



City of Austin

Recommendation for Action

File #: 25-1502, **Agenda Item #:** 18.

8/28/2025

Posting Language

Authorize a contract for group life insurance for the Human Resources Department with Metropolitan Life Insurance Company, for an initial term of three years with up to two 1-year extension options in an amount not to exceed \$52,050,000. Funding: \$6,660,000 is available in the Proposed Employee Benefits Fund Budget. Funding for the remaining contract term is contingent upon available funding in future budgets.

Lead Department

Financial Services Department.

Client Department(s)

Human Resources Department.

Fiscal Note

Funding in the amount of \$6,660,000 is contingent upon approval of the Proposed Fiscal Year 2025-2026 Employee Benefits Fund Budget. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

The Financial Services Department issued a Request for Proposals solicitation (RFP) 5800 SLW3023 for these services. The solicitation was issued on March 31, 2025, and closed on May 1, 2025. Of the five offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City's website. This information can currently be found at

https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=142376.

MBE/WBE:

This contract will be awarded in accordance with City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program). For the services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

Additional Backup Information:

The contract will provide comprehensive, cost-effective, fully integrated group life and accidental death and dismemberment (AD&D) coverage for eligible City employees, retirees, and dependents. The contract will specifically provide the following:

1. Employee Basic Group Term Life and AD&D - This coverage is a fully insured product available to

regular budgeted full-time and part-time employees at the employee's base annual salary. Basic life and AD&D is paid by the City for full-time employees who work 30 hours or more per week and 50% of the premium for part-time employees who work 20-29 hours per week.

2. Employee Supplemental Group Term Life and AD&D - Supplemental life and supplemental AD&D coverage is a fully insured product available to full-time and part-time employees up to four times the employee's base annual salary and is paid by the employee.
3. Dependent Group Term Life - This coverage is a fully insured product available in two options to full-time and part-time employees for their dependents' coverage and are paid by the employee.
4. Retiree Basic Group Term Life - This coverage is a fully insured product available to retirees in the amount of \$1,000 and is paid by the City.

The contract will replace the current contract expiring December 31, 2025. The timely execution of a replacement is critical to ensure a continuation of services provided to eligible active employees, retirees, and dependents. A new contract must be finalized before September 1, 2025, to develop materials for Open Enrollment scheduled to begin October 1, 2025. The recommended contractor is the current provider of these services.

The requested authorization amount is based on employees' annual salaries and estimated enrollment and volume increases and was determined based on pricing submitted in response to the solicitation and the City's annual usage.

An evaluation team with expertise in this area evaluated the offers and scored Metropolitan Life Insurance Company as the best to provide these services based on executive summary, references, personnel, general requirements of scope, exceptions, price, and local and small business preference.

Contract Details:

Contract Term	Length of Term	Contract Authoriz
Initial Term	3 years	\$29,070,000
Optional Extension	1 year	\$11,130,000
Optional Extension	1 year	\$11,850,000
Total	5 years	\$52,050,000

Note: Contract Authorization amounts are based on the City's estima