

RESOLUTION NO. _____

APPROVAL OF 2023-2024 CONTRACT RENEWAL WITH THE LINCOLN FINANCIAL GROUP TO PROVIDE LONG TERM DISABILITY, GROUP LIFE AND ACCIDENTAL DEATH & DISMEMBERMENT COVERAGE

Item No. 5D

WHEREAS, a Request for Proposal to provide long-term disability, group term life and accidental death & dismemberment (AD&D) coverage to full-time, non-union employees was issued on March 19, 2019. The contract to provide the coverages was awarded to The Lincoln Financial Group; and

WHEREAS, the renewal date of the current contract with The Lincoln Financial Group is June 1, 2023; and

WHEREAS, the procurement provisions for the Lincoln Financial Group contract provides for a one-year contract with four subsequent annual one-year renewal options without additional procurement. Renewal of the contract for the 2023-2024 plan year will represent the fourth and final of the four one-year renewal options; and

WHEREAS, the Lincoln Financial Group premium cost for the 2022-2023, twelve-month plan year through May 2023 is \$83,502.79; and

WHEREAS, the Lincoln Financial Group has not proposed a premium increase to the group term life insurance coverage or to the long-term disability or accidental death & dismemberment coverages for the 2023-2024 plan year; and

WHEREAS, it is anticipated that there will be some fluctuation in the 2023-2024 premium costs as a result of changes in employees' employment status, as well as the addition of new employees; and

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WHEREAS, funding for this contract renewal has been factored into the FY 2023-2024 operating budgets.

NOW, THEREFORE, BE IT RESOLVED BY THE LOUISVILLE METRO HOUSING AUTHORITY BOARD OF COMMISSIONERS that the Executive Director and Contracting Officer, Lisa Osanka, is authorized to enter into a contract renewal with the Lincoln Financial Group to provide long-term disability, group term life and accidental death & dismemberment insurance coverage to Louisville Metro Housing Authority full-time, non-union employees for the period of June 1, 2023 through May 31, 2024 for an estimated amount not to exceed \$85,000.00 to allow for the anticipated fluctuation in premium cost as a result of employment changes and additions.

RESOLUTION BACKGROUND STATEMENT

APPROVAL OF 2023-2024 CONTRACT RENEWAL WITH THE LINCOLN FINANCIAL GROUP TO PROVIDE LONG TERM DISABILITY, GROUP LIFE AND ACCIDENTAL DEATH & DISMEMBERMENT COVERAGE

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I. STATEMENT OF FACTS:

On March 19, 2019, the Louisville Metro Housing Authority (LMHA) issued a Request for Proposal for the procurement of long-term disability, group life and accidental death & dismemberment coverage to Louisville Metro Housing Authority (LMHA) full-time, non-union employees. Coverage for LMHA full-time unionized employees is provided as outlined in the Labor Agreement between the Louisville Metro Housing Authority and SEIU, Chapter 320, 32BJ.

As a result of the procurement process, Lincoln Financial Group was awarded the contract. The renewal date of the current contract with the Lincoln Financial Group is June 1, 2023.

The procurement provisions for the contract provides for a one-year contract with four subsequent annual one-year renewal options without additional procurement, with each subsequent year's contract renewal requiring Board approval. Renewal of the contract for the plan year 2023-2024 represents the fourth and final of the four annual one-year renewal options.

The premium billing to LMHA for the 2022-2023 plan year (June 2022 through May 2023) was \$83,502.79. The Lincoln Financial Group did not propose a rate increase to the monthly premiums for the 2023-2024 plan year.

The following reflects premiums paid by LMHA for the previous contract periods:

Contract year	-	June 1, 2019 – May 31, 2020	\$81,606.37
1 st year renewal	-	June 1, 2020 – May 31, 2021	\$72,570.07
2 nd year renewal	-	June 1, 2021 – May 31, 2022	\$83,990.70
3 rd year renewal	-	June 1, 2022 – May 31, 2023	\$83,502.79

It is anticipated that there will be some fluctuation in the 2023 – 2024 plan year premium costs as a result of changes in employees' employment status (employment separations, new hires, etc.).

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I. STATEMENT OF FACTS (cont'd):

Funding for the contract renewal has been factored into the 2023-2024 operating budget.

II. ALTERNATIVES:

A. Approve the contract renewal with the Lincoln Financial Group for the 2023-2024 plan year.

B. Do not approve the contract renewal with the Lincoln Financial Group for the 2023-2024 plan year.

III. RECOMMENDATION:

Staff recommends Alternative "A."

IV. JUSTIFICATION:

- Due to the contract renewal occurring on June 1, 2023, LMHA must implement the necessary steps required to assure there is no interruption in long-term disability, group term life and accidental death & dismemberment coverage for its employees.
- Funding for the contract renewal has been factored into the 2023-2024 operating budget.
- LMHA staff completed the Contract Renewal Evaluation Form. This vendor received an overall rating of "Above Average."

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V. BUDGET APPROVAL:

Funding for this contract renewal has been factored into the FY 2023 and FY 2024 operating budgets.

Jeffrey Ralph, Director of Finance

Date

VI. PROCUREMENT CERTIFICATION:

The award of a contract renewal for long-term disability, group term life and accidental death & dismemberment premiums is in compliance with the Louisville Metro Housing Authority's Procurement Policies and Procedures.

Steve Webb, Purchasing Agent

Date

Submitted by: Joyce A. Babb
Director of Personnel
May 16, 2023