



BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS

Award Contract Grant

Requested Board Meeting Date: 03/20/18

or Procurement Director Award

** = Mandatory, information must be provided*

***Contractor/Vendor Name/Grantor (DBA):**

Minnesota Life Insurance Co. dba Minnesota Life

***Project Title/Description:**

Group Term Life and AD&D Insurance Benefits

***Purpose:**

Amendment of Award: Master Agreement No. MA-PO-15-256, Amendment No. 1. This amendment increases options available to employees, extends the termination date to 06/30/2023 with locked rates and increases the award amount by \$15,000,000.00 for a cumulative not-to-exceed contract amount of \$22,513,212.00. Administering Department: Human Resources.

***Procurement Method:**

Pursuant to Pima County Procurement Code, 11.12.020, Competitive Sealed Proposals, on February 10, 2015, the Board of Supervisors approved an award of contract for an initial term of three (3) years and an award amount of \$7,513,212.00 with two (2) one-year renewal options.

The award increase is needed due to expanded options available to employees. The vendor has offered guaranteed rates with an extension through 2023. Average annual cost to Pima County is \$240,000 (\$2,760,000 is paid by employee contributions).

PRCUID: 158734

Attachment: Master Agreement.

***Program Goals/Predicted Outcomes:**

To provide term life insurance and accidental death & dismemberment (AD&D) insurance benefit options to Pima County employees.

***Public Benefit:**

Pima County employees have access to term life insurance provided by this voluntary benefit.

***Metrics Available to Measure Performance:**

Active review of various reports that monitor the overall success and participation by County employees.

***Retroactive:**

No.

Contract / Award Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____

Effective Date: _____ Termination Date: _____ Prior Contract Number (Synergen/CMS): _____

Expense Amount: \$ _____ Revenue Amount: \$ _____

***Funding Source(s) required:**

Funding from General Fund? Yes No If Yes \$ _____ % _____

Contract is fully or partially funded with Federal Funds? Yes No

***Is the Contract to a vendor or subrecipient?**

Were insurance or indemnity clauses modified? Yes No

If Yes, attach Risk's approval

Vendor is using a Social Security Number? Yes No

If Yes, attach the required form per Administrative Procedure 22-73.

Amendment / Revised Award Information

Document Type: MA Department Code: PO Contract Number (i.e., 15-123): 15-256

Amendment No.: 1 AMS Version No.: 5

Effective Date: 07/01/2018 New Termination Date: 06/30/2023

Prior Contract No. (Synergen/CMS): _____

Expense or Revenue Increase Decrease Amount This Amendment: \$ 15,000,000.00

Is there revenue included? Yes No If Yes \$ _____

***Funding Source(s) required:** Pima County Health Benefits Trust Fund \$1,200,000 and Employee Contributions \$13,800,000.

Funding from General Fund? Yes No If Yes \$ _____ % _____

Grant/Amendment Information (for grants acceptance and awards) Award Amendment

Document Type: _____ Department Code: _____ Grant Number (i.e., 15-123): _____

Effective Date: _____ Termination Date: _____ Amendment Number: _____

Match Amount: \$ _____ Revenue Amount: \$ _____

***All Funding Source(s) required:**

*Match funding from General Fund? Yes No If Yes \$ _____ % _____

*Match funding from other sources? Yes No If Yes \$ _____ % _____

***Funding Source:** _____

***If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)?**

Contact: Debbie Knutson, Procurement Officer

Department: Procurement Telephone: 724-3736

Department Director Signature/Date: [Signature] 3-7-18

Deputy County Administrator Signature/Date: _____

County Administrator Signature/Date: [Signature] 3/7/18
(Required for Board Agenda/Addendum Items)



MASTER AGREEMENT

PIMA COUNTY, ARIZONA

**THIS IS NOT AN ORDER - TRANSMISSION CONSTITUTES
CONTRACT EXECUTION**

Master Agreement No: 1500000000000000256

MA Version: 5

Page: 1 of 3

Description: Group Term Life and AD&D Insurance Benefits RFP 158734

I S S U E R	<p>Pima County Procurement Department 130 W. Congress St. 3rd Fl Tucson AZ 85701</p> <p>Issued By: DEBORAH KNUTSON Phone: 5207243736 Email: debbie.knutson@pima.gov</p>
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T E R M S	<p>Initiation Date: 07-01-2018 Expiration Date: 06-30-2023</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="padding: 2px;">NTE Amount:</td> <td style="padding: 2px;">\$22,513,212.00</td> </tr> <tr> <td style="padding: 2px;">Used Amount:</td> <td style="padding: 2px;">\$6,053,801.47</td> </tr> </table>	NTE Amount:	\$22,513,212.00	Used Amount:	\$6,053,801.47
NTE Amount:	\$22,513,212.00				
Used Amount:	\$6,053,801.47				

V E N D O R	<p>MINNESOTA LIFE INSURANCE CO</p> <p>DBA: MINNESOTA LIFE INSURANCE COMPANY</p> <p>400 ROBERT STREET NORTH</p> <p>ST PAUL MN 55101-2098</p>	<p>Contact: MARNIE OVERMAN Phone: 818-291-6228 Email: marnie.overman@securian.com Terms: 0.00 % Days: 30</p>
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<p>Shipping Method: Vendor Method</p> <p>Delivery Type:</p> <p>FOB: FOB Dest, Freight Prepaid</p> <p>Modification Reason This amendment extends the termination date to 06/30/2023 and adds \$15,000,000.00 for a cumulative not-to-exceed amount of \$22,513,212.00.</p> <p>Attachment: Contract Amendment No. 1</p>

This Master Agreement incorporates the attached documents, and by reference all instructions, Standard Terms and Conditions, Special Terms and Conditions, and requirements that are included in or referenced by the solicitation documents used to establish this agreement. All transactions and conduct are required to conform to these documents.



MASTER AGREEMENT DETAILS

Master Agreement No: 1500000000000000256

MA Version: 5

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Line	Description					
2	Supplemental Life Under Age 25					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	\$0.057			
3	Supplemental Life					
	Ages 25 - 29					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	\$0.067			
4	Supplemental Life					
	Ages 30 - 34					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	\$0.084			
5	Supplemental Life					
	Ages 35 - 39					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	\$0.092			
6	Supplemental Life					
	Ages 40 - 44					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	\$0.105			
7	Supplemental Life					
	Ages 45 - 49					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	\$0.158			
8	Supplemental Life					
	Ages 50 - 54					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	\$0.246			
9	Supplemental Life					
	Ages 55 - 59					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	\$0.448			
10	Supplemental Life					
	Ages 60 - 64					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	\$0.694			
11	Supplemental Life					
	Ages 65 - 69					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	\$0.067			
12	Supplemental Life					
	Ages 70 - 74					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	\$2.502			
13	Supplemental Life					
	Ages 75 and older					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	\$2.502			
14	AD&D Employee Only					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	\$0.0347			
15	AD&D Employee & Family					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	\$0.0888			
16	Spouse/Domestic Partner \$10K Guaranteed Issue Life Ins					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	MO	\$0.25			
17	Spouse/Domestic Partner \$25K Guaranteed Issue Life Ins					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	MO	\$0.25			



MASTER AGREEMENT DETAILS

Master Agreement No: 15000000000000000256

MA Version: 5

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Line	Description					
18	Spouse/Domestic Partner \$50K Guaranteed Issue Life Ins					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	MO	\$0.25			
19	Child Life Insurance					
	\$10K Guaranteed Issue					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	MO	\$0.10			
20	Basic Life AD&D					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	MO	\$0.056			
21	Spouse/Domestic Partner \$100K Guaranteed Issue Life Ins					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	MO	\$0.25			

<p>Pima County Department of Human Resources</p> <p>Project: Group Term Life and Accidental Death and Dismemberment (AD&D) Insurance</p> <p>Contractor: Minnesota Life Insurance Company dba Minnesota Life 400 Robert Street North St. Paul, MN 55101-2098</p> <p>Contract No.: MA-PO-15000000000000000256</p> <p>Contract Amendment No.: 1</p>	<div style="border: 1px solid black; padding: 5px; margin: auto;"> <p style="text-align: center; margin: 0;">CONTRACT</p> <hr/> <p style="margin: 0;">NO. <u>MA-PO-15-256</u></p> <p style="margin: 0;">AMENDMENT NO. <u>01</u></p> <p style="font-size: small; margin: 0;">This number must appear on all invoices, correspondence and documents pertaining to this contract.</p> </div>
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Orig. Contract Term: 07/01/2015 - 06/30/2018	Orig. Amount: \$ 7,513,212.00
Termination Date Prior Amendment: 06/30/18	Prior Amendments Amount: \$0.00
Termination Date This Amendment: 06/30/23	This Amendment Amount: \$15,000,000.00
	Revised Total Amount: \$22,513,212.00

CONTRACT AMENDMENT

The parties agree to amend the above-referenced contract as follows:

1. **ARTICLE I - TERM AND EXTENSION/RENEWAL/CHANGES**
This Contract shall terminate on June 30, 2023, unless sooner terminated or further extended pursuant to the provisions of this Contract. This contract may not be renewed beyond June 30, 2023 without the written agreement of both parties.

2. **ARTICLE II – SCOPE OF SERVICES**
Exhibit B: Plan Benefit Specifications is replaced in its entirety by Exhibit B: Plan Benefit Specifications – Amendment 1 (3 pages)

3. **ARTICLE III – COMPENSATION AND PAYMENT**
In consideration for the goods and services specified in this Contract, the COUNTY agrees to pay CONTRACTOR in an estimated amount of Twenty Two Million, Five Hundred Thirteen Thousand, Two Hundred Twelve dollars (\$22,513,212.00).

Exhibit C: Rate Schedule is replaced in its entirety by Exhibit C: Rate Schedule – Amendment 1 (One Page) effective through June 30, 2023.

The effective date of this Amendment is July 1, 2018.

All other provisions of the Contract not specifically changed by this Amendment remain in effect and are binding upon the parties.

PIMA COUNTY

Chairman, Board of Supervisors

Date

ATTEST

Clerk of the Board

Date

APPROVED AS TO FORM



Deputy County Attorney

TOBIN ROSEN

Print DCA Name

Date

2/28/18

CONTRACTOR



Authorized Officer Signature

Susan Munson-Regala, 2nd VP

Printed Name and Title

3/7/18

Date

APPROVED AS TO CONTENT



Department Head

Date

3/1/18

EXHIBIT B: Plan Benefit Specifications – Amendment 1

Plan 1: Basic Life and AD & D	
Product	Term Life
Schedule of Benefits	Eligible Active Employees
Employer Sponsored	100% Premium paid by County
Plan Maximum	\$50,000 Basic Life / \$50,000 AD& D
Age Reduction s	Age 75 reduce to 65% Age 80 reduce to 35%
AD&D	Matches life amount for death, with benefit schedule for dismemberment; includes the following additional benefits: <ul style="list-style-type: none"> • Air Bag • Disappearance • Exposure • Motorcycle Helmet • Seatbelt
Waiver of Premium	Premiums waived for employees disabled prior to age 60 and continues until the earlier of retirement, recovery or age 65; provision includes a 180 day elimination period
Accelerated Death Benefit	Allows terminally ill insureds with a life expectancy of 12 months or less to accelerate up to 100% of the face amount
Conversion	Allows insureds to convert terminated life coverage to an individual life insurance policy

Plan 2: Supplemental Life Insurance	
Schedule of Benefits	Employee Only 1,2,3, 4, 5, 6, 7, or 8 times annual salary
Employee Paid Contributions	100% Premium Paid by Payroll Deduction Voluntarily Enrolled Eligible Employees.
Plan Maximum	\$1,000,000
Guarantee Issue Amount	4 times annual salary (up to a maximum of \$500,000) during initial enrollment period All current supplemental coverage guaranteed. All coverage guaranteed if received within 31 days of initial eligibility. There is a one-time guaranteed issue period during Spring 2018 Annual Enrollment, where employees that have not previously been declined coverage can elect to increase coverage by one times their annual salary without completing the Evidence of Insurability (EOI) process.
Waiver of Premium	Premiums waived for employees disabled prior to age 60 and continues until the earlier of retirement, recovery or age 65; provision includes a 180 day elimination period and is not available with ported coverage.
Accelerated Death Benefit	Allows terminally ill insureds with a life expectancy of 12 months or less to accelerate up to 100% of the face amount.
Conversion	Allows insureds to convert terminated life coverage to an individual life insurance policy.
Portability	Allows insureds to continue coverage if they terminate employment or retire from Pima County.
Age Bracket	Age Bracket
< 25	55 - 59
25 - 29	60 - 64
30 - 34	65 - 69
35 - 39	70 - 74
40 - 44	75 coverage reduces to 65 %
45 - 49	80 coverage reduces to 35 %
50 - 54	

Plan 3: Accidental Death & Dismemberment	
Schedule of Benefits	Employee Only 1, 2,3,4,5,6,7 or 8X Basic Annual Earnings
Schedule of Benefits	Dependents, Family Members
Plan Maximum	\$1,000,000.00
Employee Paid Contributions	100% Premium Paid by Payroll Deduction Voluntarily Enrolled Eligible Employees (contingent upon enrollment in Supplement Life Insurance)
Guaranteed Issue Limit	All coverage guaranteed
Age Reductions	Age 75 reduce to 65%; Age 80 reduce to 35%
Additional Benefits	Disappearance, Exposure and Seat Belt

Plan 4: Supplemental Spouse/Domestic Partner Life	
Schedule of Benefits	Spouse, Domestic Partner
Eligibility	A spouse is not eligible if they are also eligible for employee coverage
Employee Paid Contributions	100% Premium Paid by Payroll Deduction Voluntarily Enrolled Eligible Employees
Benefit Summary	\$10,000, \$25,000, \$50,000 or \$100,000
Guaranteed Issue Limit	\$10,000 guaranteed during initial enrollment for employees currently enrolled for dependent life coverage \$10,000 guaranteed if elected within 31 days of initial eligibility
Age Reductions	None
Accelerated Death Benefit	Allows terminally ill insureds with a life expectancy of 12 months or less to accelerate up to 100% of the face amount
Conversion	Allows insureds to convert terminated life coverage to an individual life insurance policy
Portability	Allows employees to continue coverage if the employee terminates employment or retires from Pima County and elects to port employee coverage.

Plan 5: Supplemental Dependent Child(ren) Life Insurance	
Schedule of Benefits	Dependent Child (no limit on number of children)
Eligibility	Children are eligible from live birth to 26 years of age. A child may only be covered by one parent
Employee Paid Contributions	100% Premium Paid by Payroll Deduction Voluntarily Enrolled Eligible Employees
Benefit Summary	\$10,000
Guaranteed Issue Limit	Coverage guaranteed during initial enrollment for employees currently enrolled for dependent life coverage Coverage guaranteed if elected within 31 days of initial eligibility, during annual enrollment, or at the time of a qualified status change.
Accelerated Death Benefit	Allows terminally ill insureds with a life expectancy of 12 months or less to accelerate up to 100% of the face amount
Conversion	Allows insureds to convert terminated life coverage to an individual life insurance policy
Portability	Allows employees to continue coverage if the employee terminates employment or retires from Pima County and elects to port employee coverage.

Portability Provision of Term Life Insurance

Availability	Supplemental Life Dependent Life (employee must port for dependents to be eligible)	
Maximum Age to Elect	Insured	Age
	Employee	Age 69
	Spouse	Spouse or employee's age 69
Minimum Amount	Insured	Amount
	Employee	\$10,000
	Spouse/Child	\$1,000
Maximum Amount	Insured	Amount
	Employee	Previous amount in force to a maximum of \$500,000 (65% of previous amount to maximum of \$325,000 if age 65 or older)
	Spouse	Previous amount in force
Maximum Amount	Child	Previous amount in force
Reductions	Employee coverage reduces to 65% at age 65	
Termination	All coverage terminates when the employee attains age 70 Spouse coverage also terminates when no longer a spouse or spouse's age 70 Child coverage also terminates at child's qualifying age limit Previously ported coverage can continue at group contract termination	
Events Allowing Portability	Coverage is lost due to: Retirement or termination of employment Layoff or non-medical leave Other loss of eligibility	
Events Not Allowing Portability	Termination of group policy Employee not actively at work due to sickness or injury	
Coverage Increases	Not available	
Conversion	Available at anytime	
Premium Rates	Ported rates will be higher than active rates, and the individuals will be moved to a pool of insureds. Future rates for the individuals in this pool will be determined based on the experience of the pool	
Guaranteed Issue	All ported coverage is provided on a guaranteed basis – no evidence of insurability required	
Benefits and Services	All additional benefits and value-added services will terminate when porting coverage	
Administration Charge	A \$2.00 administration fee will be charged for each paper billing statement; there will be no charge for electronic funds transfer.	

EXHIBIT C: Rate Schedule – Amendment 1

Rates effective through 06/30/2023.

#	Plan #	Estimated Qty Per \$1,000	Monthly Unit Price Per \$1,000	Estimated Monthly Cost	Estimated Annual Cost	Estimated Initial Term - 3 Years
1	Plan 1: Basic Life / AD&D: Monthly rate for \$50,000.00 of Basic Life & \$50,000.00 AD&D	307,630	0.0560	\$17,227.28	\$206,727	\$620,182
Total Price Proposed for Plan 1				\$17,227.28	\$206,727	\$620,182
#	Plan 2: Supplemental Life Insurance: Monthly Rate per \$1,000.00	Estimated Qty Per \$1,000	Monthly Unit Price Per \$1,000	Estimated Monthly Cost	Estimated Annual Cost	Estimated Initial Term - 3 Years
2	Under Age 25	6,487	0.0570	\$369.76	\$4,437	\$13,311
3	Ages 25 through 29	22,641	0.0670	\$1,516.95	\$18,203	\$54,610
4	Ages 30 through 34	41,957	0.0840	\$3,524.39	\$42,293	\$126,878
5	Ages 35 through 39	50,158	0.0920	\$4,614.54	\$55,374	\$166,123
6	Ages 40 through 44	74,274	0.1050	\$7,798.77	\$93,585	\$280,756
7	Ages 45 through 49	81,938	0.1580	\$12,946.20	\$155,354	\$466,063
8	Ages 50 through 54	77,648	0.2460	\$19,101.41	\$229,217	\$687,651
9	Ages 55 through 59	75,040	0.4480	\$33,617.92	\$403,415	\$1,210,245
10	Ages 60 through 64	38,258	0.6940	\$26,551.05	\$318,613	\$955,838
11	Ages 65 through 69	7,993	1.3260	\$10,598.72	\$127,185	\$381,554
12	Ages 70 through 74	1,636	2.5020	\$4,093.27	\$49,119	\$147,358
13	Ages 75 and over	150	2.5020	\$375.30	\$4,504	\$13,511
Total Price Proposed for Plan 2				\$125,108.27	\$1,501,299	\$4,503,898
14	Plan 3: AD&D Insurance: Monthly Rate per \$1,000.00 (employees only)	229,412	0.0347	\$7,960.60	\$95,527	\$286,581
15	Plan 3: AD&D Insurance Rate: Monthly Rate per \$1,000.00 (employees and family members)	372,592	0.0888	\$33,086.17	\$397,034	\$1,191,102
Total Price Proposed for Plan 3				\$41,046.77	\$492,561	\$1,477,684
16	Plan 4: Spouse/Domestic Partner Life insurance: Monthly Rate for \$10,000 (guaranteed issue)	17,660	0.2500	\$4,415.00	\$52,980	\$158,940
17	Plan 4: Spouse/Domestic Partner Life insurance: Monthly Rate for \$25,000	25,500	0.2500	\$6,375.00	\$76,500	\$229,500
18	Plan 4: Spouse/Domestic Partner Life insurance: Monthly Rate for \$50,000	51,000	0.2500	\$12,750.00	\$153,000	\$459,000
19	Plan 4: Spouse/Domestic Partner Life insurance: Monthly Rate for \$100,000	102,000	0.2500	\$25,500.00	\$306,000	N/A
20	Plan 5: Child Life insurance: Monthly Rate for \$10,000 per child regardless of the # of children insured (guaranteed issue)	17,780	0.1000	\$1,778.00	\$21,336	\$64,008
Total Price Proposed for Plans 4 and 5				\$50,818.00	\$609,816	\$911,448

End of Exhibit C