



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 SEPTEMBER 5, 2019

COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Authorization to enter into an agreement for Contract 19-RFP-12 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, 2020 to December 31, 2022, 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 Preferred Provider Organization (PPO) plan and a fully-insured Dental Maintenance Organization (DMO) plan for employees for a three-year period.

On May 1, 2019, Request for Proposal 19-RFP-12 Dental Plan Administrator was publicly advertised. The purpose of this contract was to select a qualified carrier to provide dental coverage for employees. The program will include a dental PPO plan and a DMO plan option. The plan design including the deductibles, co-insurance, co-payment structure and maximum out-of-pocket limits will remain the same as under the current program. These services are currently provided by Blue Cross. The current contract expires December 31, 2019.

Sixty-four (64) firms were notified and fifteen (15) firms requested proposal documents. The District received one (1) responsive proposal on May 31, 2019. The proposal was submitted by Blue Cross. The proposal was evaluated by consultants from Deloitte Consulting, LLP and staff of the Human Resources and Procurement and Materials Management Departments. The criteria for these evaluations were outlined in Request for Proposal 19-RFP-12 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 technical evaluation of the proposals, excluding cost, Blue Cross was invited to participate in a finalist interview conducted July 25, 2019. During the finalist interview, the District was able to gather additional information regarding the products offered by Blue Cross and ask clarifying questions around plan design, member services, population dental health management and other key elements of the program.

A solicitation was sent to each vendor on July 29, 2019 for an unqualified "best and final" offer. The "best and final" offers were returned to the Director of Procurement and Materials Management on August 5, 2019.

Based on the evaluation of the proposal 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. The Blue Cross dental PPO and DMO plans provide District employees with a broad provider network including more than 6,700 dentists in the Chicagoland area. The network results in 99.8% of employees having access to at least two dentists within 10 miles of their home. Blue Cross also offers industry-leading average discounts for in-network

providers, helping to provide cost savings to participants and the District. 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 reviewed the request for proposal and concluded that Affirmative Action goals are not recommended for this contract. The scope of work for this contract does not provide opportunities for MBE/WBE/SBE/VBE participation. The scope of work is limited to providing only a dental PPO plan and a DMO plan and there are no MBE/WBE/SBE/VBE firms available to perform these services.

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 Preferred Provider Option (PPO) plan and a fully-insured Dental Maintenance Organization (DMO) plan for a three-year period from January 1, 2020 through December 31, 2022.

Funds for 2020, 2021 and 2022 are contingent on the Board of Commissioners' approval of the District's budget for those years.

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 September 5, 2019

Attachment