



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 8/10/2021

ALL

Item Creation Date: 7/26/2021

T29801-Third-Party Administrative Services for Long-Term Disability Plan - ORDINANCE
(The Guardian Life Insurance Company of America dba Reed Group Management LLC)

Agenda Item#: 23.

Summary:

ORDINANCE approving and authorizing an agreement between the City of Houston and **THE GUARDIAN LIFE INSURANCE COMPANY of AMERICA dba REED GROUP MANAGEMENT LLC** for third-party administrative services for long term disability plan for the Human Resources Department; providing a maximum contract amount - \$899,859.00 - Long Term Disability Plan Fund

Background:

Request for Proposals received May 6, 2021 for S63-T29801 – Approve an Ordinance awarding a contract to **The Guardian Life Insurance Company of America dba Reed Group Management LLC** in the maximum contract amount of **\$899,859.00** for third-party administrative services for long-term disability plan for the Human Resources Department.

Specific Explanation:

The Director of the Human Resources Department and the Chief Procurement Officer (CPO) recommend that City Council approve an ordinance awarding a **three (3) year contract, with two (2) one-year options to renew to The Guardian Life Insurance Company of America dba Reed Group Management LLC** in the maximum contract amount of **\$899,859.00** for third-party administrative services (TPA) for long-term disability plan (LTD) for the Human Resources Department. The Director of the Human Resources Department may terminate the contract at any time by giving 90 (ninety) days written notice to the contractor, with a copy of the notice to the CPO.

The scope of work requires the contractor to provide long-term disability third-party administrative services for the City of Houston's (City) active full-time employees. The City, as an employer, has an employee population of more than 21,000 full time employees. The third-party administrator (TPA) shall perform administrative services pursuant to the provisions of the LTD Plan. The TPA will be the plan administrator and its activities will be under the review and approval of the Human Resources Department Director or his/her representative.

The scope of work requires the contractor to provide the following services, but are not limited to:

1. Offer state-of-the-art program management and administration services.
2. Communicate benefit determination to employees in a timely manner.
3. Provide timely reporting.
4. Offer Innovative solutions to manager and optimize the proposed program.

The Request for Proposals (RFP) was advertised in accordance with the requirements of the State of Texas bid laws. Twenty-one (21) prospective proposers viewed the solicitation document on the Strategic Procurement Division's (SPD) e-bidding website, and as a result, one proposal was received from The Guardian Life Insurance Company of America dba Reed Group Management LLC. Prior to

issuing the solicitation, the SPD canvassed the City's registered vendor data base as well as the market, to identify potential proposers who could possibly provide the type of services needed. Subsequent to the receipt of the proposals, prospective proposers were contacted to determine the reason for the limited response to the RFP. Some potential proposers advised that they were not sufficiently staffed or experienced enough to provide the required services in the scope and could not submit a competitive proposal. The evaluation committee (EC), consisted of employees from the Human Resources Department, Houston Public Library (HPL), and the Solid Waste Management Department (SWM).

The proposal was evaluated based upon the following criteria:

1. Proposer's Background and Experience
2. Key Personnel's Background and Experience
3. Proposer's Approach and Understanding of Scope Requirements
4. Price Proposal

The EC is confident The Guardian Life Insurance Company of America dba Reed Group Management LLC is well qualified to perform the required services as outlined in the RFP.

M/WBE Participation:

MWBE Zero-Percentage Goal document approved by the Office of Business Opportunity.

Hire Houston First:

The proposed contract requires compliance with the City's Hire Houston First (HHF) ordinance which promotes economic opportunity for Houston businesses and supports job creation. In this case, The Guardian Life Insurance Company of America dba Reed Group Management LLC is not a designated HHF company, therefore the HHF preference was not applied to the award of the contract.

Pay or Play Program:

The proposed contract requires compliance with the City's 'Pay or Play' Ordinance regarding health benefits for employees of City contractors. In this case, The Guardian Life Insurance Company of America dba Reed Group Management LLC will provide health benefits to eligible employees in compliance with City policy.

Fiscal Note:

Funding for this item is included in the FY 2022 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

8/2/2021

DocuSigned by:
Jerry Adams
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Jerry Adams, Chief Procurement Officer
Finance/Strategic Procurement Division

Department Approval Authority

ESTIMATED SPENDING AUTHORITY

DEPARTMENT	FY2022	OUT-YEARS	AMOUNT
Human Resources Department	\$114,502.00	\$785,357.00	\$899,859.00

Amount of Funding:

\$899,859.00

Long Term Disability Plan Fund
Fund No.: 9001

Contact Information:

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ATTACHMENTS:

Description

Certification of Funds
Affidavit of Ownership
Add't Affidavit of Ownership
Cleared Tax Report
Contractor of Resolution
Secretary of State-REED
Conflict Of Interest
Award Recommendation
OBO Goal Modification
OBO Zero Goal Appr.
Drug Forms
Form 1295-REED
Caption
COH POP 2
COH POP 1

Type

Financial Information
Backup Material
Backup Material
Backup Material
Backup Material
Backup Material
Backup Material
Backup Material
Backup Material
Backup Material
Backup Material
Other
Backup Material
Backup Material