

Public Agenda Item #20

Consideration of Contract Award Recommendation for Third-Party Administrative and Evidence of Insurability Underwriting Services for the Texas Income Protection PlanSM under the Texas Employees Group Benefits Program - (Action)

May 11, 2022

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Third-Party Administrative and Evidence of Insurability Underwriting Services *Request for Proposals (RFP)*



For third-party administrative and evidence of insurability underwriting services (the Services) for the Texas Income Protection PlanSM (TIPP), ERS currently contracts with **Reed Group Management LLC**.

Third-Party Administrative and Evidence of Insurability Underwriting Services *Request for Proposals (RFP)*



On October 13, 2021, ERS issued a request for proposals seeking a qualified entity to provide the Services.

Third-Party Administrative and Evidence of Insurability Underwriting Services *Request for Proposals (RFP)*



- On December 1, 2021, ERS received 2 proposals:
 - Broadspire Services, Inc.;
 - Reed Group Management LLC.

For the Preliminary Review Phase, ERS evaluated:

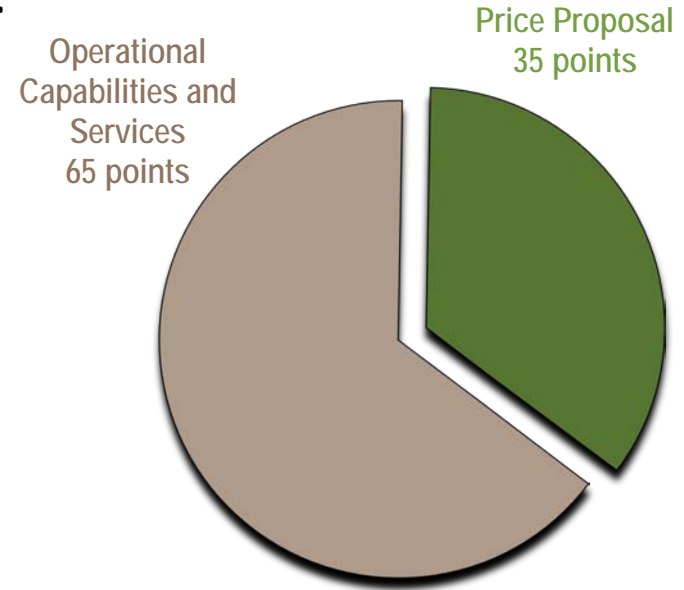
- Minimum Requirements;
- Compliance with the RFP;
- Responsiveness; and
- Certain vendor performance checks required by the Texas Comptroller of Public Accounts.

Third-Party Administrative and Evidence of Insurability Underwriting Services *Proposal Review Phase*



Two main categories scored:

- Operational Capabilities and Services: 65 points
- Price Proposals: 35 points



ERS began evaluation of these pass/fail items during the Proposal Review Phase:

- Contractibility;
- Legal Requirements and Regulatory Compliance;
- SOC-1 and SOC-2 Reports; and
- Financial Stability.

Third-Party Administrative and Evidence of Insurability Underwriting Services *Proposal Review Phase*



Based on the scores for pass/fail items, Operational Capabilities and Services, and Price Proposals during the Proposal Review Phase, ERS selected the following entity as a finalist:

- Reed Group Management LLC.

Broadspire Services Inc. was eliminated from consideration.

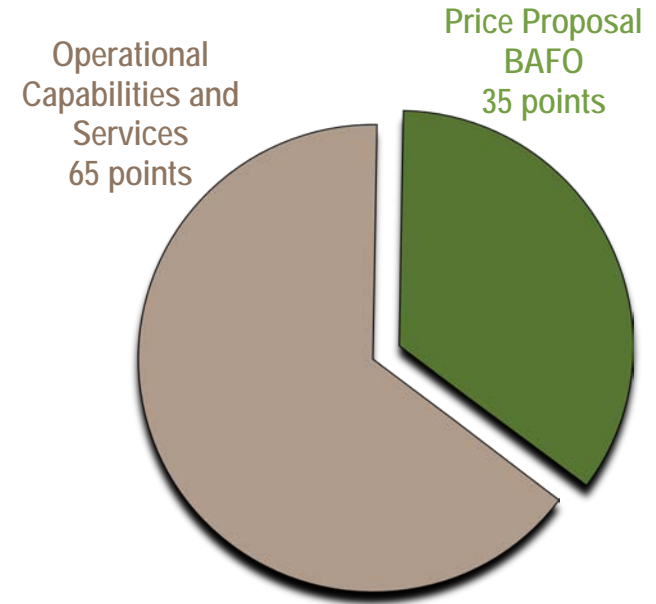
Third-Party Administrative and Evidence of Insurability Underwriting Services

Finalists Review Phase



ERS evaluated the Finalist based on new and clarified information:

- Site Visits (Remote);
- Interviews (Remote);
- Past Performance;
- Financial Stability;
- Contractibility and Legal Requirements and Regulatory Compliance; and
- Best and Final Offer (Price).



Third-Party Administrative and Evidence of Insurability Underwriting Services

Finalists Review Phase



- The RFP evaluation team and OPCO representatives met with Executive Office and reviewed the RFP evaluation team findings.
- A best-value determination was made.

Third-Party Administrative and Evidence of Insurability Underwriting Services
Finalists Review Phase



Based on the evaluation process discussed, ERS recommends the Board of Trustees of the Employees Retirement System of Texas award the contract to [] to provide Third-Party Administrative and Evidence of Insurability Underwriting Services for the Texas Income Protection Plan under the Texas Employees Group Benefits Program.

Questions?
Action Item