
Russell Truell, Assistant City Administrator / CFO
Shirley Harmon, Human Resources Director
Brian Wilcox, Purchasing Manager

SUBJECT: Consideration of contract award to Unum of Franklin, TN for voluntary employee benefits for a three-year term of service to be effective January 1, 2015, with two (2) options to extend the term of service, each time for up to one (1) additional year, for a maximum possible term of service of five (5) years total, for the Human Resources Department (Purchasing Office Procurement Solicitation No. 2015-008B; Contract No. 2014-0246)

Purpose

The purpose of this procurement is to continue the City's practice of offering to its employee workforce voluntary employee benefits (benefits that may be purchased at the employee's option and sole expense).

Background

The City published on August 14, 2014 a Notice to Bidders in the *Williamson Herald* for voluntary employee benefits and/or administration of Section 125 plans. In addition, solicitation documents were sent on or about the same date directly to thirteen (13) potential proposers known or thought to be interested in this solicitation. For voluntary employee benefits, proposals from three (3) service providers were publicly opened at the submittal opening held on September 4, 2014. A tabulation of the proposals received for this solicitation is attached. All proposals were evaluated by the City's group employee insurance benefits consultant, the firm of Cowan Benefit Services, Inc. of Franklin. For the voluntary employee benefits, the proposal scored highest pursuant to the evaluation criteria listed in the request for proposals is from Unum of Franklin, TN.

Financial Impact

Premiums for voluntary benefits are deducted from employee payroll and therefore are not budgeted. Therefore, this procurement would have no direct financial impact on the City.

Options

In accordance with the solicitation documents, the City reserves the right to reject any and all proposals.

Recommendation

In the attached, City consultant Cowan Benefit Services, Inc. recommends that the City accept the proposal scored highest pursuant to the evaluation criteria listed in the request for proposals, from Unum of Franklin, TN for voluntary employee benefits, for a three-year term of service to be effective January 1, 2015, with two (2) options to extend the term of service, each time for up to one (1) additional year, for a maximum possible term of service of five (5) years total. Staff concurs with this recommendation and recommends that the City accept, contingent upon Law Department and City Administrator approval of City Contract No. 2014-0246, the Unum proposal. Purchasing Manager Brian Wilcox is of the opinion that the prepared solicitation documents as distributed allowed for competition among multiple vendors, and that the recommendation appears to be made in a fair and impartial manner based upon the proposals received.

Tabulation of Submittals*

Purchasing Office Solicitation No.:		2015-008B (voluntary employee benefits)				
Notice to proposers published in the <i>Williamson Herald</i> on:		8/14/14				
Number of potential proposers that were notified of / that submitted a proposal in response to this request for proposals:		11 / 3				
Date and time proposal due and publicly opened:		9/4/14, 2:00 PM				
Present at opening of proposals:		Jake Davis of Cowan Benefits; Shirley Harmon, Carol Youngken and Tammie Pitts of the City of Franklin Human Resources Department; and Suzanne Ward and Brian Wilcox of the City of Franklin Purchasing Office				
Target meeting of BOMA at which recommendation will be considered:		10/14/14				
Proposals received from:						
Does the proposal include all required documents?		Does the proposal take any exceptions to the City's procurement solicitation? / If so, how many?	Average points allocated by proposal evaluation team (out of a possible 50, utilizing evaluation criteria as listed in RFP):	Payment terms:	Proposal is valid and may be accepted through:	
Allstate Benefits 1776 American Heritage Life Drive Jacksonville, FL 32224 Jo Thornton Smith, Regional Sales Director 615/478-9371 jthornton@allstate.com 555 Marriott Drive, Ste 850 Nashville, TN 37214		No (missing references, CoF T's&C's, and CoF affidavits of non-collusion and Title VI compliance)	No exceptions taken	36.00	Net 30 days	12/1/2014
Unum 155 Meridian Blvd., Suite 150 Franklin, TN 37067 Andy Cookingham, Senior Sales Consultant II 615/238-9841 acookingham@unum.com		Yes	No exceptions taken	39.50	Net 30 days	12/1/2014
USable Life Insurance Company 17500 Chenal Parkway Little Rock, AR 72223 PO Box 1650, Little Rock, AR 72203 Rebecca Gross Coker, Acct. Exec., Middle TN 615/823-5946 rebecca.coker@usablelife.com		Yes	No exceptions taken	36.50	Net 30 days	11/30/2014

*Shaded submittal is the submittal scored highest by the proposal evaluation team



COWAN BENEFIT SERVICES, INC.
Brokerage, Consulting & Outsourcing

To City of Franklin HR Department,

As the Consultant for the City of Franklin, we submitted Request for Proposals (RFPs) to the market in order to find the best partners with which to administer Section 125 benefits and provide Voluntary benefits. Our recommendations are below based on the responses from providers and scoring system used by the evaluators.

We recommend TASC as the City of Franklin's provider for Section 125 administration. They are the City's current administrator, and as such, no transition or implementation will be required. Also, the bidding process revealed no financial savings would be achieved by moving to another administrator. Further, the City has no issues, relating to service or administration, which pertains to TASC.

We recommend UNUM as the City of Franklin's provider for Voluntary Benefits. UNUM is one of the largest providers of Voluntary Benefits in the nation. UNUM was the only bidder with the technology capable of integrating all voluntary benefit products with the City of Franklin's online enrollment system, Kronos. Also, UNUM will not require employees to attend one-on-one meetings, which is a requirement of the current carrier. Finally, UNUM provided a very thorough response to the RFP to include rates, plans, and satisfactory answers to all questions.

Sincerely,

Jay Brown – Senior Consultant, Cowan Benefit Services
CC: Jake Davis- Account Manager, Cowan Benefit Services