



Legislation Text

File #: ID 15-0712, **Version:** 1

Resolution Authorizing Execution of Contract No. 2016-10341 in the Amount of \$630,000 With Delta Dental For Third Party Dental Plan Administration Services

Department: Human Resources
Council District: N/A

Public Hearing: N/A
Advertising Date/By: N/A

Contact 1 and Phone: Connie Hammond, Human Resources Director, 373-2320
Contact 2 and Phone: Joan Blackburn, Total Compensation Manager, 373-2710

PURPOSE:

The Human Resources Department is responsible for the administration of the City's dental plan and manages this function with contracted professional services of a third party dental plan administrator. A solicitation was done to recommend award of a new contract in advance of the current contract expiration. Under the current service contract policy, City Council approval is required for contracts of \$100,000 and greater.

BACKGROUND:

The Human Resources Department uses the services of Aon Hewitt, a consulting firm specialized in services for human resources services in government agencies. Aon Hewitt conducted an RFP for the Department to solicit proposals for the City's dental plan administration in May of 2015. The Centralized Contracting Division published a notice regarding the opportunity through the on-line Greensboro Electronic Procurement System. Due to the highly specialized nature of these services and Aon Hewitt's knowledge of a small pool of qualified nationally recognized vendors, the department requested a waiver from the M/WBE program, which was approved by the City Manager's office.

Proposals of two finalists, Cigna and Delta Dental, were forwarded by Aon Hewitt to the Human Resources Department. The proposals were scored on criteria established in the RFP. The recommendation to award the contract to the firm Delta Dental of North Carolina, a non-profit corporation headquartered in Raleigh, NC, is based on the determination that Delta Dental's proposal provides the best value for the City. The selection and award criteria includes Discount Analysis/Availability; Ability to Timely Implement; Strength of Network/Provider Access; Interface with Lawson/Infor; Customer Service/Employee Education; Preservation of Current Plan Design; Implementation Performance Guarantees; Ongoing Admin Performance Guarantees; Account Management Team; Technology; and Community Outreach/Philanthropy.

Delta Dental offered a robust dental network offering employees and the City projected estimated savings of \$182,000 annually. The proposed plan also provides increased benefits to covered members, making it more competitive than the current provider's plan. In addition, administrative fees of the plan would also decrease approximately 25% annually. Lastly, there is a local account management team. Pending approval, this

contract will become effective on January 1, 2016.

BUDGET IMPACT:

The total estimated value of the four-year contract is \$630,000 (\$157,500 annually). In the event that the Department wishes to renew the contract for an additional one year term, for a total term not to exceed five years, City Council approval will be requested. Funds are anticipated to be available in each fiscal year budget. Future year funding is subject to future City Council appropriations.

RECOMMENDATION / ACTION REQUESTED:

City Council approval of the resolution authorizing award of contract # 2016-10341 to Delta Dental for Third Party Dental Plan Administration Services in the estimated amount of \$630,000 is requested.