



Legislation Text

File #: 21-0161, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Change Order #1 to the contract for basic life, accidental death and dismemberment (AD&D), and voluntary life insurance, to Reliastar Life Insurance/VOYA Financial for an amount not to exceed \$13,472.08 and a total award of \$265,472.08

DEPARTMENT: Human Resources

SUBMITTED BY: James Sheehan, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The City provides basic life insurance and AD&D coverage at 1.5 times an employee's salary up to maximum of \$300,000 at no cost to the employee. Employees may purchase additional voluntary life insurance covering themselves, their spouse and/or their children at their own expense. Retirees may also purchase limited life insurance benefits through our agreement with Reliastar/VOYA.

In September 2018, the City Council awarded a two-year contract for \$252,000 to Reliastar/Voya to provide the aforementioned coverage. The Reliastar/VOYA contract was renewed in September 2020 for a two-year contract period ending December 2022.

DISCUSSION:

A change order is requested to increase the amount allotted for 2020 by \$13,472.08 to cover the remaining 2020 fiscal year invoices.

The City's cost for basic life insurance and AD&D is based upon the volume of insurance provided to covered employees. The total cost will vary based upon salary and current headcount, therefore the yearly totals are based on estimates using the City's current (at the time of the determination) employee population with an estimated salary adjustment for each year. Enrollment varies with each month and comparing the invoice from the first month of the term and the invoice from the last month of the term, the increase is apparent:

	AD&D	Basic
January 2019	1,012	1,414
December 2020	1,080	1,553
<i>Difference</i>	68	139

FISCAL IMPACT:

CIP: N/A

Basic life and accidental death and dismemberment premiums are expensed out of a pass-through

account The City does not budget an expense for the voluntary life insurance premiums, as the cost is drawn from each employee's pay. The requested change order will have no impact on the City's budget.