

## Purchasing Summary

<b>EVENT #</b> 9592	<b>TITLE:</b> Employee Dental Plan Benefits	<b>COST:</b> \$1,268,282
<b>TYPE OF PROCUREMENT:</b> Bid	<b>ANNUAL CONTRACT</b> <input checked="" type="checkbox"/> <b>ANNUAL MAINTENANCE AGREEMENT</b> <input type="checkbox"/>	<b>ONE TIME PURCHASE</b> <input type="checkbox"/>

**CONTRACT TERM (IF APPLICABLE)**  
Contract term expires on October 12, 2023

**S/DBE (IF APPLICABLE)**  
N/A

**MATRIX (IF APPLICABLE)**  
N/A

### NOTES

This is to award an annual contract for Employee Dental Plan Benefits to The Standard Insurance Company in the amount of \$1,268,282.

The City of Savannah makes available to eligible employees, retirees, and family members access to voluntary dental insurance coverage. Due to service issues with the current dental carrier, the Office of Human Resources requested USI market the dental coverage.

The estimated premium is to be paid 100% by those members who are enrolled in the insurance coverage. There is no cost to the city for this service. The policy will be effective from January 1, 2023, through December 31, 2023. The contract offers a 2-year rate guarantee with a renewal cap on year three of no more than 6%.

The City of Savannah offers three-tier dental plans: low plan, high plan, and a platinum plan. Orthodontic coverage for adults will be added to the low and platinum plans. The Standard offers "max keeper" where preventive services do not apply to the annual maximum benefit. This allows for members to have more money available from the maximum out of pocket for high-cost services annually regardless of plan election. The platinum plan will increase coverage of services to 100% for preventive services, to 90% for basic services, and to 60% for major services. The rates for members will decrease by an average of 2.9%. The difference in rates are listed below:

Current Carrier Rates (Weekly): MetLife						New Recommended Carrier Rates (Weekly): The Standard					
Low Plan		High Plan		Platinum Plan		Low Plan		High Plan		Platinum Plan	
Emp Only	\$4.21	Emp Only	\$7.18	Emp Only	\$8.05	Emp Only	\$4.00	Emp Only	\$6.82	Emp Only	\$8.57
EE+1	\$7.77	EE+1	\$12.70	EE+1	\$14.25	EE+1	\$7.38	EE+1	\$12.07	EE+1	\$15.09
Family	\$14.18	Family	\$19.18	Family	\$21.52	Family	\$13.47	Family	\$18.22	Family	\$22.41

Current Carrier Rates (Bi-weekly): MetLife						New Recommended Carrier Rates (Bi-Weekly): The Standard					
Low Plan		High Plan		Platinum Plan		Low Plan		High Plan		Platinum Plan	
Emp Only	\$8.42	Emp Only	\$14.35	Emp Only	\$16.11	Emp Only	\$8.00	Emp Only	\$13.64	Emp Only	\$17.14
EE+1	\$15.54	EE+1	\$25.40	EE+1	\$28.51	EE+1	\$14.76	EE+1	\$24.13	EE+1	\$30.17
Family	\$28.36	Family	\$38.36	Family	\$43.04	Family	\$26.94	Family	\$36.44	Family	\$44.82

The Standard will provide a \$5,000 credit for implementation, lower the LTD rates (paid by the City) by 5% resulting in \$12,500 in cost savings, and extend the rate guarantees for life insurance and LTD until 01/01/2025.

Recommendation: The Standard presented with the lowest rates for the dental plans (average 3% cost savings for plan members), addition of orthodontic coverage for adults, improved plan coverages for the platinum plan, cost reduction to the City of Savannah for LTD, and very little disruption in network service to current members.

USI marketed to eight dental carriers requesting a match of current benefits and an alternate plan design of 100/90/60 coverage on the Platinum dental plan. Two carriers declined to quote, and one carrier did not respond. The five carriers that responded were the Guardian, Lincoln Financial, The Standard, United Concordia, and Unum. The most competitive bids were from the Guardian and The Standard. (See attached marking results).

L.B.      The Standard Insurance Company (1100 Southwest Sixth Avenue, Portland, OR 97204)<sup>(D)</sup>      \$1,268,282  
Guardian Life Insurance Company of America (10 Hudson Yards, New York, NY 10001)<sup>(D)</sup> \$1,297,879  
United Concordia Companies, Inc. (1800 Center Street, Camp Hill, PA 17011)<sup>(D)</sup> \$1,440,488  
Unum Group (1 Fountain Square, Chattanooga, TN 37402)<sup>(D)</sup> Not Comparable Benefits  
Lincoln Financial Group (150 North Radnor Chester Road, Radnor, PA 19087)<sup>(D)</sup> Not Comparable Benefits  
Mutual of Omaha (3300 Mutual of Omaha Plaza, Omaha, NE 68175)<sup>(D)</sup> Declined  
Sun Life (One Sun Life Park Wellesley Hills, MA 02481)<sup>(D)</sup> Declined

(D) Indicates non-local, non-DBE business. Recommend approval.

Local available: No

Total sent: 7

Total received: 5

Vendor federally debarred/suspended: No