

Legislation Text

File #: AI-2021-124, **Version:** 1

SUBJECT:

Approval of a resolution authorizing the President & CEO, or his designee, to finalize and execute a contract with UNUM for basic life and AD&D insurance, long-term and short-term disability insurance; and FMLA administration paid by Capital Metro, and voluntary life , long term disability buy-up, accident, whole life and critical illness, paid by employees in an amount not to exceed \$1,752,882.

FISCAL IMPACT:

Funding for this action is available in the FY2022 Operating Budget

STRATEGIC PLAN:**Strategic Goal Alignment:**

- | | | |
|--------------------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------|
| <input checked="" type="checkbox"/> 1. Internal/External Customer Service Excellence | <input checked="" type="checkbox"/> 2. Stakeholder Engagement | |
| <input type="checkbox"/> 3. Financial and Environmental Sustainability | <input type="checkbox"/> 4. Staff Development | <input type="checkbox"/> 5. Agency Growth Management |

Strategic Objectives:

- | | | |
|-------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------|
| <input type="checkbox"/> 1.1 Safety & Risk | <input type="checkbox"/> 1.2 Continuous improvement | <input type="checkbox"/> 1.3 Dynamic Change |
| <input type="checkbox"/> 1.4 Culture of Innovation | <input checked="" type="checkbox"/> 2.1 Be an Employer of Choice | <input type="checkbox"/> 2.2 Organization Development |
| <input type="checkbox"/> 2.3 Organization Culture | <input type="checkbox"/> 3.1 Resource optimization | <input type="checkbox"/> 3.2 Safety Culture |
| <input type="checkbox"/> 3.3 Environmental Leadership | <input type="checkbox"/> 4.1 Educate & Call to Action | <input type="checkbox"/> 4.2 Build Partnerships |
| <input type="checkbox"/> 4.3 Value of Transit | <input type="checkbox"/> 4.4 Project Connect | |

EXPLANATION OF STRATEGIC ALIGNMENT: Employee Life and Disability benefits are offered as a part of the total benefit package for Capital Metropolitan Transportation Authority and ATP employees. The Total Compensation Philosophy is to maintain benefits and compensation at the 50th percentile in relation to the external marketplace. This allows Capital Metro and ATP the ability to hire and retain employees reassuring their satisfaction with benefits provided as part of their total compensation.

BUSINESS CASE: This contract is to provide basic life, accidental death and dismemberment, long-term and short-term disability insurance (including FMLA administration services), and other Voluntary benefits (employee paid), which are provided by Capital Metro to our employees. This also allows for employees to

purchase additional life and long-term disability buy-up insurance and other voluntary benefits such as Whole Life, Accident and Critical Care. This is a part of the benefit package offered to employees to remain competitive with other local public and private employers.

COMMITTEE RECOMMENDATION: This item was presented and recommended for approval by the Finance, Audit and Administration Committee on August 18, 2021.

EXECUTIVE SUMMARY: The current contract and all option years for Life, AD&D, disability insurance and FMLA Administration for Capital Metro employees expires on December 31, 2021. The proposed insurance contract will provide the following benefits:

- Basic Life and AD&D insurance equal to the employee's annual base salary (\$40,000 minimum)
- Short term disability insurance with a 14-day waiting period with a benefit payment of 60% of weekly earnings up to \$1,000 a week.
- Long term disability insurance with a 90 day waiting period with a benefit payment of 50% of monthly earnings up to \$5,000 a month.

Other voluntary benefits including employee, spouse and child life insurance and long term disability buy-up insurance are offered to employees and paid through payroll deductions. As an added service to the contract, FMLA administration is included as part of a total Absence Management Program.

DBE/SBE PARTICIPATION: No SBE goal is assigned to this solicitation due to low availability of certified SBE firms in relevant work areas (NAICS Codes): Direct Life Insurance Carriers (524113), Liability Insurance Carriers, Direct (524126), Other Insurance Related Activities (524298), and Insurance Agencies & Brokerage (524210). However, we will work with the selected vendor towards small business participation..

PROCUREMENT: On June 7, 2021, a Request for Proposals was issued and formally advertised. By the closing date of July 7, 2021, three proposals were received. The proposals were evaluated based on the following factors:

- (1) The qualifications, capabilities, experience, and past performance of the firm and the project team members on projects of a similar size, scope, complexity, and nature
- (2) The offeror's demonstrated understanding of the project undertaking, the requirements of the Technical Specifications and Work Plan, including the offeror's proposed plan and the technical approach and the demonstrated execution of the requirements detailed in the Scope of Services, Exhibit F, as well as Exhibit H and any relevant attachments to this solicitation.
- (3) Ability of the offeror to provide a single-contact person for products requested in Scope of Services, Exhibit F.

The proposal from Unum Life Insurance Company of America was rated Acceptable, all factors considered.

The other two proposals were rated Marginal. The price from Unum Life Insurance Company of America was determined to be fair and reasonable based on adequate competition. The contract is a fixed price contract. The term of the contract is three base years from the Notice to Proceed.

GRAND TOTAL SUMMARY: THREE BASE YEARS	
TOTAL BASE - YEAR 1: Section 7	\$ 483,471
TOTAL BASE - YEAR 2: Section 8	\$ 516,624
TOTAL BASE - YEAR 3: Section 9	\$ 552,787
GRAND TOTAL BASE PERIOD: YEARS 1	\$ 1,552,882
Contingency for Headcount Growth and	\$200,000
GRAND TOTAL BASE PERIOD: YEARS 1-	\$1,752,882

RESPONSIBLE DEPARTMENT: People and Culture

**RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS**

**STATE OF TEXAS
COUNTY OF TRAVIS**

AI-2021-124

WHEREAS, the Capital Metropolitan Transportation Authority Board of Directors and Capital Metro management endeavor to continue providing life, accidental death and dismemberment insurance, disability benefits, FMLA administration and other voluntary benefits to employees.

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the President & CEO, or his designee, is authorized to finalize and execute a contract with UNUM for basic life and AD&D insurance, long-term and short-term disability insurance; and FMLA administration paid by Capital Metro, and voluntary life , long term disability buy up, accident, whole life and critical illness, paid by employees in an amount not to exceed \$1,752,882.

**Secretary of the Board
Eric Stratton**

Date: _____