



## HUMAN RESOURCES DEPARTMENT

*RM*  
**DATE:** September 29, 2016  
**FROM:** Robert McConnell, Human Resource Director  
**ITEM:** Benefit RFP Award

### REQUEST

The Human Resource department issued a Request for Proposal to provide the City of Bismarck Employees with a Vision and Life plan. Proposals were submitted for 9 vendors to provide Life and Vision insurance. A committee assembled to review and score the proposals. Blue Cross Blue Shield (BC/BS) came in as the highest ranked vendor. The RFP committee recommends award to BC/BS to provide both Life and Vision insurance plans.

Please place this item on the October 11, 2016 City Commission meeting.

### BACKGROUND INFORMATION

See attachment

### RECOMMENDED CITY COMMISSION ACTION

The Human Resource Department recommends approval of the Voluntary Vision plan, the approval of the UNUM Life Insurance plan both offered through BC/BS, and the 5 cent per employee increase in employer funded premium to expand coverage from \$20,000 to \$30,000

### STAFF CONTACT INFORMATION

Please feel free to contact Bob McConnell with any questions at [rmcconnell@bismarcknd.gov](mailto:rmcconnell@bismarcknd.gov) or 701-355-1332

Earlier this year on April 12<sup>th</sup> the Human Resource department surveyed the workforce to see what voluntary benefits that they might be interested in. The results of the survey indicated that the workforce wanted a Vision plan.

The existing Life insurance plan had been based on an old mortality table and there existed an opportunity to gain some savings by re-bidding the plan.

On June 26<sup>th</sup> the Human Resource Department went out with a Request for Proposals for Vision and Life insurance plans.

We received proposals from 12 vendors and assembled an RFP committee to review and score the proposals.

The committee ranked the proposals and narrowed them to three top contenders. Interviews were scheduled with three finalists. Two of the three finalists dropped out because they were only interested if they were awarded both life and vision plans. Blue Cross Blue Shield (BC/BS) was the sole remaining vendor with top proposals in both categories. Following the interview with BC/BS the committee ranked and selected an Avesis vision plan and Unum life plan both administered through BC/BS to provide the best benefits to our workforce.

The Voluntary Vision insurance plan would be offered through Avesis to the fulltime workforce at no cost to the City of Bismarck. Vision insurance represents a new benefit to our workforce while premiums for the Vision plan would be paid fully by the employee's that choose to enroll in the plan.

The resulting life insurance proposal from Unum provided an opportunity to increase the death benefit from \$20,000 to \$30,000 by reinvesting the savings afforded by the new mortality table. Although we tried to keep the increase budget neutral we found that the premium to enhance our plan was just a nickel per employee per month more. This additional cost is an incredible value for what this plan offers our workforce in added protection. This proposal by UNUM also provided a more meaning voluntary buy-up option to employees by offering \$150,000 of coverage compared to the \$10,000 that the existing plan provided.

Employee's annual salaries have grown since those many years ago when the existing plan was first introduced. We would like to provide better protection and income replacement to the families that serve the City of Bismarck. When you consider the added benefit and incredible value of this plan, I hope that you will agree that an additional \$0.05 per employee is little to pay.

The Human Resource Department recommends approval of the Voluntary Vision plan, the approval of the UNUM Life Insurance plan both offered through BC/BS, and the 5 cent per employee increase in employer funded premium to expand coverage from \$20,000 to \$30,000.

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