



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Details (With Text)

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Title: Issue purchase order and enter into an agreement with Unum Group (Corporation), to provide group term life insurance for employees for a one-year period, in an amount not to exceed \$83,831.00, Accounts 101-25000-601250, 501-25000-601250, Requisition 1458951

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Date	Ver.	Action By	Action	Result
5/18/2017	1	Board of Commissioners	Approved	Pass
5/18/2017	1	Committee of the Whole	Recommended	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF MAY 18, 2017

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Issue purchase order and enter into an agreement with Unum Group (Corporation), to provide group term life insurance for employees for a one-year period, in an amount not to exceed \$83,831.00, Accounts 101-25000-601250, 501-25000-601250, Requisition 1458951

Dear Sir:

At the Board Meeting of December 6, 2012, in accordance with Contract 12-RFP-22, the Board of Commissioners awarded a purchase order to Mesirow Insurance Services, Inc. (Mesirow) to serve as the District's broker-of-record for a five-year period. In this capacity, Mesirow has responsibility for securing quotes from the insurance market for specified insurance policies, including life insurance coverage, and presenting the quotes from qualified carriers to the Human Resources Department for review and for recommendation of a selected carrier to the Director of Procurement and Materials Management. The premium for the life insurance coverage is paid directly to the insurance carrier.

The life insurance program offered by the District includes \$20,000.00 basic life insurance coverage for each employee. The cost of this coverage is paid by the District. Employees are also provided an opportunity to purchase additional coverage up to a maximum of \$250,000.00. Optional spouse coverage of \$5,000.00 or \$10,000.00 and dependent coverage of \$2,500.00 or \$5,000.00 are also available. These additional coverages are voluntary and are paid by the employee.

On May 1, 2017, the District received certain bid quotations/responses which Mesirow had solicited pursuant to the Detailed Specifications for group term life insurance for the District's approximately 1,800 employees. Five (5) carriers were approached for quotations, all with an A.M. Best Rating of A or A+. Two (2) responsive quotes were received from Liberty Mutual Insurance and Unum Group (Corporation) and are shown below:

Liberty Mutual - \$84,866.00 (Basic), \$702,019.00 (Optional), \$786,885.00 (Total)
Unum Group (Corporation) - \$83,831.00 (Basic), \$613,045.00 (Optional), \$696,876.00 (Total)

The quotations/responses were evaluated by Mesirow and representatives from the Human Resources Department. Based on the review, it was determined that the District should renew this coverage with its current provider Unum Group (Corporation). The company complied with the terms and conditions of the bid specifications and made no deviations from the current coverage. The company's A.M. Best Company rating is A (Excellent). The proposal submitted by Unum Group (Corporation) maintains the current rates for both basic and employee-paid optional coverage. These rates are the lowest of the proposals received. The coverage is for a one-year period from July 1, 2017 through June 30, 2018.

In view of the foregoing, it is recommended that the Director of Procurement and Materials Management be authorized to issue a purchase order to Unum Group (Corporation) in an amount not to exceed \$83,831.00.

The estimated expenditures for 2017 and 2018 are \$41,915.50 each year. Funds for 2017 are available in Accounts 101-25000-601250 and 501-25000-601250. Funds for 2018 are contingent upon the Board of Commissioners' approval of the District's budget for that year.

Requested, Beverly K. Sanders, Director of Human Resources
Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management
Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement
Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for May 18, 2017