



**PURCHASING DEPARTMENT**

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MEMORANDUM

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**DATE:** 03/08/2012

**TO:** Kevin Startt  
Acting Director of Purchasing

**FROM:** Jacqueline Posey  
Procurement Specialist

**Subject:** Executive Summary - Request for Proposal No. 14-01-18  
Life/AD&D and Supplemental Life/AD&D Benefits

**Dept:** Benefits  
**Pre-Proposal Date:** NA  
**Proposal Due Date:** February 20, 2013

**Date Issued:** January 31, 2013  
**No. of Individuals Attending:** NA  
**No. of Proposals Received:** 9

**BACKGROUND**

Tucson Unified School District is a public school district with over 50,000 students. The primary business focus is the education of children K-12.

Tucson Unified School District currently has approximately 6,300 actively employed, benefits eligible employees. Currently, regular employees are eligible for coverage on the first of the month following 30 days of employment. Coverage under the benefit plans can be extended to legal dependents i.e. spouse and/or children. Coverage is also available for Domestic Partners (both same and opposite sex) with a notarized Affidavit of Domestic Partnership. Dependents are eligible for coverage up to age 26 or longer if a disabled dependent. Tucson Unified School District operates under the IRS Section 125 guidelines in the administration of the health benefits package.

The current benefit package contains medical, dental, vision, Critical Illness, short-term disability, basic and additional life insurance. Under COBRA, a qualified beneficiary can continue medical, dental vision coverage, and/or EAP if he/she elected that coverage prior to the qualifying event.

This RFP contains: Basic Life/AD&D and Supplemental Life/AD&D Proposal. It is the intention of the Tucson Unified School District to partner with a vendor or vendors to provide the best options for its participants – active employees and their dependents only.

**SPECIFIC PLAN REQUIREMENTS**

The Life/AD&D and supplemental Life/AD&D coverage will be provided for active employees only.

<b>Schedule of Insurance Benefits</b>	
Cost of Coverage	Non-contributory
Eligibility	
Full-Time	For classified employees at least 30 hours weekly; for certified employees – 5/5 of a contract
Part-Time	For classified employees at least 20 hours weekly; for certified employees – 1/5 to 4/5 of a contract
Eligibility Waiting Period	The first day of the month following 30 days(s) of employment.
<b>Basic Life/AD&amp;D Coverage</b>	
Full-Time Employee Benefits	One times your annual earnings, subject to a maximum of \$200,000 rounded to the next higher \$1,000 if not already a multiple of \$1,000. However, in no event will your Basic Life/AD&D amount of insurance be less than \$10,000.
Part-Time Employee Benefits	One-half (.5) your annual earnings, subject to a maximum of \$200,000 rounded to the next higher \$1,000 if not already a multiple of \$1,000. However, in no event will your Basic Life/AD&D amount of insurance be less than \$5,000.
<b>Supplemental Life/AD&amp;D Coverage</b>	
Guaranteed Issue Amount	The amount you elect in increments of \$10,000, subject to the lesser of \$250,000 or 3 times your annual earnings rounded to the next higher \$10,000.
Maximum Amount	The amount you elect in increments of \$10,000, subject to the lesser of \$500,000 or 6 times your annual earnings rounded to the next higher \$10,000.
However, in no event will your supplemental amount of life insurance be less than \$20,000.	

<b>Dependent Spouse Life/AD&amp;D Coverage</b>	
Guaranteed Issue Amount	The amount you elect in increments of \$5,000, subject to a minimum of \$5,000 and a maximum of \$25,000.
Maximum Amount	The amount you elect in increments of \$5,000, subject to a minimum of \$5,000 and a maximum of \$25,000.
The amount of spouse supplemental coverage may never exceed 100% of the supplemental amount of life insurance in force for the employee.	
<b>Dependent Child Life/AD&amp;D Coverage – live birth but under age 26 year(s)</b>	
Option 1	\$1,000
Option 2	\$5,000
Option 3	\$10,000

The District desires to contract with an outside vendor to provide Basic Life and AD&D and Supplemental Life/AD&D coverage to the District. Contracts and/or Services will include, but may not be limited to those listed below. Please include a detailed explanation (in the questionnaire) of how your firm will provide the following services to TUSD:

1. Please duplicate the current basic and supplemental life and AD&D schedules.
2. Effective date of September 1, 2013.
3. As needed reporting of Claims by plan.
4. Self-bill.

5. TUSD intends to launch online benefits enrollment by May 2013. This may include life insurance. Please explain your ability to process electronic enrollment file in the TUSD format if requested by TUSD.

Please note: supplemental life and supplemental AD&D are bundled together when selected by participant. However, on the price sheet these coverages have been broken out separately.

TUSD conducts an annual open enrollment. The first electronic enrollment will be held in May of 2013 for an effective date of September 1, 2013.

There are 20 deductions for the Benefit Plan year and no deductions are taken during June, July, and the first part of August. The chosen vendor(s) will need to determine the appropriate deductions to be taken and work with the District in determining the appropriate calculation methods in the TUSD HRIS system.

## **EVALUATION**

A committee was formed to evaluate the proposals based upon the selection criteria set forth in the original RFP. The committee was comprised of the following members and signed Committee Member Statements were received from all:

Janet Underwood, Benefits Manager  
Maria Serrano, Benefits Associate  
Barbara Armstrong, Benefits Associate

The District received nine (9) proposals from the following firms:

Metlife  
Minnesota Life  
Mutual of Omaha  
The Hartford  
The Standard  
Aetna  
Lincoln Financial Group  
Horace Mann  
Prudential

Six (6) No-Bids were also received.

Prior to releasing the proposals to the committee, I conducted an initial review of the proposals to ensure that all requested information had been submitted. As a result, Prudential was determined to be unresponsive. All other proposals were deemed eligible for the committee's review. However, the committee is charged with the final determination of acceptability.

On February 27, 2013, I met with the evaluation committee and discussed the role of the committee and the evaluation process. Each committee member received copies of the Conflict of Interest And Confidentiality Statement For Procurement Evaluations, the District's Procedures For Evaluation of Proposals By A Committee, a copy of the RFP document and copies of all the proposals. Lisa Moore, Stephanie Hill, and Louis Montoya from Buck Consultants was also at the meeting to discuss the data that Buck Consultants compiled from the RFP responses.

The committee reconvened on February 28, 2013. The committee scored and short listed the vendors down to the top three (3); The Hartford, The Standard, and Minnesota life. The committee compiled a list of clarification questions regarding the Life/AD&D plans offered. These three (3) vendors were sent a request for Best and Final

with clarifications questions to respond to. Best and Finals were due March 5, 2013. All Best and Finals were received on time.

On March 6, 2013 the committee met to discuss the best and finals. Members scored and submitted final scores via email on March 7, 2013. Out of a possible 1500, Minnesota Life scored the highest with 1480. The final scores are as follows;

**14-01-18 Life/AD&D and Supplemental Life/AD&D Benefits**  
**TOTALS**

	Committee Member 1	Committee Member 2	Committee Member 3	Total	Average
The Hartford	400	480	480	1360	453.3333
Minnesota Life	480	500	500	1480	493.3333
The Standard	320	490	470	1280	426.6667

The committee came to a consensus to recommended award to Minnesota Life. An formal recommendation letter was submitted by Janet Underwood.

**AWARD RECOMMENDATION:**

I attest that the evaluation process was conducted in accordance with Arizona Administrative Code R7-2-1041 (Competitive Sealed Proposals) and all applicable Tucson Unified School District rules and regulations.

Contract awards are recommended to the following firms for the indicated services:  
 Minnesota Life for Life/AD&D and Life/AD&D Supplemental Benefits

Attachment: Dept Recommendation