



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/19/2021

ALL

Item Creation Date: 7/26/2021

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

Agenda Item#: 28.

Summary:

ORDINANCE approving and authorizing an agreement between the City of Houston and **Reed Group Management LLC, an Affiliate of The Guardian Life Insurance Company of America**, 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 **Reed Group Management LLC, an Affiliate of The Guardian Life Insurance Company of America 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 Reed Group Management LLC, an Affiliate of The Guardian Life Insurance Company of America** 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 **Reed Group Management LLC, an Affiliate of The Guardian Life Insurance Company of America**. 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 **Reed Group Management LLC, an Affiliate of The Guardian Life Insurance Company of America** 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, **Reed Group Management LLC, an Affiliate of The Guardian Life Insurance Company of America** 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, **Reed Group Management LLC, an Affiliate of The Guardian Life Insurance Company of America** 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.

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Jerry Adams
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10/11/2021

**Jerry Adams, Chief Procurement Officer
Finance/Strategic Procurement Division**

Department Approval Authority

10/11/2021

ESTIMATED SPENDING AUTHORITY

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

Amount and Source of Funding:

\$899,859.00

Long Term Disability Plan Fund
Fund No.: 9001

Contact Information:

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ATTACHMENTS:

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

COH POP 1
Cover sheet
Caption

Backup Material
Signed Cover sheet
Other