



DEPARTMENT OF GENERAL SERVICES
OFFICE OF STATE PROCUREMENT
ACTION AGENDA
October 2, 2024



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13-S-MOD. SERVICES MODIFICATION

Department of Budget and Management, Employee Benefits Division

Contract ID: Group Term Life and Accidental Death and Dismemberment Insurances;
F10B8400043

ADPICS No.: COK66375

Contract Approved: DBM 11-S, 08/01/2018

Contract Description: Provide contributory Group Term Life (Life) insurance services for active employees, high risk active State employees, Satellite Account Employees, satellite account retirees, retired State employees, Direct Pay Enrollees (excluding COBRA enrollees), and their eligible Dependents; and contributory Accidental Death and Dismemberment (AD&D) Insurance services for active employees, Direct Pay Enrollees, and Satellite Account Employees.

Modification Description: Extend the contract to allow time to complete a new procurement.

Award: Metropolitan Life Insurance Company (MetLife); New York, NY

Original Contract Term: 01/01/2019 - 12/31/2023

Modification Term: 01/01/2025 - 12/31/2025

Original Contract Amount: \$108,659,445 Est. (Life)
\$ 9,403,158 Est. (AD&D)
\$118,062,603 Cumulative Est. Grand Total (5 Years)

Modification Amount: \$ 28,973,272 Est. (Life)
\$ 2,060,339 Est. (AD&D)
\$ 31,033,611 Total

Prior Options/Mods: \$31,033,611 (Mod #1: Extension 01/01/2024 - 12/31/2024
DGS 25-S-MOD, 12/13/2023)

Total Contract Amount: \$180,129,825

Percent +/- (This Item): 26.29%

Total Percent Change: 52.57%



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13-S-MOD. SERVICES MODIFICATION (cont'd)

Original Procurement Method: Competitive Sealed Proposals

MBE/VSBE Participation: 1% / 0.5%

MBE/VSBE Compliance: 0.41% / 0.19%

Performance Security: No

Requesting Agency Remarks: The extension is necessary because there are limited staff resources with the experience and expertise to manage the high number of healthcare solicitations simultaneously. The procurement is complex and DBM is committed to ensuring continuity of services to provide benefits coverage for employees and retirees.

MetLife confirmed that their goals were missed due to COVID restrictions and missed opportunities to attend onsite benefits fairs. MetLife has identified multiple upcoming projects to increase its MBE and VSBE participation, open enrollment onsite and virtual events, printed marketing material and giveaways, and other projects requested by DBM.

The plan year runs on a calendar year basis, from January 1 through December 31. An annual Open Enrollment period is held prior to the beginning of each Calendar Year, typically mid-October through early November. Due to this timeline, it is ideal for all employee benefit contracts to be awarded no later than nine months prior to the effective date of the contract.

The Department of Budget and Management, Office of Personnel Services & Benefits (DBM-OPSB), administers a comprehensive benefits program for State employees, retirees, and eligible dependents. The Program includes a mixture of self-insured and fully-insured medical, dental, and prescription drug plans, and healthcare and dependent daycare flexible spending account benefits. The State subsidizes the premiums for certain plans, but the Member pays the entire premium for other plans. The State's total benefit expenditures for CY2022 were approximately \$2.3 billion.

Fund Source: 100% Reimbursable (Employee Contributions)

Appropriation Code: F10A02

Resident Business: No

BOARD OF PUBLIC WORKS

THIS ITEM WAS:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION