

RESOLUTION NO. 20-7

Exercising Two Contract Option Years for Group Life and Long-Term Disability Insurance for Employees and Retirees

WHEREAS, The Metropolitan Washington Airports Authority (Airports Authority) competitively bid the Group Life and Long-Term Disability Insurance for active employees and retirees in 2017;

WHEREAS, A contract was awarded to Metropolitan Life Insurance Company (MetLife), effective July 1, 2017, for a three-year base term with two unpriced option years exercisable at the Airports Authority's discretion;

WHEREAS, Insurance companies in the industry do not generally provide a fixed price for contracts beyond an initial three-year term;

WHEREAS, Staff has determined that the option year pricing proposed by MetLife is reasonable and recommends exercising the two option years;

WHEREAS, The exercise of a contract's unpriced option years is viewed as a sole-source procurement action under the Airports Authority's Contracting Manual and requires Board of Directors' approval if the cost of exercising the option exceeds \$200,000; and

WHEREAS, The Airports Authority's estimated cost of exercising two option years for the Contract is approximately \$5.7 million, thereby requiring Board approval of extending the Contract for two additional years; now, therefore, be it



RESOLVED, That the President and Chief Executive Officer is authorized to execute two option year extensions, effective July 1, 2020, consistent with the terms and conditions presented to the Human Resources Committee at its April 2020 meeting.

RECORDED VOTE:

Members Present	<u>12</u>
Members in Favor	<u>12</u>
Members Against	<u>0</u>
Members Abstaining	<u>0</u>

Adopted May 20, 2020

Monica R. Hargrove

Monica R. Hargrove, Secretary