



**TO:** Honorable Mayor & Members of the Fort Lauderdale City Commission

**FROM:** Greg Chavarria, City Manager

**DATE:** October 18, 2022

**TITLE:** Motion Approving Contract for Purchase of Dental Insurance - Cigna Health and Life Insurance Company - \$5,575,378 (three-year total) - (**Commission Districts 1, 2, 3 and 4**)

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### **Recommendation**

Staff recommends the City Commission approve a three-year contract in substantially the form attached, with Cigna Health and Life Insurance Company (Cigna) for the purchase of the Group Dental Health Maintenance Organization (DHMO) and Dental Preferred Provider Organization (DPPO) dental insurance in the initial three-year contract amount of \$5,575,378, and authorize the City Manager to approve three (3), one-year renewal options, in the estimated annual renewal amount of \$2,050,578, for a potential six-year contract amount of \$11,727,112, contingent upon appropriation of funds.

### **Background**

There are three separate fully insured dental insurance options that are available to City employees and eligible dependents. These options are as follows:

1. IAFF DPPO – This option is set by bargaining agreement and has both lower benefits and premiums than the Citywide DPPO option.
2. Citywide DHMO – This option is offered to Management, Confidential, Federation and Teamsters.
3. Citywide DPPO – This option is offered to Management, Confidential, Federation and Teamsters.

Citywide dental and IAFF DPPO insurance has been provided by Cigna since January 1, 2018. This solicitation was prepared for a January 1, 2023, effective date based on the expiration of the current agreement with Cigna. Cigna was selected as the recommended firm by the evaluation committee based on the following key highlights from their proposal:

1. Premiums for both employees and the City remain unchanged from their current rate in 2022.
2. Premiums are fixed for three years; for years four, five, and six of the contract, they have a rate cap not to exceed 5.0%.

3. There will be no network disruption to City employees.

The solicitation process included the following:

- June 6, 2022 – Request for Proposal (RFP) 12702-525 was issued for group DHMO and DPPO dental benefit plans.
- June 30, 2022 – The RFP closed with a total of four firms submitting proposals. Those firms were:  
 Aetna/CVS  
 Cigna Health and Life Insurance Company (Cigna)  
 Humana  
 MetLife
- July 14, 2022 – The evaluation committee consisting of Matt Cobb, Assistant Risk Manager; Katrina Valentino, Benefits Manager; and Julie Garofalo, Senior Administration Assistant Teamsters, met with John Torrenza, Procurement Administrator; to begin the evaluation process. The City’s Benefits Consultant, Gehring Group, also assisted in this process. The committee reviewed the proposals, evaluated and ranked the firms based on the evaluation criteria shown below:

EVALUATION CRITERIA	WEIGHT
Size and Adequacy of Provider Network	30%
Level of Benefits for the DHMO plans	20%
Level of Benefits for the DPPO plans	20%
Total premium Cost	30%

The four responsive firms were ranked as follows:

- Cigna (1<sup>st</sup> Ranked Firm)
- Humana (2<sup>nd</sup> Ranked Firm)
- Aetna (3<sup>rd</sup> Ranked Firm)
- MetLife (4<sup>th</sup> Ranked Firm)

**Resource Impact**

There will be a fiscal impact to the City in the estimated amount of \$1,858,459 for Fiscal Year 2023.

<i>Funds available as of October 1, 2022</i>					
ACCOUNT NUMBER	PROJECT NAME (Program)	CHARACTER/ ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	PURCHASE AMOUNT
10-545-9070-519-50-5140	Self-Insured Health Benefits	Non-Operating Expenses/Dental Carrier Premiums	\$33,596,144	\$33,596,144	\$1,858,459
<b>Purchase Total ►</b>					\$1,858,459

### **Strategic Connections**

This item supports the *Press Play Fort Lauderdale 2024* Strategic Plan, specifically advancing:

- The Internal Support Focus Area
- Goal 8: Build a leading government organization that manages all resources wisely and sustainably.
- Objective: Maintain financial integrity through sound budgeting practices, prudent fiscal management, cost effective operations, and long-term planning.

This item advances the *Fast Forward Fort Lauderdale 2035* Vision Plan: We Are United.

This item supports the *Advance Fort Lauderdale 2040* Comprehensive Plan, specifically advancing:

- The Internal Support Focus Area
- Implementation Element
- Goal 1: The Fort Lauderdale Comprehensive Plan shall accomplish the City's *Fast Forward Fort Lauderdale 2035* Vision Plan regarding the City's future growth and the six Cylinders of Excellence and shall be the City's primary policy document to guide all of its activities and development.

### **Attachments**

Exhibit 1 – Solicitation (to be provided separately)

Exhibit 2 – Final Ranking

Exhibit 3 – Cigna Proposal

Exhibit 4 – City Agreement

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Prepared by: Katrina L Valentino, Human Resources  
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Department Director: Jerome Post, Acting Director Human Resources  
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