



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <div>DocuSigned by: <i>Michael Jones</i> 47000790F2D7463...</div>		GENERAL MANAGER ACTION REQ'D:		
DATE: 7/31/2025 8/7/2025		BOARD INITIATED ITEM: No		
Originator/Prepared by: Diane Iwata Dept: Human Resources Administration Signature/Date: <div>DocuSigned by: <i>Diane Iwata</i> B2B28E38D3F14F1... 8/5/2025</div>	General Counsel <div>DocuSigned by: <i>Amelia Sandoval-Smith</i> 2528C067C44147D... 8/5/2025 []</div>	Chief Financial Officer <div>Signed by: <i>Joseph Beach</i> 7D9A7C6E7348456... 8/5/2025 []</div>	District Secretary <div>DocuSigned by: <i>Robert Franklin</i> AFF4529E1F0D45C... 8/7/2025 []</div>	BARC <div>DocuSigned by: <i>Pamela Herd</i> 3BB24D65B8724F5... 8/5/2025 []</div>

Award of Agreement No. 6M4910 for Dental Administration

PURPOSE:

To authorize the General Manager to award Agreement No. 6M4910 to Delta Dental of California ("Delta") to provide administrative services for the District's self-insured dental plans for employees and retirees.

DISCUSSION:

The District provides self-funded dental coverage at no cost to full-time employees and their eligible dependents and offers the same coverage to select part-time employees and retirees at full cost to them. To manage this program, a dental plan administrator is required to handle claims and administrative services. Due to the specialized scope of work, the District engaged its benefits broker, Alliant Insurance Services, Inc. ("Alliant"), to lead the solicitation process. On June 9, 2025, at the direction of District staff, Alliant issued a Request for Proposals (RFP) for dental administrative services. Alliant issued RFPs to a diverse range of providers, including twelve certified small businesses. Alliant received five proposals.

Of the five proposals, Alliant identified three vendors as being capable of fully administering the District's current dental plan design as required by the RFP criteria: Cigna Health and Life Insurance Company ("Cigna"), Delta Dental (direct), and Public Risk Innovation, Solutions, and Management (PRISM). On July 17, 2025, Alliant facilitated a review meeting with District staff, including representatives from Human Resources, the Office of Civil Rights, and Procurement, to evaluate the proposals and present their findings. Considering the network of dental providers, the impact on employees and retirees, and overall cost, Delta was determined to offer the best value.

Delta Dental, the District's current provider, brings more than 70 years of experience in dental plan administration, serving over 4,265 clients and 21.3 million enrollees. They have demonstrated expertise working with both public and private sector clients, including major transit organizations such as the Metropolitan Transportation Authority (MTA) and the Amalgamated Transit Union (ATU). Delta has consistently maintained a 93% client satisfaction rating and operates out of San Francisco, with a regional office in Oakland.

Delta's network includes the highest number of contracted dentists in the state and covers seven of the top fifteen dental providers most used by District employees, including the most-utilized provider. Maintaining access to these providers reduces potential out-of-pocket costs and minimizes disruption for staff and retirees. Although the Delta Dental (direct) administrative fees are slightly higher than Cigna's, the added value from a broader provider network, reduced member disruption, and lower long-term costs for employees and retirees makes Delta (direct) the better value. The PRISM administrative fees were significantly higher than both Delta Dental (direct) and Cigna. Therefore, District staff recommends entering into a three-year agreement with Delta Dental (direct) for dental administrative services, with a total not-to-exceed amount of \$636,865.

Pursuant to the District's Non-Federal Small Business Program, the Office of Civil Rights set a 5% Small Business Prime Preference for this Agreement for Small Businesses certified by the California Department of General Services (DGS). It was determined that there were no certified Small Businesses certified by the DGS among the responsive Proposers and, therefore, the Small Business Prime Preference is not applicable.

The Office of the General Counsel will review and approve the Agreement and any subsequent amendments as to form.

FISCAL IMPACT:

The estimated expenditures by calendar year for the three years of the administrative contract are as follows:

CY2026: \$202,019

CY 2027: \$212,120

CY 2028: \$222,726

Total: \$636,865

Costs for professional services will be funded by the FY27 - FY28 operating budgets of Human Resources, Benefits (Cost Center 0502426 and Account 681300), subject to Board approval. Funding for services to be rendered for the remainder of FY26 will be derived

from the annual operating budget of Human Resources, Benefits. This action is not anticipated to have any fiscal impact on unprogrammed District reserves in the current Fiscal year.

ALTERNATIVES:

The District may choose to reject staff's recommendation and request new proposals. However, reissuing the RFP is unlikely to produce a different outcome because the three vendors reviewed are the only ones capable of fully administering the District's current dental plan design. If the agreement with the current vendor expires without a successor agreement in place, the District would not have a dental benefits administrator to provide dental benefits and would be at risk of failing to fulfill its contractual obligation to provide these benefits.

RECOMMENDATION:

It is recommended that the Board adopt the following motion.

MOTION:

The General Manager, or his designee, is authorized to award Agreement No. 6M4910 to Delta Dental of California to provide administrative services for the District's self-insured dental plans, in a total amount not to exceed \$636,865, pursuant to notification to be issued by the General Manager.