



**City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS**

**1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org**

Legislative File No: 2009-0229

TO: Mayor and City Council Members
FROM: Pamela Lee, Director of Human Resources
DATE: June 9, 2009
SUBJECT: Accident and Sickness Insurance for Firefighter IAFF 3472 Population

REQUEST:

Request for Purchase Authorization for Accident and Sickness Insurance for Firefighters in the amount not-to-exceed \$68,382.00 for three years; Volunteer Firemen's Insurance Service (VFIS), Baltimore, MD.

REASON FOR PURCHASE:

Under the terms of the Union Contract, the City funds the full cost of the accident and sickness insurance for their firefighter population. The new policy will cover 35 career members and 80 paid-on-call members.

Request for Proposals were solicited and evaluated. Emergency Services Insurance Agency/Volunteer Firemen's Insurance Services (VFIS) was selected as providing the best value for the City. The VFIS proposal exceeds the existing plan design and satisfies Union contract requirements at an annual rate \$3,944 less than the current rate. The new policy contains medical expense benefit improvements. Other proposals reviewed would reduce the maximum level of weekly income benefit from the current contract level.

The annual premium for Emergency Services Insurance Agency/Volunteer Firemen's Insurance Services (VFIS) underwritten by National Union Fire Insurance Company of Pittsburgh, Pennsylvania is \$22,794 yearly based on a 3-year contract totaling \$68,382.00.

PROCESS:

Vendor Name and Address:

Volunteer Firemen's Insurance Services (VFIS)
PO Box 64904
Baltimore MD 21264

Reason for Selection:

Best Value in compliance with Union Contract

Method of Purchase:

Contract/Blanket Purchase Order

BUDGET:

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Fire	344.719000	EMS-Disability	\$6,343.59	\$5,407.88	\$935.71
Fire	344.718000	EMS-Life AD&D	\$6,343.59	\$5,407.88	\$935.71
Fire	339.719000	Supp-Disability Ins	\$3,415.78	\$2,911.93	\$503.85
Fire	339.718000	Supp-Life AD&D	\$3,415.78	\$2,911.93	\$503.85
Fire	344.719206	EMS POC Life AD&D	\$2,346.26	\$2,077.17	\$346.09
Fire	344.718206	EMS POC Disability	\$2,346.26	\$2,077.17	\$346.09
Fire	339.719206	Supp POC Disability	\$1,263.37	\$1,077.02	\$186.35
Fire	339.718206	Supp POC Life AD&D	\$1,263.37	\$1,077.02	\$186.35
		Totals:	\$26,738.00	\$22,794.00	\$3,944.00

RECOMMENDATION:

It is recommended that the Rochester Hills City Council authorize the contract for Accident and Sickness Insurance for Firefighters to Volunteer Firemen's Insurance Service (VFIS), Baltimore, Maryland in the amount not-to-exceed \$68,382.00 for three years and further authorizes the Mayor to execute a contract on behalf of the City.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		