



HISTORIC
FRANKLIN
TENNESSEE

ITEM #14
BOMA
11/22/2011

MEMORANDUM

November 14, 2011

TO: Board of Mayor and Aldermen

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

SUBJECT: Consideration of contract award to Five Points of Franklin, TN and US Able Life of Little Rock, AR for both voluntary employee benefits and Section 125 plan administration, for an initial one-year term of service to commence January 1, 2012, with options to extend the term of service for up to two (2) additional one-year terms, for the Human Resources Department (Purchasing Office Procurement Solicitation No. 2012-009)

Purpose

The purpose of this procurement is to continue the City's practice of offering to its employee workforce voluntary benefits (benefits that may be purchased at the employee's option and sole expense) as well as administration of a Section 125 plan (which is a cafeteria-style employee benefit plan designed pursuant to Section 125 of the Internal Revenue Code that provides participants the opportunity to receive certain benefits on a pretax basis).

Background

The City published on September 29, 2011 a Notice to Bidders in the *Williamson Herald* for voluntary employee benefits and/or administration of Section 125 plans including premium-only plans, unreimbursed medical and dependent care flexible spending accounts. In addition, solicitation documents were sent on or about the same date directly to 63 potential proposers known or thought to be interested in this solicitation. Proposals from thirteen (13) vendors were publicly opened at the submittal opening held on November 1, 2011. A tabulation of the proposals received for this solicitation is attached.

Financial Impact

All responsive proposals were evaluated by the City's group employee insurance benefits consultant, the firm of Sherrill Morgan of Covington, KY. For both voluntary employee benefits and Section 125 plan administration, the proposal scored highest pursuant to the evaluation criteria listed in the request for proposals is from Five Points of Franklin, TN and US Able Life of Little Rock, AR. Premiums for voluntary benefits are deducted from employee payroll and therefore are not budgeted. Section 125 plan administration fees are also currently not budgeted as that service is currently (and would, if the below recommendation is accepted, be) provided at no charge by the current voluntary benefits carrier (US Able Life). Therefore, this procurement would have no financial impact on the City.

Options

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

Recommendation

City consultant Sherrill Morgan recommends that the City accept the proposal scored highest pursuant to the evaluation criteria listed in the request for proposals, from Five Points of Franklin, TN and US Able Life of Little Rock, AR, for both voluntary employee benefits and Section 125 plan administration, for a term of service of one year with two (2) one-year options to extend, for a maximum possible term of service of three (3) years total. Staff concurs with this recommendation. 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 Proposals*

Purchasing Office Solicitation No.:		2012-009 (voluntary employee benefits &/or Section 125 plan administration)					
Notice to Proposers published in the <i>Williamson Herald</i> on:		9/29/11					
Number of vendors that were notified of/ that responded to this request for proposals:		63 / 13					
Date and time proposals due and publicly opened:		11/1/11 2:00 PM					
Present at opening of proposals:		Whitney Fann of The Malone Co.; Tammie Pitts of the City of Franklin Human Resources Department; and Tiffany Wilkins and Brian Wilcox of the City of Franklin Purchasing Office					
Target meeting of BOMA at which recommendation will be considered:		11/22/11					
Proposals received from:		Proposal No.:	Service category:	Does the proposal take any exceptions to the CoF RFP?	Proposal Evaluator Composite Score / out of a total points possible:	Payment terms:	Proposal is valid through:
Aflac Group Insurance 400 Laurel Street Columbia, SC 29201 Taddanekka Harvey, Marketing Mgr. 803/978-1335	1 of 2	Voluntary Employee Benefits	Section 125 Plan Administration	No exceptions taken (but CoF notes proposal missing CoF Std Ts&Cs, proposed contract, and information about current liability and errors & omissions insurance)	58 / 60	net 30 days	01/28/12
	2 of 2				23 / 50		
Allstate Benefits 1776 American Heritage Life Drive Jacksonville, FL 32224 Carrie Kohn, VP, Enrollment Operations 904/992-2940	1 of 1	Voluntary Employee Benefits		No exceptions taken (but CoF notes proposal missing proposed contract, and proposer declined to submit required references unless it is selected as a finalist)	53 / 60	net 30 days	12/31/11
American Fidelity Assurance Co. 2000 North Classen Blvd. Oklahoma City, OK 73106 Jared D. Levy, Health and Gov. Markets Mgr. 317/430-1792	1 of 2	Voluntary Employee Benefits	Section 125 Plan Administration	No exceptions taken	58 / 60	net 30 days	01/31/12
	2 of 2				48 / 50		
American General Life Companies 267 N. American General Way Nashville, TN 37250 Brooke Cowherd, Account Executive 615/749-1973	1 of 1	Voluntary Employee Benefits		Yes, but not identified, proposal missing responses to questionnaire: addenda nos 1 & 2 not acknowledged, no electronic copy	Not evaluated	net 30 days	01/01/12

*Shaded proposal is the proposal found by the proposal evaluation team to best meets the needs of the City

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Colonial Life & Accident Insurance Co. 1200 Colonial Life Blvd Columbia, SC 29210 Loi Parsons, Proposal Analyst 803/678-5976	1 of 2	Voluntary Employee Benefits	Yes (declined to supply references for former clients); Col' notes proposal missing proposed contract	49 / 60	not indicated	02/21/12
	2 of 2	Section 125 Plan Administration		41 / 50		
Dansig, Inc 321 Billingsly Court, Suite 5 Franklin, TN 37067 Darren Reynolds, Senior VP 217/451-9101	1 of 2	Voluntary Employee Benefits	No exceptions taken (but CoF notes proposal missing proposed contract, and proposer declined to submit a financial statement unless it is selected as a finalist)	55 / 60	net 30 days	01/25/12
	2 of 2	Section 125 Plan Administration		50 / 50		
Five Points / USable Life 377 Riverside Drive P.O. Box 680325 Franklin, TN 37068 James A. Smith, President 615/791-0404	1 of 2	Voluntary Employee Benefits	No exceptions taken (but CoF notes addenda nos. 1 & 2 not acknowledged, and proposal missing proposed contract)	60 / 60	net 30 days	01/01/12
	2 of 2	Section 125 Plan Administration		50 / 50		
Kanawha Insurance Company (Humana) 550 West Adams St. Chicago, IL 60661 Jay Schripsema, Sales Executive 312/441-5348	1 of 1	Voluntary Employee Benefits	Yes (Indemnification): Col' notes addenda nos. 1 & 2 not acknowledged, proposal missing proposed contract, and proposer declined to provide references unless it is selected as a finalist	53 / 60	net 30 days	12/31/11

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Liberty Mutual Insurance Company 175 Berkeley Street Boston, MA 02116 Walter Jackson, Regional Acct. Executive 800/668-0593, ext. 59959	1 of 1	Voluntary Employee Benefits	No exceptions taken (but CoF notes proposer supplied financial ratings instead of financial statements)	50 / 60	net 30 days	not indicated
Liberty National Life Insurance Company 509 Benjamin Way, Suit 502 Dalton, GA 30721 Howard Ralston, Branch Manager 706/278-6050	1 of 1	Voluntary Employee Benefits	Not indicated; proposal missing Proposal Submittal Form, responses to questionnaire, etc	Not evaluated	not indicated	not indicated
North America Administrators, L.P. 1826 Elm Hill Pike P.O. Box 1924 Nashville, TN 37210 Bruce Thompson, VP of Sales 800/411-3650	1 of 1	Section 125 Plan Administration	No exceptions taken (but CoF notes addenda nos. 1 & 2 not acknowledged, and proposal missing disclosure of all lawsuits and any court orders, other or former names, proposed contract and financial statements)	44 / 50	10 days from date of invoice	12/31/11
Palomar Insurance Corporation 4525 Executive Park Dr., Suite 202 P.O. Box 11128 Montgomery, AL 36116 Sandy Greer, Account Executive 800/489-0105	1 of 1	Voluntary Employee Benefits	Yes (proposer declines to disclose all lawsuits and any court orders, financial statements, reference contact info); CoF notes proposal missing proposed contract, addenda nos. 1 & 2 not acknowledged	60 / 60	net 30 days	01/31/12

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Transamerica Employee Benefits 1400 Centerview Dr. Little Rock, AR 72211 Marie Lackey, Regional V.P. 205/568-0992	1 of 1	Voluntary Employee Benefits	No exceptions taken (but CoF notes proposal missing CoF Std Ts&Cs, Affidavit of Title VI Compliance, proposed contract, and information about current liability and errors & omissions insurance, addenda nos 1 & 2 not acknowledged, and proposer declined to provide references, financial statements, and to disclose all lawsuits and any court orders)	46 / 60	net 30 days	01/07/12

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City of Franklin

RFP 2012-009

Points Evaluation

Criterion	Total Points Allocated	Allstate		American Fidelity		Colonial Life		Consociate Danzig/Allstate & Mutual of Omaha		Five Points/ Usable & FlexSystem		Kanawha/ Humana		Liberty Mutual		NAA		Palomar/Unum		Transamerica		
10.3. Specific Requirements for 125 Plan Administration																						
10.3.1. Transition/Implementation	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
10.3.2. Requests for Reimbursement	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
10.3.3. Customer Service	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
10.3.4. Debit Cards	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
10.3.5. On-Line Capabilities	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
10.3.6. Qualifications	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
10.3.7. References	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
10.3.8. Thoroughness of Response to RFP	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Total Points Section 10.3	50	48	41	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
10.4. Specific Requirements for Voluntary Employee Benefits																						
10.4.1. Transition/Implementation	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
10.4.2. Compensation for Enrollers	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
10.4.3. Customer Service	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
10.4.4. Financial Rating	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
10.4.5. On-Line Capabilities	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
10.4.6. Qualifications	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
10.4.7. References	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
10.4.8. Thoroughness of Response to RFP	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
10.4.9. Consideration for Flexibility in Rates	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Total Points Section 10.4	60	58	49	55	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60
Total Points Summary	110	106	90	105	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110

This grid is for discussion purposes only. Please see quotes for complete details.

SHERRILL MORGAN

To: Tammie Pitts
From: Lisa Stamm and Mike Williams
Date: November 11, 2011
Re: Voluntary Employee Benefits and Section 125 Administration RFP Recommendations

After completing our review of the proposals received by the City of Franklin for Voluntary Employee Benefits and Section 125 Plan Administration, our recommendation is to accept the proposal offered by Five Points, in conjunction with USABLE. This company earned the highest score using the evaluation criteria set forth in the Request for Proposals and is able to provide Section 125 administration at no charge to the City.

We are available for further discussion regarding this recommendation at your convenience.