



Monterey County

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Board Report

Legistar File Number: A 18-026

February 13, 2018

Introduced: 1/31/2018

Current Status: ATS Paused

Version: 1

Matter Type: BoS Agreement

- a. Approve and authorize the Contracts/Purchasing Officer to sign Amendment No. 3 to Agreement No. A-13188 between the County of Monterey and UNUM extending the term of the Agreement through June 30, 2020 and changing the Scope of Service to change the current self-funded short-term disability advice-to-pay agreement to a fully-insured short-term disability agreement; and
- b. Authorize the Contracts/Purchasing Officer to sign future amendments to the agreement where the amendments do not significantly change the scope of work or cause an increase in the agreement rates to a total of more than ten percent (10%).

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts/Purchasing Officer to sign Amendment No. 3 to Agreement No. A-13188 between the County of Monterey and UNUM extending the term of the Agreement through June 30, 2020 and changing the Scope of Service to change the current self-funded short-term disability advice-to-pay agreement to a fully-insured short-term disability agreement; and
- b. Authorize the Contracts/Purchasing Officer to sign future amendments to the agreement where the amendments do not significantly change the scope of work or cause an increase in the agreement rates to a total of more than ten percent (10%).

SUMMARY/DISCUSSION:

On June 21, 2016, the Board of Supervisors approved Agreement No. A-13188 between the County of Monterey and UNUM to provide administration of the self-funded, short-term disability advice-to-pay services; fully insured employer-paid, long-term disability (LTD) benefits; and fully insured, voluntary employee-paid LTD benefits, with the option to extend the agreement by mutual consent of the parties. The Contracts/Purchasing Officer was also authorized by the Board to sign future amendments to the agreement. This Agreement has been amended two (2) times to extend the term period, and it is currently valid through and including January 31, 2019.

The Human Resources Department is now requesting that the term of the agreement be extended through and including June 30, 2020 to lock in the low premium rates listed on Exhibit B-2 for two and a half years, starting January 1, 2018 through June 30, 2020. The Human Resources Department is also requesting that the Scope of Service be amended to have UNUM fully insure and administer the short-term disability plan. Currently, the short-term disability plan is self-funded, and the County is in charge of all the administrative work with the help from UNUM, who provides advice-to-pay services. With the change in Scope of Service, UNUM will be providing all the administrative work for the short-term and long-term disability plans.

Approval of the recommended actions will enable the County to lock in excellent premium rates and plan design for two and a half years.

OTHER AGENCY INVOLVEMENT:

The offices of the County Counsel and Auditor-Controller have reviewed and approved Amendment No. 3 as to form and legality and fiscal provisions, respectively.

FINANCING:

The cost associated with the administration of the fully-insured short-term disability base plan will increase by about \$20,000 per year. The total cost of this plan will be funded by the Benefits Internal Service Fund through charges allocated to departments based on covered employees.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The proposed recommended actions support the Board of Supervisors' Administration Strategic Initiative. The recommended actions will provide a new and more efficient way of administering the short-term disability plan, which will support the County's commitment to provide quality benefits to employees to meet the Board's strategic initiative by attracting, recruiting, and retaining a diverse and talented work force that supports the mission of the County of Monterey.

Mark a check to the related Board of Supervisors Strategic Initiatives

- ☐ Economic Development
- ☒ Administration
- ☐ Health & Human Services
- ☐ Infrastructure
- ☐ Public Safety

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Approved by: Irma Ramirez-Bough, Director of Human Resources, Ext. 5043

Attachments:

- Amendment No. 3 to Agreement No. A-13188
- Amendment No. 2 to Agreement No. A-13188
- Amendment No. 1 to Agreement No. A-13188
- Agreement No. 13188