



# Broward County

## Legislation Text

File #: 23-250, Version: 1

### **Broward County Commission Regular Meeting**

**Director's Name:** George Tablack

**Department:** Finance and Administrative Services    **Division:** Purchasing

### Information

#### Requested Action

MOTION TO APPROVE final ranking of the qualified firms for Request for Proposals (RFP) No. GEN2123334P1, Group Vision Insurance, for the Human Resources Division. The ranked firms are: 1 - Humana Insurance Company; 2 - United Healthcare Insurance Company; and 3 - Metropolitan Life Insurance Company dba MetLife, Inc.

#### Why Action is Necessary

In accordance with the Broward County Procurement Code, Section 21.42.(j), Procedures for RFPs, RLIs, and RFQs, if an objection or protest has been filed with respect to an Evaluation Committee's ranking, the ranking must be submitted to the Board for final approval. The Board, by majority vote, may (1) accept the ranking as final; (2) reject all responses to the solicitation; or (3) direct the Evaluation Committee to reconvene to consider any new or additional information the Board directs the Evaluation Committee to consider. In addition, the Board may request presentations by the ranked vendors and may, by supermajority vote, rerank those vendors in a final ranking.

#### What Action Accomplishes

Approves the Evaluation Committee's recommendation of the final ranking of qualified firms.

#### Is this Action Goal Related

No

#### Previous Action Taken

None.

#### Summary Explanation/Background

THE PURCHASING DIVISION AND THE FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT/HUMAN RESOURCES DIVISION RECOMMEND APPROVAL OF THE ABOVE MOTION.

This procurement was solicited to engage the services of a qualified firm to provide comprehensive, fully insured, voluntary, pre-tax, 100% member paid, group vision insurance plan, which includes access to national vision provider network and in-and-out network benefits.

On April 5, 2022 (Item No. 54), the Board approved Request for Proposals (RFP) No. GEN2123334P1, Group Vision Insurance. The RFP was advertised and, at the time of submittal deadline on May 6, 2022, six firms submitted proposals.

On September 6, 2022, a Combination Initial and Final Evaluation Committee (EC) meeting was held. The EC evaluated the responses and determined that three out of six firms were responsive and responsible to the RFP requirements and would proceed to final evaluation. After presentations, evaluation, scoring and ranking, the EC named United Healthcare Insurance Company (UHC) (Score: 270.99) as the first-ranked firm, Humana Insurance Company (Humana) (Score: 268.45) as the second-ranked firm; and Metropolitan Life Insurance Company dba MetLife, Inc. (MetLife) (Score: 251.50) as the third-ranked firm (Exhibit 1).

Since Humana's score was within five percent of UHC's score, as per County process, Humana's Location Certification Form was assessed to determine if local preference applies. UHC, the first-ranked firm, selected the nonlocal business option (i.e., Option 5) in its Location Certification Form. Humana, the second-ranked firm, selected the local business option (i.e., Option 1) in its Location Certification Form. Pursuant to Section 1-75(b)(1) of the Broward County Code of Ordinances, "If, upon the completion of final rankings (technical and price combined, if applicable) by the evaluation committee, a nonlocal vendor is the highest-ranked vendor and one or more local businesses are within five percent (5%) of the total points obtained by the nonlocal vendor, the highest-ranked local business shall be deemed to be the highest-ranked vendor overall, and the County shall proceed to negotiations with that vendor." Therefore, since Humana selected the local business option and its total points were within 5% of the total points obtained by UHC, which selected the nonlocal business option, Humana was deemed the highest-ranked vendor overall. Accordingly, after applying the local preference procedure, Humana was deemed the first-ranked firm, UHC as the second-ranked firm, and MetLife as the third-ranked firm.

The EC's proposed recommendation of ranking was posted on the Purchasing Division website from September 15 - 20, 2022, which provided an opportunity for any proposer or interested party to present any new or additional information regarding the responsibility of the proposers.

On September 19, 2022, the Director of Purchasing received a response to the posted ranking from UHC, which stated that it was a protest and included a filing fee. Since UHC's response was received within the three-day objection period, UHC elected for its response to be treated as an objection instead of a protest to the proposed ranking as posted on the Purchasing Division website. UHC's objection dated September 19, 2022, was reviewed by the Director of Purchasing. UHC argued that Humana was not entitled to local preference (Exhibit 2).

On October 17, 2022, based on UHC's assertion that Humana does not operate and perform, on a day-to-day basis, a substantial component of the goods or services from its office located in Broward County, the Purchasing Division, in consultation with the County Attorney's Office and the Using Agency, sent a detailed questionnaire to Humana regarding its Location Certification Form in which Humana indicated that the firm is a local business (Option 1). More specifically, Humana was asked to identify the percentages of five key component services to be performed from its Broward County Location.

On October 21, 2022, Humana responded to Purchasing's request for additional information. Humana confirmed its eligibility as a Local Business and provided the following percentages of the requested components of services that Humana will perform from its Broward location: 1) Member customer service: 65%; 2) Network operations: 72%; 3) Claim processing: <5%; 4) Underwriting: 50%; 5) Account management: 94%. (Exhibit 3, pages 33-34).

On November 14, 2022, the Director of Purchasing issued a response to UHC's objection assertions stating that, after a careful review of all listed items, responses detailing actions and processes followed, the proceedings of the EC, operational business needs of the Human Resources Division, a review of the Broward County Procurement Code, correspondence received by parties to the objection, and with review and consultation with counsel, the issues raised in the objection were not of sufficient merit to recall or otherwise alter the recommendation of the EC. Specifically, no new or substantive information was presented to warrant reconvening of the EC. The evaluation and scoring of firms were conducted appropriately and within established requirements set forth in the Procurement Code, the Code of Ordinances, and existing written guidelines. As such, the objection was denied (Exhibit 3).

The EC's final recommendation of ranking was posted on the Purchasing Division website from November 16 - 23, 2022, which provided an opportunity for any aggrieved proposer to file a formal protest.

On November 23, 2022, the Director of Purchasing received a formal protest from UHC, reiterating its assertion that Humana is not a Local Business by stating, "Humana's Response to the RFP does not contain sufficient information on which the County can determine that Humana met the definition of a Local Business to be entitled to the preference. Humana does not operate and perform, on a day-to-day basis, a substantial component of the specific goods or services required by the RFP from its office located in the County as required by the RFP and section 1-74 of the Broward County Code." (Exhibit 4).

During the timeframe that the Director of Purchasing was reviewing UHC's protest, on December 5, 2022, Humana submitted its Formal Notice to Intervene in UHC's Formal Protest of Award. Subsequently, on December 12, 2022, Humana submitted its Memorandum of Law in Opposition to UHC's Formal Protest of Award Recommendation (Exhibit 5, pages 48-990).

After a detailed review of UHC's protest and Humana's response to the protest, the Director of Purchasing conducted additional due diligence by seeking further clarification on its initial response where Humana indicated 65% of customer service, 72% of network operations and 94% of account management will be performed from its Broward County Location. In addition, the Director of Purchasing requested further clarification on what constitutes "network operations" and what "account management" functions will be performed at Humana's Broward County Location (Exhibit 5, pages 41-42).

On January 4, 2023, Humana provided the additional information in which Humana maintained that it would perform 65% of customer service, specified what constitutes "network operations", and provided what "account management" functions will be performed at its Broward County Location regarding its claim as a Local Business (Exhibit 5, page 43-47).

On February 6, 2023, in consultation with the County Attorney's Office and the Using Agency, the Director of Purchasing issued a response to UHC stating that, after a careful review of all listed items, responses detailing actions and processes followed, the proceedings of the EC, a review of the Broward County Procurement Code, correspondence received by parties to the protest, and with review and consultation with counsel, the protest was denied (Exhibit 5).

There was no appeal filed within ten days of the protest response.

Additional supporting documentation provided to the EC regarding this procurement can be found on Broward County's Purchasing Division website at <https://www.broward.org/Purchasing/Pages/Repository.aspx>.

**Source of Additional Information**

Robert E. Gleason, Director, Purchasing Division, (954) 357-6070

**Fiscal Impact**

**Fiscal Impact/Cost Summary**

There is no fiscal impact.

Requisition No. HRS0000494