Staff Summary Report

Tempe

Council Meeting Date: 04/09/2009 **Agenda Item Number:** _____

SUBJECT: Request to award a one-year contract with four one-year renewal options to CIGNA Dental Health, Inc. for a dental health maintenance organization (HMO) plan for eligible City employees and their dependents.

DOCUMENT NAME: 20090409fsta01 **PURCHASES (1004-01)**

SUPPORTING DOCS: Yes

COMMENTS: (RFP 09-058) Total amount not to exceed $80,000 during the initial one-year contract period.

PREPARED BY: Tony Allen, Procurement Officer, 480-350-8548

REVIEWED BY: Michael Greene, CPM, Central Services Administrator, 480-350-8516
Renie Broderick, HR Manager, 480-350-8548
Lynna Soller, Employee Benefits Administrator, 480-350-2975

LEGAL REVIEW AS TO CONTRACT FORM ONLY: N/A

FISCAL NOTE: Sufficient funds have been appropriated in the Health Fund for the anticipated expenditures in the current fiscal year.

RECOMMENDATION: Award the contract.

ADDITIONAL INFO: The City of Tempe issued a Request for Proposal to establish contracts for dental service providers. The City's request was for both a DPPO (dental preferred provider organization) and a prepaid DHMO (dental health maintenance organization) plan. A committee comprised of Union Representatives (SEIU, Fire and TSA), Human Resources and Procurement Staff met and reviewed the submitted proposals. The top scoring firms in each category were asked to submit best and final offers and invited to make presentations to the committee. The committee discussed the presentations, reviewed the best and final offers and scored the presenting firms. The evaluation criteria for this RFP included plan design, network of providers, cost and customer service. It is the recommendation of the committee to award a contract to CIGNA Dental Health, Inc., the overall high scorer, for a dental HMO plan.

SECTION 23. VENDOR'S PROPOSAL OFFER

It is REQUIRED that Proposal Offeror COMPLETE, SIGN and SUBMIT the original of this form to the City Procurement Office with the proposal response offer. An unsigned "Vendor's Proposal Offer", late proposal response and/or a materially incomplete response will be considered non-responsive and rejected.

Proposal offeror is to type or legibly write in ink all information required below.

Company Name	Connecticut General Life Insurance Company, CIGNA Dental Health, Inc., and its affiliates or subsidiaries.
Company Mailing Address	900 Cottage Grove Road Bloomfield, Connecticut 06152
Company Street Address	900 Cottage Grove Road Bloomfield, Connecticut 06152
Proposal Offeror Contact & Title	Patty Brown, New Business Manager
Contact's Phone No.	602.861.8161
Contact's E-mail Address	Patty.brown@cigna.com
Proposal Offeror's Company Tax Information:	
Arizona Transaction Privilege (Sales) Tax No. Or	
Arizona Use Tax No.	State of Arizona - state license #20138683-Y and City of Phoenix - city license #06009431
Federal I.D. No.	For DHMO underwritten through CDHP of AZ, Inc. = 86-0807222 For DPPO underwritten through CGLIC = 06-0303370
& State Where Sales Tax is Paid	Phoenix, Arizona

THIS PROPOSAL IS OFFERED BY:

Authorized Proposal Offeror (Type or Print in ink) _____

Proposal Offeror's Title (Type of Print in ink) _____

Date _____

REQUIRED SIGNATURE OF AUTHORIZED PROPOSAL OFFEROR (Must Sign in Ink)

By signing this Proposal Offer, Offeror acknowledges acceptance of all terms and conditions contained herein and that prices offered were independently developed without consultation with any other offeror or potential offeror. In accordance with A.R.S. 35-397, the offeror hereby certifies that it does not have scrutinized business operations in Iran or Sudan. Failure to sign and return this form with proposal offer will result in a non-responsive proposal.

CIGNA is obligated to provide only those services as it has described in its response to the RFP with the noted exceptions, deviations and qualifications and is not obligated to provide services as originally described by the City of Tempe in its RFP. CIGNA's response to this Request for Proposal must be considered in its entirety with all noted exceptions, deviations or qualifications which CIGNA has included in its response, particularly, any of the caveats in the proposal or any contingency language with regard to a specific response.

Patty N. Brown — **Signature of Authorized Proposal Offeror**

11-20-08 — **Date**

Form 201-B (RFP)

City of Tempe
Dental Rate Quotation Form
Second Best and Final Offer
Prepaid Dental Benefits 09-058

Fully Insured Premium Rates	**Year 1**	**Year 2**	**Year 3**
Employee Only	$13.41	$14.21	$15.21
Employee + One Dependent	$22.87	$24.24	$25.94
Employee + Family	$35.96	$38.12	$40.79
Total Monthly Premium	$6,254	$6,629	$7,093
Total Annual Premium	$75,049	$79,552	$85,121
Enrollment Assumptions			
Employee Only	82	82	82
Employee + One Dependent	65	65	65
Employee + Family	102	102	102
Are there any additional costs not included in your rates? If so, please identify.	No.		
Confirm your patient charge schedule will not change for the period quoted.	Confirmed.		

If CIGNA Dental PPO is sold alongside CIGNA Dental HMO, the Dental HMO rates will be as follows:

Fully Insured Premium Rates	**Year 1**	**Year 2**	**Year 3**
Employee Only	$12.74	$13.50	$14.45
Employee + One Dependent	$21.73	$23.03	$24.65
Employee + Family	$34.16	$36.21	$38.74
Total Monthly Premium	$5,941	$6,298	$6,739
Total Annual Premium	$71,297	$75,575	$80,866

Comments:

Authorized Signature	Patty R. Brown
Vendor Name	CIGNA HealthCare
Date	February 25, 2009
Contact	Patty Brown
Contact Phone Number	602-861-8161
Contact e-mail Address	patty.brown@cigna.com