



**SUBJECT: Group benefits provider selection**

**TO: Committee of the Whole**

**FROM: Human Resources Department**

Report Number: HR-03-17

Wards Affected: All

File Numbers: 330-02

Date to Committee: June 26, 2017

Date to Council: July 10, 2017

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**Recommendation:**

Award RFP 201-17, for the Corporation's Group Employee Benefits, to Sun Life Assurance Company of Canada, 1155 Metcalfe Street, Montreal, Quebec, H3B 2V9 effective November 1, 2017 at a total annual premium of \$6,255,222 including retail sales tax for the 2017/2018 year; and

Authorize the extension of the City's existing contract with The Manufacturers Life Insurance Company (Manulife) to October 31, 2017; and

Authorize the Manager of Procurement Services to sign any related documentation requirements for the ten year term and to extend the contract agreement based on satisfactory performance, budget approval and the contract extension terms as outlined in RFP 201-17, i.e. two (2) five year terms.

**Purpose:**

An Engaging City

- Good Governance
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**Background and Discussion:**

In 2015, with the purchase of Standard Life Assurance, Manulife Financial assumed the benefit plan coverage offered by the City and by the Library.

## Strategy/process

An RFP for the Corporation's Group Employee Benefits was issued on March 6, 2017. The opportunity was advertised on the Ontario Public Buyers Association's website Biddingo, and the City of Burlington website. The details are:

Request for Proposal	RFP 201-17
Issue Date:	March 6, 2017
Closing Date:	April 13, 2017
Number of Bids Received:	5
Number of Non-Compliant Bids:	0

The five proponents who submitted bids were:

1. Desjardins Financial Security and Life Assurance
2. The Great West Life Assurance Company
3. Green Shield Canada/SSQ Life Insurance Company
4. The Manufacturers Life Insurance Company
5. Sun Life Assurance Company of Canada

The evaluation team consisted of a representative from the Library and from the Finance, Human Resources, and ITS departments on behalf of the City. As group employee benefits is very complex and a substantial investment for the City, representatives from AON Hewitt, the City and Library's benefit consultant, provided an in-depth analysis of the financial impacts.

The evaluation criteria for each submission were:

Financial	100 points (47.2%)
Customer Service	78 points (36.8%)
Disability Management	24 points (11.3%)
Reporting	10 points (4.7%)

Submissions were made based on current plan design.

The evaluation team, including the consultant and staff, were under the oversight of Procurement Services throughout the process. The evaluation was comprehensive and

included interviews with short listed proponents. The Sun Life Assurance Company of Canada received the highest evaluation score.

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## **Financial Matters:**

### **Total Financial Impact**

Each proponent offered differently timed discounts and rate guarantees and an extensive analysis was completed by AON Hewitt. Using AON's independent analysis, over an 84 month period, the financial scores were then included in the overall evaluation.

Benefit premiums are anticipated to be approximately \$150,000 lower than those negotiated for the 2016/2017 benefit year based on current plan design, usage and staffing.

### **Source of Funding**

Benefit premiums are budgeted within the operating budget.

### **Other Resource Impacts**

N/A

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## **Connections:**

As indicated the Burlington Public Library partnered with the City through this RFP process. The Library are able to take advantage of the City's group rate structure, notwithstanding they have separate coverage.

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## **Public Engagement Matters:**

N/A

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## **Conclusion:**

Based on a comprehensive evaluation process, it is recommended that the contract for the City's group employee benefits be awarded to the Sun Life Assurance Company of Canada.

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Respectfully submitted,

Laura Boyd

Director of Human Resources

Ext. 7631

**Notifications:** (if none delete section)

Maureen Barry, Chief Librarian, Burlington Public Library

Linda Dobson, Director of Staff Development and Support, Burlington Public Library

**Report Approval:**

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.