



# Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street  
Chicago, IL 60611

## Legislation Details (With Text)

**File #:** 18-0300 **Version:** 1  
**Type:** Agenda Item **Status:** Adopted  
**File created:** 3/20/2018 **In control:** Procurement Committee  
**On agenda:** 4/5/2018 **Final action:** 4/5/2018  
**Title:** Issue purchase order and enter into an agreement with Unum Life Insurance Company of America, a wholly-owned subsidiary of Unum Group, 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 1487085

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
4/5/2018	1	Board of Commissioners	Approved	Pass
4/5/2018	1	Committee of the Whole	Recommended	Pass

### TRANSMITTAL LETTER FOR BOARD MEETING OF APRIL 5, 2018

#### COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Issue purchase order and enter into an agreement with Unum Life Insurance Company of America, a wholly-owned subsidiary of Unum Group, 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 1487085

Dear Sir:

At the Board Meeting of December 21, 2017, in accordance with Contract 17-RFP-32, 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 three-year period from 2018 through 2020. 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 current coverage will expire on June 30, 2018.

On March 14, 2018, the District received the renewal bid quotation which Mesirow had solicited from Unum Life Insurance Company of America, a wholly-owned subsidiary of Unum Group (Unum), pursuant to the Detailed Specifications for life insurance. 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. The renewal bid made no changes to the terms of the coverage as described.

As part of the renewal quotation, Unum committed to maintain the current rates which generate premiums as shown below:

Unum Group - \$83,831.00 (Basic), \$613,045.00 (Optional), \$696,876.00 (Total)

The renewal response was evaluated by Mesirow, the Compensation and Benefits Manager and representatives from the Procurement and Materials Management Department. Based on the review, it was determined that the District should renew this coverage with Unum. 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 renewal submitted by Unum maintains the current rates for both basic and employee-paid optional coverage. The coverage is for a one-year period from July 1, 2018 through June 30, 2019.

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 in an amount not to exceed \$83,831.00.

The estimated expenditures for 2018 and 2019 are \$41,915.50 each year. Funds for 2018 are available in Accounts 101-25000-601250 and 501-25000-601250. Funds for 2019 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 April 5, 2018