



Date: October 12, 2021
Current Meeting: October 21, 2021
Board Meeting: October 28, 2021

BOARD MEMORANDUM

TO: Indianapolis Public Transportation Corporation (IPTC) Board of Directors
THROUGH: President/CEO Inez P. Evans
FROM: Vice President of Human Resources Jeff Brown
SUBJECT: Consideration and approval to negotiate a contract with New York Life (formerly Cigna) for life and disability plan and annual premiums

ACTION ITEM A – 11

RECOMMENDATION:

In a manner consistent with IPTC procurement and contract award standards, we request that the Board authorize the President/CEO to negotiate and enter into a two-year contract with New York Life (formerly Cigna) for group short/long-term disability and life and accidental death and dismemberment premiums and coverage for current member enrollment at a cost of \$564,455, subject to increase based on future enrollment.

BACKGROUND:

IPTC takes a progressive approach to create a healthier workforce and as such provides a comprehensive benefits package to our workforce. IPTC provides its workforce with disability coverage, both short term and long term, as a benefit program designed to provide income replacement in the event the employee becomes disabled due to an injury or illness and cannot perform the duties of their job. IPTC also provides accidental, death and dismemberment policy to cover death if caused by an accident as well as term life insurance that covers almost all causes of death.

DISCUSSION:

IPTC engaged LHD benefit advisors to serve as its broker and procure services for basic life and AD&D (accidental death and dismemberment) insurance, short term disability, long term disability services. The award breakdown is as follows:

- New York Life has been the service provider for eight years with no irreconcilable concerns or issues
- There will be no disruption in service including STD and LTD payments
- New York Life offered a two-year rate hold for LTD, Basic Life and AD&D.
- The annual premium for Basic Life and AD& D is \$219,159.
- The annual premium for LTD is \$158,776.
- New York Life offered a five percent decrease in premiums for STD.
- The annual premium for STD is \$186,520.
- New York Life provides a significant cost savings for employees and families. Overall, ancillary benefit plans, including the proposal from New York Life, will result in a 5% decrease for IPTC.

In summary, IPTC believes that New York Life is the best overall value for the quality and level of services for IPTC employees and families.

ALTERNATIVES:

The Board could choose not to award this contract to the recommended vendor and direct the CEO to negotiate with another vendor.

FISCAL IMPACT:

The total cost of this procurement for group short/long-term disability and life and accidental death and dismemberment premiums and coverage is projected to be \$564,455, subject to increase or decrease based on future enrollments. Human Resources will work with Finance to manage the funding of this procurement with the existing budget for each year of the contract.

DBE/XBE DECLARATION:

This contract will be funded by the Operations budget, and therefore, it does not require an established Disadvantaged Business Enterprise Program (“DBE”) participation goal. Given the complexity and nature of this opportunity subcontracting possibilities were limited. It is our continued commitment to partner with certified “XBE” firms with the City of Indianapolis Office of Minority and Women Business Development and the Indiana Department of Administration Division of Supplier Diversity when opportunities present themselves.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

This action will be reviewed by the Service Committee on October 21, 2021.