



# Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street  
Chicago, IL 60611

## Legislation Text

---

File #: 22-0761, Version: 1

---

### TRANSMITTAL LETTER FOR BOARD MEETING OF SEPTEMBER 1, 2022

#### COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Authorization to enter into an agreement for Contract 22-RFP-04 Dental Plan Administrator, with Health Care Service Corporation, a Mutual Legal Reserve Company, operating through its Blue Cross and Blue Shield of Illinois Division, for a three-year period, effective January 1, 2023 to December 31, 2025, Account 101-25000-601250

Dear Sir:

Authorization is requested to enter into an agreement with Health Care Service Corporation, a Mutual Legal Reserve Company, operating through its Blue Cross and Blue Shield of Illinois Division (BCBSIL), to provide a self-insured dental Preferred Provider Organization (DPPO) plan and a fully-insured Dental Maintenance Organization (DMO) plan for employees for a three-year period.

On April 13, 2022, request for proposal for Contract 22-RFP-04 Dental Plan Administrator was publicly advertised. The purpose of this contract was to select a qualified carrier to provide dental insurance coverage for active employees. The program will include a DPPO option and a DMO option. The plan design including the deductibles, co-insurance, and annual benefit maximum will remain the same as under the current program. The services are currently provided by Blue Cross and Blue Shield of Illinois, a division of Health Care Service Corporation. The current contract expires December 31, 2022.

One hundred thirty-three (133) firms were notified of this contract and nineteen (19) requested proposal documents. On May 13, 2022, the District received four (4) responsive proposals. These proposals were submitted by Aetna Life Insurance Company, BCBSIL, Metropolitan Life Insurance Company, and UnitedHealthcare Services, Inc.

The proposals were evaluated by consultants from Deloitte Consulting, LLP and staff of the Human Resources and Procurement and Materials Management Departments. The criteria for the evaluations were outlined in request for proposal for Contract 22-RFP-04 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, three of the four vendors were invited to participate in finalist interviews conducted on June 28-29, 2022. During the finalist interview, the District was able to gather additional information regarding each vendor's dental products and ask clarifying questions around plan design, dental networks, member services, population health management, and other key elements of the program.

A solicitation was sent to each vendor on July 8, 2022 for an unqualified "best and final" offer. The "best and final" offers were returned to the Director of Procurement and Materials Management on July 14, 2022.

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 BCBSIL. The BCBSIL dental plans provide District employees with a broad provider network including more than 6,900 dentists in the Chicagoland area. The network results in 99.9% of employees having access to at least two dentists within 10 miles of their home. BCBSIL 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. The wellness efforts include an additional benefit for members with chronic conditions such as diabetes or health disease and for expectant mothers. This has been shown to reduce medical costs for these members.

The Diversity Section has reviewed the proposal and has concluded that BCBSIL has met the requirements for Appendix A. The Minority, Women and Small Business Enterprise goals for the above contract are 20% MBE, 10% WBE and 10% SBE.

It is requested that the Director of Procurement and Materials Management be authorized to enter into an agreement with BCBSIL to administer the self-insured DPPO plan and fully-insured DMO plan for a three-year period from January 1, 2023 through December 31, 2025. Funds for 2023, 2024 and 2025 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 September 1, 2022

Attachment