

Purchasing Notes

EVENT # 8699	TITLE: Employee Short-Term Disability Benefits	COST: \$No Cost
TYPE OF PROCUREMENT: Sole Source	ANNUAL CONTRACT <input checked="" type="checkbox"/> ANNUAL MAINTENANCE AGREEMENT <input type="checkbox"/>	ONE TIME PURCHASE <input type="checkbox"/>

CONTRACT TERM (IF APPLICABLE)
Contract term expires on December 31, 2022

S/DBE (IF APPLICABLE)
N/A

MATRIX (IF APPLICABLE)
N/A

NOTES

Recommend approval to award an annual contract for employee short-term disability benefits to Lincoln Financial Group with no cost to the City of Savannah. The Human Resources Department offers eligible employees and dependents access to voluntary short-term disability insurance coverage. The estimated premium is paid 100% by members who are enrolled in the insurance coverage. There is no cost to the City of Savannah for this service and USI Insurance Services manages the enrollment, billing, customer service, and claims submission for all voluntary worksite benefits. There are 274 employees are enrolled in the short-term disability plan.

The current vendor is Lincoln Financial. There premiums for Lincoln Financial are slightly higher than the market but no other carriers could provide the following plan provisions:

- 1) Employees can choose their benefit amount to meet their needs. A benefit amount of 60% of salary is not required.
- 2) Guaranteed issues at every open enrollment.
- 3) Plan pays in addition to other income- including all City-paid leave benefits.
- 4) Rates are based on issue age and do not increase with age.

This RFP was facilitated by USI Insurance Services on behalf of the City of Savannah. USI Insurance Services is the City's employee benefits consultant that negotiates, oversees, and advertises the City's benefits contracts. This RFP was sent out to nine (9) proposers with four (4) proposers responding.

The bid was advertised, opened, and reviewed. The contract term expires on December 31, 2022. This contract also includes three (3) available annual renewal options and two (2) extensions. Delivery: As needed. Terms: Net 30 days. The bidders were:

B.P. Lincoln Financial Group (150 North Radnor Chester Road, Radnor, PA 19087)^(D) \$No Cost
 Guardian Life Insurance Company of America (10 Hudson Yards, New York, NY 10001)^(D)
 Hartford Financial Services Group, Inc (690 Asylum Avenue, Hartford, CT 06155)^(D)
 The Standard Insurance Company (1100 Southwest Sixth Avenue, Portland, OR 97204)^(D)

A pre-proposal conference was not conducted. (D) Indicates non-local, non-DBE business. Recommend approval.

Local available: No

Total sent: 9

Total received: 4

Vendor federally debarred/suspended: No

