

**CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION**

CC: 10C
Amend No. _____

Date Prepared: September 17, 2008

Council Meeting Date: October 7, 2008

TO: Carl Swenson, City Manager

THROUGH: Susan K. Thorpe, Deputy City Manager *SKT*

FROM: Wynette L. Reed, Human Resources Director *WLR*

PREPARED BY: Nancy Fantasia, Human Resources Benefits Analyst

SUBJECT: Award of Term Contract to Assurant Employee Benefits (Pre-Paid Dental) and United Concordia Dental for Employee Benefits (Indemnity Dental)

RECOMMENDATION:

Discussion and possible action to enter into term contract (P08-0110) with insurance providers for the following dental insurance benefit:

- Pre-paid Dental (Assurant Employee Benefits for 1 Year with 4 one-year extensions). There is no increased cost to the City in providing this benefit.
- Indemnity Dental (United Concordia Dental for 1 Year with 4 one-year extensions). There is a 2% increase to the City in providing this benefit.

SUMMARY:

As required by law, the City periodically re-bids our dental insurance plans. A solicitation for dental benefits was advertised which resulted in 26 firms receiving the solicitation and 9 firms submitting proposals for review. The Materials Management Division of the Finance Department and the Human Resources Department in conjunction with the City's insurance consultant, Segal and Company, analyzed the proposals.

The bids were reviewed by the Employee Insurance Advisory Committee and the committee has recommended the following:

CITY CLERK USE ONLY:

- Consent Agenda
- Carry Over to Date: _____
- Approved
- Unfinished Business (Date heard previous: _____)
- New Business

ORD. # _____ RES. # _____
LCON# 18708 LIC. # _____
Action Date: 10/08

Dental – Pre-Paid Plan

The current provider Assurant Employee Benefits submitted a very competitive bid and it is recommended that the City continue with the prepaid plan with no change in the benefits and a maximum reduction in costs of up to -5.01% for FY09.

Dental – Indemnity Dental Plan

The current provider United Concordia submitted a very competitive bid and it is recommended that the City continue with the indemnity plan with an increase in cost of 2%, with a two year rate guarantee and no change in current benefits except the following enhanced benefits to the plan:

- Plan to include all Composite Restorations (white fillings) on anterior and posterior teeth.
- Preventative Incentive – dental services that fall under Class I Diagnostic and Preventative will not count toward a member's annual plan maximum.



City of Peoria, Arizona

Notice of Request for Proposal



Request for Proposal No: **P08-0110** Proposal Due Date: **June 30, 2008**
 Materials and/or Services: **Employee Dental Benefits Plan** Proposal Time: **5:00 P.M. AZ Time**
 Project No: _____ Contact: _____
 Location: **City of Peoria, Materials Management** Phone: **(623) 773-7115**
 Mailing Address: **8314 West Cinnabar Avenue, Peoria, AZ 85345**

In accordance with City of Peoria Procurement Code competitive sealed proposals for the material or services specified will be received by the City of Peoria Materials Management at the specified location until the date and time cited above. Proposals shall be in the actual possession of the City of Peoria Materials Management on or prior to the exact date and time indicated above. Late proposals will not be considered, except as provided in the City of Peoria Procurement Code. *Proposals shall be submitted in a sealed envelope with the Request for Proposal number and the offeror's name and address clearly indicated on the front of the envelope.* All proposals shall be completed in ink or typewritten. Offerors are strongly encouraged to carefully read the entire Request for Proposal Package.

OFFER
 To the City of Peoria: The undersigned on behalf of the entity, firm, company, partnership, or other legal entity listed below offers on its behalf to the City a proposal that contains all terms, conditions, specifications and amendments in the Notice of Request for Proposal Issued by the City. Any exception to the terms contained in the Notice of Request for Proposal must be specifically indicated in writing and are subject to the approval of the City prior to acceptance. The signature below certifies your understanding and compliance with Paragraph 1 of the City of Peoria Standard Terms and Conditions (form COP 202) contained in the Request for Proposal package issued by the City.

For clarification of this offer contact:

Name: Mark Burnside

Telephone: 602.308.0227 Fax: 602.263.0187

Assurant Employee Benefits
 Company Name


 Authorized Signature for Offer

5353 N. 16th Street, Ste. 370
 Address

Kimberly R. Reese
 Printed Name

Phoenix AZ 85016
 City State Zip Code

2nd VP
 Title

ACCEPTANCE OF OFFER AND CONTRACT AWARD (For City of Peoria Use Only)

Your offer is accepted by the City, subject to approval of each written exception that your proposal contained. The contract consists of the following documents: 1.) Request for Proposal issued by the City; 2.) Your offer in Response to the City's Request for Proposal; 3.) This written acceptance and contract award.

As the contractor, you are now legally bound to sell the materials and/or services listed by the attached award notice, based on the solicitation of proposals, including all terms, conditions, specifications, amendments and your offer as now accepted by the City. The Contractor shall not commence any billable work or provide any material, service or construction under this contract until the Contractor receives an executed Purchase Order or written Notice to Proceed.

Attested by:

 Mary Jo Kief, City Clerk

City of Peoria, Arizona. Effective Date: _____

cc: LOC 100708

Approved as to form:

Contract Number:
LCON18708

Stephen M. Kemp, City Attorney

Contract Awarded Date _____

City Seal

Official File: _____

Carl Swenson, City Manager



City of Peoria, Arizona

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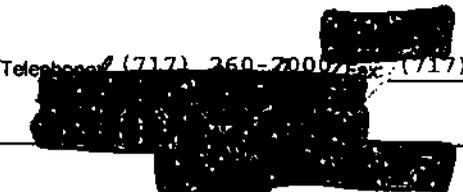
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For clarification of this offer contact:

Name: F. G. Chip Merkel

Telephone: (717) 260-7000 ext. (717) 260-6972

United Concordia Insurance Company
Company Name



4401 Deer Path Road
Address

F. G. Chip Merkel
Printed Name

Harrisburg, PA 17110
City State Zip Code

Senior Vice President and Chief Marketing Officer
Title

COPIES OF OFFER AND CONTRACT AWARD (For City of Peoria Use Only)

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