



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF OCTOBER 20, 2016

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authorization to enter into an agreement for Contract 16-RFP-20 Dual-Choice Dental Plan Administrator, with Blue Cross Blue Shield of Illinois, a division of Health Care Service Corporation, for a three-year period, effective January 1, 2017 to December 31, 2019, Account 101-25000-601250

Dear Sir:

Authorization is requested to enter into an agreement with Blue Cross Blue Shield of Illinois (Blue Cross), a division of Health Care Service Corporation, to provide a self-insured dental PPO plan and a fully-insured dental HMO plan for employees for a three-year period.

The District advertised Request for Proposal 16-RFP-20 Dual-Choice Dental Plan Administrator on May 18, 2016. Fifty-nine (59) firms were notified and fourteen (14) firms requested proposal documents. The District received three (3) responsive proposal on June 17, 2016 from Blue Cross Blue Shield of Illinois (Blue Cross), Delta Dental of Illinois (Delta Dental), and Metropolitan Life Insurance Company (Met Life).

The proposals were evaluated by consultants from Deloitte Consulting and staff of the Human Resources and Procurement and Materials Management Departments. The criteria for these evaluations were outlined in Request for Proposal 16-RFP-20 and included: organizational stability and experience; ability to administer the current plan design; network size and quality; claims administration performance; member service performance; administrative performance; and financial considerations. Following the preliminary evaluation of proposals, excluding cost, Blue Cross and Delta Dental were deemed to be finalists and were interviewed on August 31, 2016. A solicitation was sent to each finalist on September 6, 2016 for an unqualified "best and final" offer. The "best and final" offers were returned to the Director of Procurement and Materials Management on September 13, 2016.

Based on the evaluation of the proposals using the criteria described above and the pricing provided in the "best and final" offer, it is recommended that a contract be awarded to Blue Cross. Blue Cross provided the lowest overall cost for dental benefits. The Blue Cross PPO and DHMO plans provide District employees with a broad provider network including 11,758 access points in the Chicagoland area. They also offer the highest average discounts for in-network providers. The plan includes a dental wellness program which is integrated with the medical plan data to allow for a focus on overall member health. Finally, given that Blue Cross is the incumbent provider, employees will not experience any disruption in their benefits with this recommendation.

The Diversity Section has reviewed the agreement and has concluded that Blue Cross is in compliance with the District's Affirmative Action Policy.

In view of the foregoing, it is requested that the Director of Procurement and Materials Management be authorized to enter into an agreement with Blue Cross to administer a self-insured dental PPO and a fully-insured dental HMO for employees for a three-year period from January 1, 2017 through December 31, 2019.

Funds for 2017, 2018 and 2019 are contingent on the Board of Commissioners' approval of the District's budget for those years.

Recommended, 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 October 20, 2016