



EXECUTIVE SUMMARY

Recommendation that the Broward College District Board of Trustees authorize the non-standard agreement with Standard Insurance Company (RFP-2023-125-OA) to provide LIFE & DISABILITY INSURANCE AND SERVICES. Fiscal Impact: Estimated \$257,492 spent over one year.

Presenter(s): Sophia Galvin, Vice President, Talent and Culture

What is the purpose of this contract and why is it needed? The purpose of the contract with Standard Insurance Company is for the vendor to serve as the employee's Long Term Disability (LTD), Employee Assistance Program (EAP), and supplemental Group Basic Life and AD&D insurance provider. The Request for Proposals (RFP-2023-125-OA), was conducted in 2024, with various insurance providers. Standard Insurance Company offered the most competitive price and value. The contract is needed to ensure we have the most competitive coverage and pricing for the College.

Standard estimated **employer cost is \$257,492.00**. The College pays for Basic Life with AD&D Coverage and Long Term Disability. The Employee Assistance Program (EAP) was negotiated to be a value added at no additional cost to the College. The College is expected to save \$20,367.53 as compared to current provider 2025 proposal.

The contract term is for one (1) year with services beginning January 1, 2025, through December 31, 2025. The term of this contract may, by mutual written agreement of the parties, upon final College approval, be renewed for four (4) additional one-year periods.

What procurement process or bid waiver was used and why? A formal competitive solicitation process was used per FLDOE Rule 6A-14.0734 and College Procedure A6Hx2-6.34. A Request for Proposals (RFP) was completed in 2024: RFP-2023-125-OA - HEALTH, LIFE & DISABILITY INSURANCE AND SERVICES. The RFP was conducted to ensure the most competitive rates and coverage were considered for plan year 2025.

Standard Insurance Company was selected as the carrier to Group Basic Life and Voluntary and AD&D Services, Long Term Disability (LTD) and Employee Assistance Program (EAP) Program Services insurance.

Is this a budgeted expenditure from the budget established at the last June Board of Trustees meeting?
Yes.

What fund, cost center and line item(s) were used? GLC59702 (Life), GL59704 (Disability)

Has Broward College used this vendor before for these products or services? No, the College has not used Standard Insurance previously.

Was the product or service acceptable in the past? Yes, Cigna has met the medical, pharmacy care needs along with HRA administration needs of the member population. Not applicable for Standard Insurance.

Was there a return on investment anticipated when entering this contract? Yes, through the RFP process, the College received competitive bids and leveraged negotiation capabilities resulting in a richer and more cost-effective contract proposal.

Was that return on investment not met, met, or exceeded and how?

The return on investment met and exceeded expectations by providing an expected total cost savings of \$20,367.53. The Standard plan feature enhancements include increasing EAP visits from three to six per issue and age related volume reductions were eliminated for Basic Life. We anticipate these enhanced plan changes will have a positive effect on

employee well-being and help attract and retain talent. The rate guarantee through December 31, 2027, will allow a secured savings for the College.

Does this directly or indirectly feed one of the Social Enterprise tactics and how?

Indirectly by attracting and retaining top talent through the benefits offered to our faculty, staff and administrators (Talent Activation).

Did the vendor amend Broward College’s legal terms and conditions [to be answered by the Legal Office] if the College’s standard contract was used and was this acceptable to the Legal Office?

FISCAL IMPACT:

Total Fiscal Impact for Standard: \$218,084.32

FD100 GLC59701 (Medical, Pharmacy, H.R.A administration)

FD100 GLC59702 (Life) FD100 GL59704 (Disability)

Cigna Estimated Total \$20,899,890.00 (employer share \$16,821,783.12, employee share \$4,078,106.88). Employer breakdown: College pays 80% of Medical Cost (\$15,621,124.32), HRA funding (\$1,112,250.00), HRA admin fee (\$61,560), and Motivate Me fee (\$26,848.80).

Standard Estimated Employer Cost: \$218,084.32. The College pays for Basic Life Coverage and Long Term Disability. Voluntary Life is employee paid and the Employee Assistance Program (EAP) was negotiated to be a value added at no additional cost to the College. The College is expected to save \$36,000 on Basic Life coverage and \$25,000 from a no cost EAP as compared to current provider 2025 proposal. Total savings expected: \$61,000.

Sophia Marie Galvin

Sophia Marie Galvin, Vice President, Talent and Culture

8/7/2024

HISTORY:

09/04/24 District Board of Trustees