

RESOLUTION NO. \_\_\_\_\_

**APPROVAL OF 2020 CONTRACT RENEWAL WITH THE LINCOLN FINANCIAL GROUP TO PROVIDE LONG TERM DISABILITY, GROUP LIFE AND ACCIDENTIAL DEATH & DISMEMBERMENT COVERAGE**

**Item No. 5g**

WHEREAS, the renewal date of the current contract with The Lincoln Financial Group to provide long-term disability, group term life and accidental death & dismemberment (AD&D) coverage to full-time, non-union employees is June 1, 2020; 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 2020-2021 plan year will represent the first of the four one-year renewal options; and

WHEREAS, the Lincoln Financial Group premium cost for the 2019-2020, twelve-month plan year through May 2020 is \$75,072.32; and

WHEREAS, it is anticipated that there will be some fluctuation in the 2020-2021 premium costs as a result of changes in employees' employment status; and

WHEREAS, funding for this contract renewal will be factored into the FY 2020-2021 operating budgets.

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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, 2020 through May 31, 2021 for an amount not to exceed \$75,072.32.

## RESOLUTION BACKGROUND STATEMENT

### **APPROVAL OF 2020 CONTRACT RENEWAL WITH THE LINCOLN FINANCIAL GROUP TO PROVIDE LONG TERM DISABILITY, GROUP LIFE AND ACCIDENTIAL DEATH & DISMEMBERMENT COVERAGE**

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#### **I. STATEMENT OF FACTS:**

The renewal date of the current contract with the Lincoln Financial Group is June 1, 2020. 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 2020-2021 represents the first of the four annual one-year renewal options.

The premium billing to LMHA for the 2020-2021 plan year (June 2019 through May 2020) was \$ 75,072.32. As is customary, it is anticipated that there will be some fluctuation in the 2020-2021 plan year premium costs as a result of changes in employees' employment status (employment separations, new hires, etc.).

Funding for the contract renewal will be factored into the 2020-2021 operating budget.

#### **II. ALTERNATIVES:**

A. Approve the contract renewal with the Lincoln Financial Group for the 2020-2021 plan year.

B. Do not approve the contract renewal with the Lincoln Financial Group for the 2020-2021 plan year.

#### **III. RECOMMENDATION:**

Staff recommends Alternative "A"

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**IV. JUSTIFICATION:**

- Due to the contract renewal occurring on June 1, 2020, 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 will be factored into the 2020-2021 operating budget.

**V. BUDGET APPROVAL:**

Funding for this contract renewal will be factored into the FY 2020 and FY 2021 operating budgets.

\_\_\_\_\_  
Angela Larsson, 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.

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Steve Webb, Purchasing Agent

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Date

Submitted by: Joyce A. Babb  
Director of Personnel  
May 19, 2020