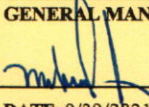
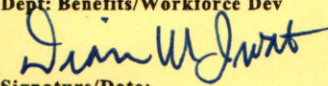

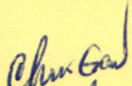
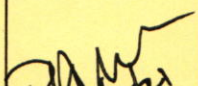




EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL:  10/5/21		GENERAL MANAGER ACTION REQ'D:		
DATE: 9/29/2021		BOARD INITIATED ITEM: No		
Originator/Prepared by: Diane Iwata Dept: Benefits/Workforce Dev  Signature/Date: 10/5/2021	General Counsel  10/5/2021 []	Controller/Treasurer  10/5/2021 []	District Secretary []	BARC  10/5/21 []

Award of Agreement No. GM4500 for Life and Accidental Death and Dismemberment Insurance

PURPOSE:

Authorize the General Manager to award Agreement No. 6M4500 to Securian Financial Group, Inc ("Securian") to provide life and accidental death and dismemberment insurance for District employees and retirees. The term of the Agreement is five years.

DISCUSSION:

The District's Life (Life) and Accidental Death and Dismemberment (AD&D) insurance provides basic coverage at no cost to employees and additional coverages at the employees' option and cost. This insurance is handled through commercial insurance carriers and is solicited by the District's benefits broker. The Life and AD&D insurance program is fully insured.

On April 6, 2021, the District's benefits broker, AON Consulting Inc (AON) solicited proposals for these services at the direction of staff. In considering the universe of providers appropriate to this solicitation, AON has been sensitive to the District's ongoing interest in providing contracting opportunities to a broad pool of prospective providers. AON sought prospective providers with sufficient liquidity and administrative capacity to handle fully insured accounts of the District's size. Accordingly, AON marketed the current plan designs to ten (10) vendors. The marketing and acceptance of proposals was conducted between April 6, 2021 to April 20, 2021.

Of the companies invited to participate, nine (9) completed a submission. Securian had the lowest bid and was the only company to provide a rate guarantee for five years. The industry

norm for a rate guarantee is three years.

Securian Financial Group, Inc. was founded in 1880 and today provides a full range of financial products for individuals and businesses including insurance, retirement plans, and investments. They provide over 21 million people with over \$1.3 trillion of insurance protection and have over \$93.4 billion of assets under management. Since issuing their first group life insurance policy in 1917, Securian – through its affiliates, Minnesota life and Securian Life – has grown to become the third largest group underwriter in the country. Securian currently has \$1.185 trillion dollars of insurance in force and over \$2.80 billion of group life annual premium covering over 7.1 million lives. Securian has extensive experience in the public sector, providing insurance plans for over 4,000 public employers covering over 3.3 million insured lives, including 17 state governments with 2.2 million insured lives.

Pursuant to the District's Non-Federal Small Business Program, the District conducted an analysis and determined that there are no Small Businesses certified by the California Department of General Services available for proposing this Agreement. Therefore, no Small Business Prime Preference was set for this Agreement.

Pursuant to the District's Non-Discrimination Program for Subcontracting, the Availability Percentages for this Agreement are 8.4% for Minority Business Enterprises (MBEs) and 5.7% for Women Business Enterprises (WBEs). Securian Financial Group, Inc., will not be subcontracting any portion of the Work and therefore, the provisions of the District's Non-Discrimination Program for Subcontracting do not apply.

Staff is requesting authority to execute an agreement for five years for a not-to-exceed amount of \$18,138,800. Approximately 38% of the cost of the agreement will be offset by employee payments for optional coverages.

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

FISCAL IMPACT:

The estimated expenditures by fiscal year for the five years of the contract are as follows:

FY 2022 \$3,363,500

FY 2023 \$3,531,700

FY 2024 \$3,637,600

FY 2025 \$3,746,800

FY 2026 \$3,859,200

Total \$18,138,800

Funding for this contract will be provided from the District's operating budgets for employee fringe benefits and from employee contributions.

ALTERNATIVE:

The District could reject the recommendations from AON for all proposals and solicit new proposals.

RECOMMENDATION:

It is recommended that the Board adopt the following motion:

MOTION:

That the Board authorize the General Manager to execute Agreement No. 6M4500 with Securian Financial Group, Inc. to provide life and accidental death and dismemberment insurance in the amount not to exceed \$18,138,800.