

BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS

Requested Board Meeting Date: February 2, 2016

or Procurement Director Award ☐

Contractor/Vendor Name (DBA): American Family Life Insurance

Project Title/Description:

Voluntary Employee Benefits; Plan A: Short Term Disability, Plan B: Accident Indemnity, Plan C: Cancer Care, Plan D: Hospitalization, and Plan E: Critical Care Lump Sum

Purpose:

Amendment of Award: Master Agreement No. MA-PO -12-529. This amendment of award is required to extend the term for a one-year period ending 06/30/2017 and increase the contract amount by \$1,000,000.00 to a cumulative contract amount of \$4,654,542.24.

Administering Department: Human Resources.

Procurement Method:

Background:

Subsequent to a RFP (#1101639) procurement this contract was initially awarded by the Procurement Director on 04/02/11 for an initial term of one year effective on 07/01/11 and included four one-year renewals of which all have been previously executed. Renewal actions exceeded the award authority of the Procurement Director and were approved by the Board of Supervisors. All costs are borne by employees that enroll in these voluntary employee benefits and there is no County expense or revenue associated with the rendering of benefits.

The current contract term expires 6/30/2016. As of January 12, 2016, there is an unused contract amount of \$575,076.55 which is allocated for payments to be made for the current contract year.

This amendment is required to extend the contract term for an additional year and support the development of Open Enrollment employee education and selection period documents which commence in March 2016. The Contractor has agreed to retain current pricing which is considered to be advantageous for Pima County. Extension of the current contract will also stagger the dates and amount of work required by Pima County and Contractors maintain the many complex Employee Benefits contracts; about half of the contracts will be renewed or replaced via competitive solicitation each year.

The Master Agreement not to exceed amount of \$4,247,671.37 does not include prior payments of \$406,870.87 which were included in the award amount of \$4,654,542.24.

Attached Document: Master Agreement with Amendment 6.

Program Goals/Predicted Outcomes:

To provide voluntary benefits to County employees at cost effective rates. To reduce the annual amount of work required to maintain the contracts enabling improved content quality and workload management.

Public Benefit:

Pima County employees will have available a voluntary benefit at no cost to the County.

Metrics Available to Measure Performance:

HR will monitor the enrollment and consult with Contractor to improve or enhance benefits based on employee input.

Retroactive:

No

Original 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): _____

Cost to Pima County General Fund: _____

Contract is fully or partially funded with Federal Funds? ☐ Yes ☐ No ☐ Not Applicable to Grant Awards
Were insurance or indemnity clauses modified? ☐ Yes ☐ No ☐ Not Applicable to Grant Awards
Vendor is using a Social Security Number? ☐ Yes ☐ No ☐ Not Applicable to Grant Awards

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

Amendment Information

Document Type: MA Department Code: PO Contract Number (i.e., 15-123): 12-529
Amendment No.: 6 AMS Version No.: 20
Effective Date: July 1, 2016 New Termination Date: June 30, 2017
☒ Expense ☐ Revenue ☒ Increase ☐ Decrease Amount This Amendment: \$ 1,000,000.00
Funding Source(s): Employee Contributions

Cost to Pima County General Fund: N/A

Contact: J. Nanosky for J. Moore, Commodity Contracts Officer J.N 1/15/16 JS 1/15/16
Department: Manly 1/15/16 Telephone: CCO 724-8165
Department Director Signature/Date: _____ 1/15/16
Deputy County Administrator Signature/Date: _____ 1-19-16
County Administrator Signature/Date: _____ 1/20/16
(Required for Board Agenda/Addendum Items)



MASTER AGREEMENT

PIMA COUNTY, ARIZONA

THIS IS NOT AN ORDER - TRANSMISSION CONSTITUTES CONTRACT EXECUTION

Master Agreement No: 1200000000000000529

MA Version: 20

Page: 1

Description: Voluntary Employee Benefits RFP 1101639

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Pima County Procurement Department
130 W. Congress St. 3rd Fl
Tucson AZ 85701

Issued By: JENNIFER MOORE
Phone: 5207248164
Email: jennifer.moore@pima.gov

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Initiation Date: 07-01-2016

Expiration Date: 06-30-2017

NTE Amount: \$4,247,671.37

Used Amount: \$2,706,817.72

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AMERICAN FAMILY LIFE ASSURANCE
COMPANY

6700 N ORACLE RD STE 240

TUCSON AZ 85704

Contact: SANDRA SARFF

Phone: 520-293-4422

Email: sandra_sarff@us.aflac.com

Terms: 0.0000 %

Days: 0

Shipping Method: Vendor Method
Delivery Type: STANDARD GROUND
FOB: FOB Dest, Freight Prepaid

Modification Reason

MA -PO-12-529 V19 extends the contract through 6/30/2017 and increases the award amount by \$1,000,000.00 to a cumulative NTE amount of \$4,247,671.37. Attachment: MA_PO_12-529_BOS AIR_AM6_020216

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: 12000000000000000529

MA Version: 20

Page: 2

Line	Description					
1	Voluntary Employee Benefits					
	Service Contract Amt			Service From	Service To	
	\$0.00			--	--	
2	Voluntary Employee Benefits					
	Service Contract Amt			Service From	Service To	
	\$0.00			--	--	
3	Voluntary Employee Benefits					
	Service Contract Amt			Service From	Service To	
	\$0.00			--	--	
4	Voluntary Employee Benefits					
	Service Contract Amt			Service From	Service To	
	\$0.00			--	--	
5	Voluntary Employee Benefits					
	Service Contract Amt			Service From	Service To	
	\$0.00			--	--	
6	Accident Indemnity - Employee only					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	BIWK	\$9.96			
7	Accident Indemnity - Employee + Spouse					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	BIWK	\$14.1			
8	Accident Indemnity - Employee + Children					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	BIWK	\$16.14			
9	Accident Indemnity - Employee + Family					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	BIWK	\$21			
10	Cancer Care - Employee only					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	BIWK	\$17.76			
11	Cancer Care - Employee + Spouse					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	BIWK	\$31.68			
12	Cancer Care - Employee + Children					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	BIWK	\$18.18			
13	Cancer Care - Employee + Family					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	BIWK	\$32.21			
14	Hospitalization - Employee only					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	BIWK	\$19.02			
15	Hospitalization - Employee + Spouse					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	BIWK	\$28.14			
16	Hospitalization - Employee + Children					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	BIWK	\$21.6			
17	Hospitalization - Employee + Family					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	BIWK	\$28.68			
18	Short Term Disability 50-64 \$12,000					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	BIWK	\$7.92			
19	Short Term Disability 50-64 \$24,000					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	BIWK	\$15.84			
20	Short Term Disability 50-64 \$36,000					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	BIWK	\$23.76			
21	Short Term Disability 50-64 \$48,000					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	BIWK	\$31.68			
22	Critical Care 50-54 Employee					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	BIWK	\$11.52			



MASTER AGREEMENT DETAILS

Master Agreement No: 12000000000000000529

MA Version: 20

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Line	Description					
23	Critical Care 50-54 Employee +Spouse					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	BIWK	\$18.3			
24	Critical Care 50-54 Employee +Children					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	BIWK	\$11.52			
25	Critical Care 50-54 Employee + Family					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	BIWK	\$18.3			

PIMA COUNTY DEPARTMENT OF HUMAN RESOURCES

PROJECT: Voluntary Employee Benefits

CONTRACTOR: American Family Life Insurance Company

CONTRACT NO.: MA-PO-12000000000000000529

CONTRACT AMENDMENT NO.: Six (06)

FUNDING: Pima County Employees (No cost to County as all costs are borne by the employee that enrolls in these voluntary employee benefits.)

CONTRACT

NO. MA-PO-12000000000000000529

AMENDMENT NO. 06

This number must appear on all
invoices, correspondence and
documents pertaining to this
contract.

ORIG. CONTRACT TERM: 07/01/2011 – 06/30/2012

TERMINATION DATE PRIOR AMENDMENT: 06/30/2016

TERMINATION THIS AMENDMENT: 06/30/2017

ORIG. CONTRACT AMOUNT: \$0.00

PRIOR AMENDMENTS: \$3,654,542.24

AMOUNT THIS AMENDMENT: \$1,000,000.00

REVISED CONTRACT AMOUNT: \$4,654,542.24

CONTRACT AMENDMENT

WHEREAS, COUNTY and CONTRACTOR entered into a Contract for Voluntary Employee Benefits: Plan A: Short Term Disability, Plan B: Accident Indemnity, Plan C: Cancer Care and Plan D: Hospitalization benefits on July 1, 2011; and Plan E: Critical Care on July 1, 2015 and

WHEREAS, COUNTY pursuant to A.R.S § 11-981 – Payments of benefits, losses and claims; establishment of trust funds, may procure insurance from any insurer authorized by the director of the Arizona Department of Insurance; and

WHEREAS, COUNTY pursuant to A.R.S § 11-981 – Payments of benefits, losses and claims; establishment of trust funds, has established a Self Insurance Trust Program for the management and administration of a system for direct payment of benefits, losses or claims or any combination of insurance and direct payments; and

WHEREAS, CONTRACTOR and COUNTY, pursuant to Article I – Term and Extension/Renewal/Changes, have agreed to extend the Contract term for a period of one year; and

WHEREAS, CONTRACTOR and COUNTY, pursuant to Article III – Compensation and Payment, have agreed to increase the contract amount to allow payment for the continued provision of Voluntary Employee Benefits for all Plans during the extended term of the contract.

NOW, THEREFORE, it is agreed as follows:

CHANGE: ARTICLE I – TERM AND EXTENSION/RENEWAL/CHANGES:

From: "... shall terminate on the 30th day of June, 2016..."

To: "... shall terminate on the 30th day of June, 2017..."

CHANGE: ARTICLE III - PAYMENT:

From: "Total payment for this Contract shall not exceed \$3,654,542.24."

To: "Total payment for this Contract shall not exceed \$4,654,542.24."

The effective date of this Amendment shall be July 1, 2016.

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

IN WITNESS THEREOF, the parties have affixed their signatures to this Amendment on the dates written below.

APPROVED:

CONTRACTOR:

Chair, Board of Supervisors

Jamie A. Lee
Signature

Date

Jamie A. Lee, Vice President, Sales Operations
Name and Title (Please Print)

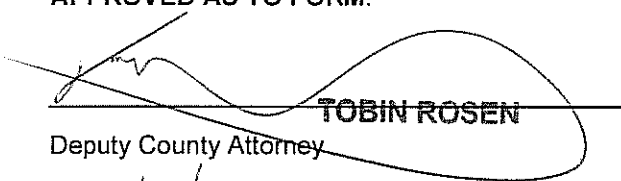
January 14, 2016
Date

ATTEST

Clerk of Board

Date


APPROVED AS TO FORM:


Deputy County Attorney

TOBIN ROSEN

1/15/16
Date

APPROVED AS TO CONTENT


Department Head

1/15/16
Date