



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

**Board of Directors
Human Resources and Labor Relations Committee**

Wednesday, July 13, 2016
11:00 a.m.

- 1. Call to Order Bradley Frome
Vice Chairman
- 2. **Medical and Dental Vendor Selection**..... Otho Milbourne
Manager, Benefits

Action Items:

- A. **Contract #16-PR-HCM-26, Connecticut General Life Insurance (CIGNA)**
- B. **Contract #16-PR-HCM-28, Delta Dental of the District of Columbia**

- 3. **Employee Engagement Presentation**..... Mustaafa Dozier
Chief of Staff
- 4. Executive Session – To discuss personnel matters pursuant to D.C. Official Code
Section 2-575(b)(10)..... Bradley Frome
Vice Chairman
- 5. Adjournment..... Bradley Frome
Vice Chairman

* The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); contract negotiations under D.C. Official Code § 2-575(b)(1); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2-575(b)(10); proprietary matters under D.C. Official Code § 2-575(b)(11); decision in an adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14), and other matters provided in the Act.



Medical and Dental Services Request for Proposal

Presented to:
HR Labor Relations Committee
Bradley Frome, Vice Chairperson

July 13, 2016



Medical Services

- January 22, 2016 – Request for Proposal issued for
 - Preferred Provider Organization (PPO)
 - Health Maintenance Organization (HMO)

- Proposals received from
 - CareFirst Blue Cross Blue Shield
 - UnitedHealthcare
 - Aetna
 - Cigna



Medical Services

- Evaluation Panel
 - Rick Green, Director, Human Capital Management
 - Ayodele McClenney, Director, Occupational Safety and Health
 - Otho Milbourne, Manager, Benefits

- Technical Evaluation Factors:
 - Provider Capabilities
 - Organizational experience and proposed staff qualifications
 - Past Performance

- Pricing (Evaluated by Procurement)



Medical Services

- Considerations:
 - Technical (70%) – Cigna received a higher overall technical score based on the following:
 - Cigna has partnered with DC Water to build a robust wellness program.
 - Offers the flexibility to tailor the program specifically for DC Water employees.
 - Submitted the highest proposed wellness budget.
 - Cigna has proprietary analytics that enable them to identify DC Water’s high/medium risk population and target outreach accordingly.
 - Cigna has provided excellent service and has worked with DC Water to increase employee health engagement.



Medical Services

- Considerations:
 - Pricing (30%) – All vendors offered competitive rates

Vendor	Rate Change	Financial Impact
CareFirst BCBS	0%	-\$480
UnitedHealthcare	-3%	-\$328,077
Aetna	-1.6%	-\$179,023
Cigna	0%	-\$0



Medical Services

Conclusion:

- Recommend awarding the medical services contract to CIGNA.
 - Highest overall score on evaluation factors.
 - Price was determined to be fair and reasonable based on an independent analysis conducted by Aon Hewitt.
 - DC Water is satisfied with the level of service that CIGNA has provided.



Dental Services

- March 23, 2016 – Request for Proposal issued
 - Dental Preferred Provider Organization (DPPO)
 - Dental Health Maintenance Organization (DHMO)

- Proposals received
 - Aetna
 - UnitedHealthcare
 - Dominion Dental
 - Cigna
 - United Concordia
 - Delta Dental



Dental Services

- Evaluation Panel
 - Rick Green, Director, Human Capital Management
 - Ayodele McClenney, Director, Occupational Safety and Health
 - Otho Milbourne, Manager, Benefits

- Technical Evaluation Factors
 - Technical Capabilities Approach to the Scope and Requirements of Service
 - Past Performance
 - Experience and Qualifications of Key Personnel

- Pricing (Evaluated by Procurement)



Dental Services

- **Considerations:**

- Technical (70%) - Highest overall technical scores given to United Concordia for the DHMO and Delta Dental for the DPPO
 - Lowest network disruption
 - Past service and performance

Vendor	Disruption	
	DPPO	DHMO
Aetna	29%	67.8%
UnitedHealthcare	21%	27.6%
Dominion Dental	26%	33.3%
Cigna	30%	36.8%
United Concordia	17%	1.1%
Delta Dental	5%	19.5%



Dental Services

- **Considerations:**

- Pricing (30%) – Plans vary by vendors resulting in a range of pricing

Vendor	2017 Rate Change	
	DPPO	DHMO
Aetna	-18.0%	0%
UnitedHealthcare	- 6.0%	-15.8
Dominion Dental	-13.0%	-15.8
Cigna	-10.9%	-5.1%
United Concordia	-16.6%	-2.0%
Delta Dental	0%	1.4%



Dental Services

Conclusion:

- Recommend awarding the DPPO contract to Delta Dental.
- Technical and Cost Evaluation Factors
 - Highest overall scoring of evaluation factors.
 - Price was determined to be fair and reasonable by Aon Hewitt.
 - No disruption of service to employees.
 - DC Water is satisfied with the level of service provided by Delta Dental
- The DHMO contract will be awarded to United Concordia.
 - Board approval is not required.



Recommendation:

The Human Resource and Labor Relations Committee is requested to recommend Board approval as follows:

- CIGNA as the PPO and HMO medical provider of services for a one (1) year base period and four (4) one year options.
- Delta Dental as the DPPO provider for a three (3) year base period and two (1) one year options.

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

GOODS AND SERVICES CONTRACT AWARD

Medical Health Insurance Plans

(Joint Use)

Approval to execute a new contract award for medical health insurance plans for the base year in the amount of \$10,906,116.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Connecticut General Life Insurance (CIGNA) 111 South Calvert Street Baltimore, Maryland 21202	SUBS: L.T. Printing and Promotion 9 Grant Circle NW Washington, DC 20011 LBE	PARTICIPATION: 0.2%
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DESCRIPTION AND PURPOSE

Base Period Contract Value:	\$10,906,116.00
Base Contract Period:	1 Year
No. of Option Years:	4
Anticipated Contract Start Date:	01-01-2017
Anticipated Base Period Completion Date:	12-31-2017
Proposal Closing Date:	03-17-2016
Proposals Received:	4
Proposal Price Range:	\$10,668,478.00 - \$10,906,116.00
Preference Points Received:	0.2

Purpose of the Contract:

This contract is to provide DC Water’s employees two (2) health insurance plans: Health Maintenance Organization (HMO) as well as a Preferred Provider Organization (PPO) for employees hired after October 1, 1987.

Contract Scope:

DC Water has a continuing need to provide its employees with health insurance benefits. This contract will offer comprehensive medical coverage to employees and their families.

The selected firm must adjudicate and administer medical claims, provide an extensive network of medical providers in the metropolitan area, provide a robust wellness and disease management program, and medical reporting capabilities.

Evaluated Companies and Preference Points:

DC Water issued a Request for Proposal for Medical Health Plans. Proposals were received from Aetna, CareFirst, United Healthcare and CIGNA. The technical evaluation committee rated CIGNA’s plans the best, although it is slightly higher in cost, it offers DC Water the best overall value to its employees.

Factors and Rankings	Aetna	CareFirst	United Healthcare	CIGNA
Meet the Scope and Requirements of Service	2	3	4	1
Organizational experience and proposed staff qualifications, experience and expertise	2	3	4	1
Past Performance	2	3	4	1
Reasonableness of Proposed Price	2	3	1	4
Preference Points				
Local Business Enterprise	N/A	0.1 point	N/A	0.2 point
Local Small Business Enterprise	N/A	N/A	N/A	N/A

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Highest Rated Offeror
Commodity:	Services	Contract Number:	16-PR-HCM-26
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		

BUDGET INFORMATION

Funding:	Operating	Department:	Human Capital Management
Service Area:	DC Water Wide	Department Head:	Arthur Green

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	82.36%	\$8,982,277.14
Washington Suburban Sanitary Commission	12.98%	\$1,415,613.86
Fairfax County	3.21%	\$350,086.32
Loudoun Water	1.25%	\$136,326.45
Other (PI)	0.20%	\$21,812.23
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$10,906,116.00

 7/8/16
 Gail Alexander-Reeves
 Director of Budget Date

 7/6/16
 Dan Bae
 Director of Procurement Date

 7/8/16
 Rosalind Inge
 Assistant General Manager,
 Support Services Date

 George S. Hawkins
 General Manager Date

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

GOODS AND SERVICES CONTRACT AWARD

Dental Insurance Plans

(Joint Use)

Approval to execute a new contract award for a Dental Preferred Provider Organization (DPPO) plan for the base period in the amount of \$1,659,225.40.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Delta Dental of the District of Columbia One Delta Drive Mechanicsburg, PA 17055	SUBS: N/A	PARTICIPATION: N/A
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DESCRIPTION AND PURPOSE

Base Period Contract Value:	\$1,659,225.40
Base Contract Period:	3 Years
No. of Option Years:	2
Anticipated Contract Start Date:	01-01-2017
Anticipated Base Period Completion Date:	12-31-2019
Proposal Closing Date:	05-04-2016
Proposals Received:	6
Proposal Price Range:	\$438,718.00 - \$535,234.00 (annually)
Preference Points Received:	0

Purpose of the Contract:

This contract is to provide a Dental Preferred Provider Organization (DPPO) benefit to employees hired after October 1, 1987 or later. Dental Health Maintenance Organization (DHMO) is provided under a separate contract.

Contract Scope:

DC Water has a continuing need to provide its employees with dental insurance benefits. This contract will offer comprehensive dental coverage to employees and their families.

The selected firm must adjudicate and administer dental claims, provide an extensive network of dental providers in the metropolitan area, and have dental reporting capabilities.

Evaluated Companies and Preference Points:

DC Water issued a Request for Proposal for Dental Health Plans. Proposals were received from Aetna, Dominion, Delta, United Concordia, United Healthcare and CIGNA. The technical evaluation committee rated Delta's plan the best, although it is slightly higher in cost, it offers DC Water the best overall value to its employees.

Factors and Rankings	Aetna	CIGNA	Delta	Dominion	United Healthcare	United Concordia
Meet the Scope and Requirements	5	3	1	4	3	2
Experience and Qualifications of Key Personnel	5	3	1	4	4	2
Past Performance	4	3	1	5	4	2
Price Reasonableness	1	4	6	3	5	2
Preference Points						
Local Business Enterprise	N/A	0.7	N/A	N/A	N/A	N/A
Local Small Business Enterprise	N/A	N/A	N/A	N/A	N/A	N/A

No LBE/LSBE participation

PROCUREMENT INFORMATION


Contract Type:	Fixed Price	Award Based On:	Highest Rated Offeror
Commodity:	Services	Contract Number:	16-PR-HCM-28
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		

BUDGET INFORMATION

Funding:	Operating	Department:	Human Capital Management
Service Area:	DC Water Wide	Department Head:	Arthur Green

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	82.36%	\$1,366,538.03
Washington Suburban Sanitary Commission	12.98%	\$215,367.46
Fairfax County	3.21%	\$53,261.14
Loudoun Water	1.25%	\$20,740.32
Other (PI)	0.20%	\$3,318.45
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$1,659,255.40

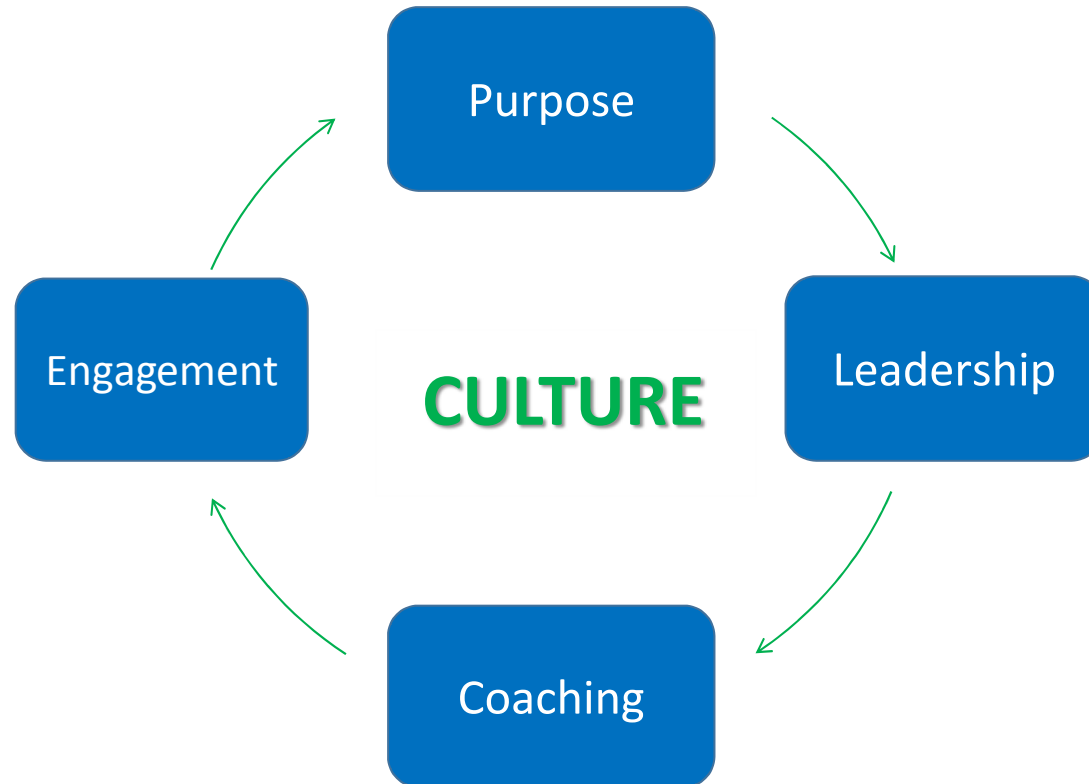

 Gail Alexander-Reeves
 Director of Budget
 Date 7/8/16


 Dan Bae
 Director of Procurement
 Date 7/7/16


 Rosalind Inge
 Assistant General Manager,
 Support Services
 Date 7/8/16

 George S. Hawkins
 General Manager
 Date

Becoming Irresistible



Irresistible Culture

Culture describes, **“the way things work around here.”**

Specifically, it includes the values, beliefs, behaviors, artifacts, and reward systems that influence people’s behavior on a day-to-day basis. Culture includes all the behaviors that may or may not improve business performance.

Purpose



When you offer people a mission and purpose greater than financial return, you attract passionate individuals who want to contribute. And that brings a level of commitment and engagement no compensation package can create.

Bersin Deloitte research shows that “mission-driven” companies have 30 percent higher levels of innovation and 40 percent higher levels of retention, ...

“To really inspire us, we need a challenge that outsizes the resources available. We need a vision of the world that does not yet exist. A reason to come to work. Not just a big goal to achieve. This is what leaders of great organizations do. They frame a challenge in terms so daunting that literally no one yet knows what to do or how to solve it.”

The Leader Eats Last, Simon Sinek

Irresistible Engagement

Engagement describes, “**how people feel about the way things work around here.**”

It is a way of describing employees’ level of commitment to the company and to their work.

Right **Job**

Right **Fit**

Recruiting for Fit

What excites you about the mission of DC Water?

What would you like to do more of every day at work?

What are you passionate about?

What type of work culture do you thrive in?

What type of personality do you butt heads with?

DC Water Employee Engagement Survey

- ▶ 80% of DC Water Survey participants reported being satisfied with their jobs; Other U. S. Employees in SHRM's database report 70% satisfaction.
- ▶ 78% of survey participants reported they were “very” satisfied with their immediate supervisor /employee relationship compared to 73% of Other US Employees.
- ▶ 82% of our workforce rated meaningfulness of job favorably, compared to a 67% rating for Other US Employees.
- ▶ Compared to U.S. Employees and similar sized organizations, DC Water's employees are more engaged; on a scale of 5.0, DC Water scored 3.85 for Employee Engagement.

Irresistible Engagement

Variables	DC Water Employees	Other U.S. Employees	Water Sewage and Other Systems
<u>Career Development</u> Opportunities to Use Skills and Abilities	77%	73%	84%
<u>Relationship Management</u> Relationship with immediate supervisor	78%	73%	75%
<u>Compensation</u> Compensation/Pay	71%	60%	65%
<u>Benefits</u> Defined Contributions	90%	59%	75%
<u>Work Environment</u> Meaningful of Job	80%	67%	72%

Note: Table represents those who answered "very satisfied" and "somewhat satisfied." Percentages are based on a scale where 1 = "very dissatisfied" and 5 = "very satisfied."

Irresistible Engagement

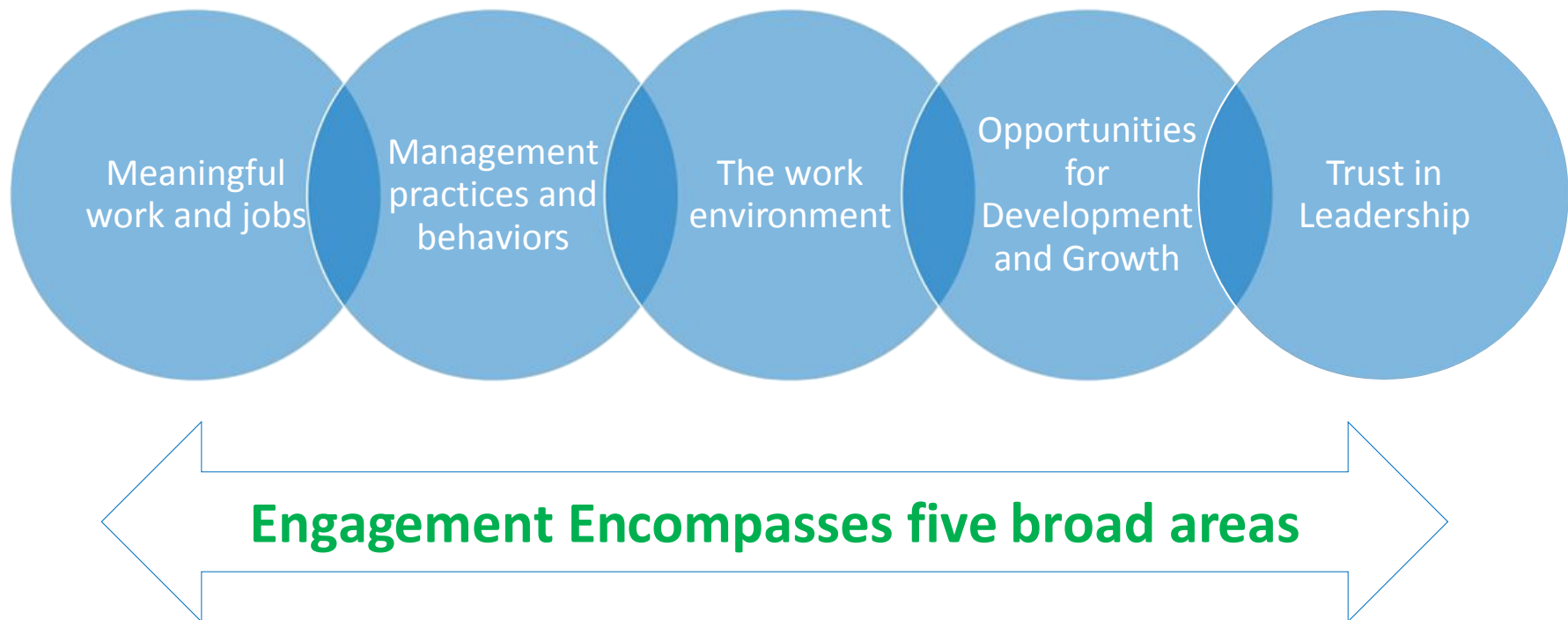
Variable	DC Water Employees	Other US Employees	Water, Sewage and other systems
<u>Urgency</u> Determined to accomplish work goals	93%	84%	89%
<u>Enthusiasm</u> Passionate and excited about work	84%	63%	64%
<u>Intensity</u> Completely focused on work projects	88%	69%	77%
<u>Persistence</u> Colleagues adapt to challenging or crisis situation	73%	56%	60%
<u>Reasons to Engage</u> Opportunities to use skills and abilities	77%	73%	84%

Note: Table represents those who answered "strongly agree" and "agree." Percentages are based on a scale where 1 = "strongly disagree" and 5 = "strongly agree"

Irresistible Engagement

Top Five Areas of Dissatisfaction	DC Water Employees	Other U.S. Employees Difference
Opportunities for Variable Pay	29%	+7%
Communication between employees and senior management	28%	+1%
Career advancement opportunities within the organization	28%	+11%
Recognition by management about your job performance	26%	+4%
Career development opportunities for learning and professional growth	23%	+12%

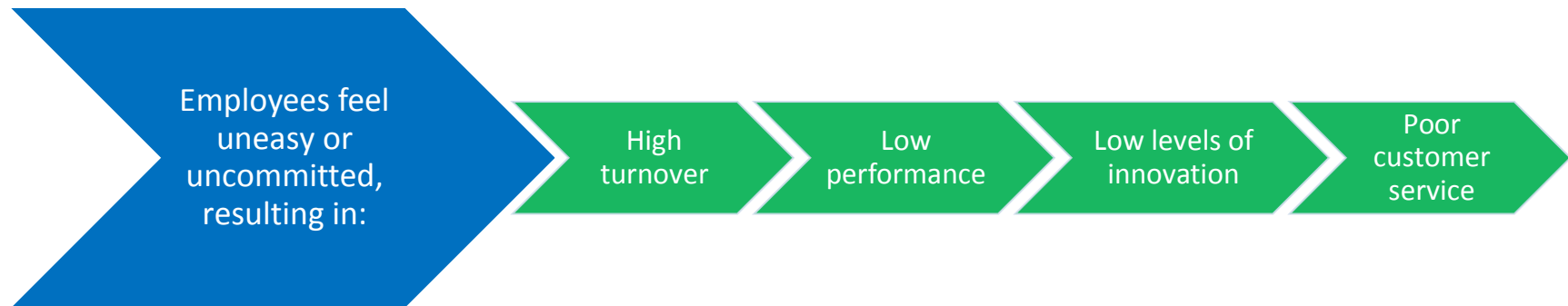
Note: Table represent those who answered “very dissatisfied” and “Somewhat dissatisfied”



Meaningful Work = Purpose, Autonomy & Mastery

Individuals **crave** work that lets them leave a **unique fingerprint** on a finished product.

When there is low levels of engagement:



Advancing Blue

What is performance management?

A strategic and integrated approach to delivering successful results in organizations by improving the performance and developing the capabilities of teams and individuals.

Coaching *Irresistible Talent*

A coaching culture is the practice that's most highly correlated with business performance, employee engagement, and overall retention. When new managers are promoted to supervisory positions, they often think their job is to direct or evaluate people. While directed management is important, it plays a smaller role than one might think. It is the coaching and development role of management that is the most valuable.

Coaching *Irresistible Talent*

People quit their bosses, not their jobs.

Coaching *Irresistible Talent*

Coaching:

- **creates a genuinely motivating climate for performance;**
- **improves the match between an employee's actual and expected performance;**
- **increases the probability of an employee's success by providing timely feedback, recognition, clarity and support**

Coaching *Irresistible Talent*

Several basic assumptions form the underpinnings of successful coaching:

- **Employees want to succeed at work.**
- **Employees can contribute ideas on how work should be performed.**
- **Employees will work hard to achieve goals that they have played a role in developing.**
- **Employees are open to learning if they recognize the value to them in terms of improved success on the job and subsequent reward and recognition.**

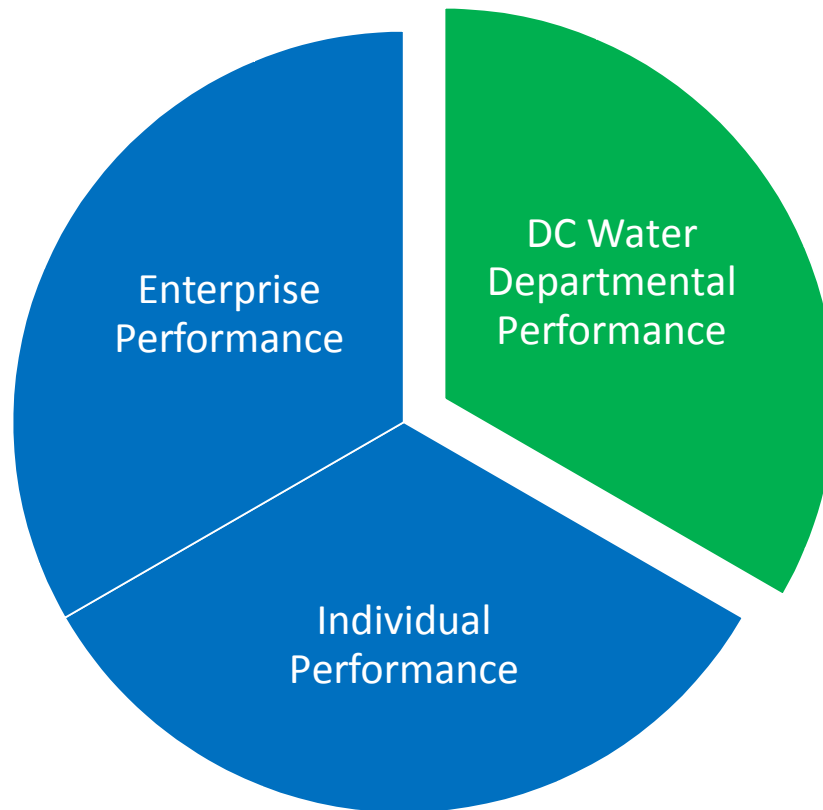
Coaching *Irresistible Talent*

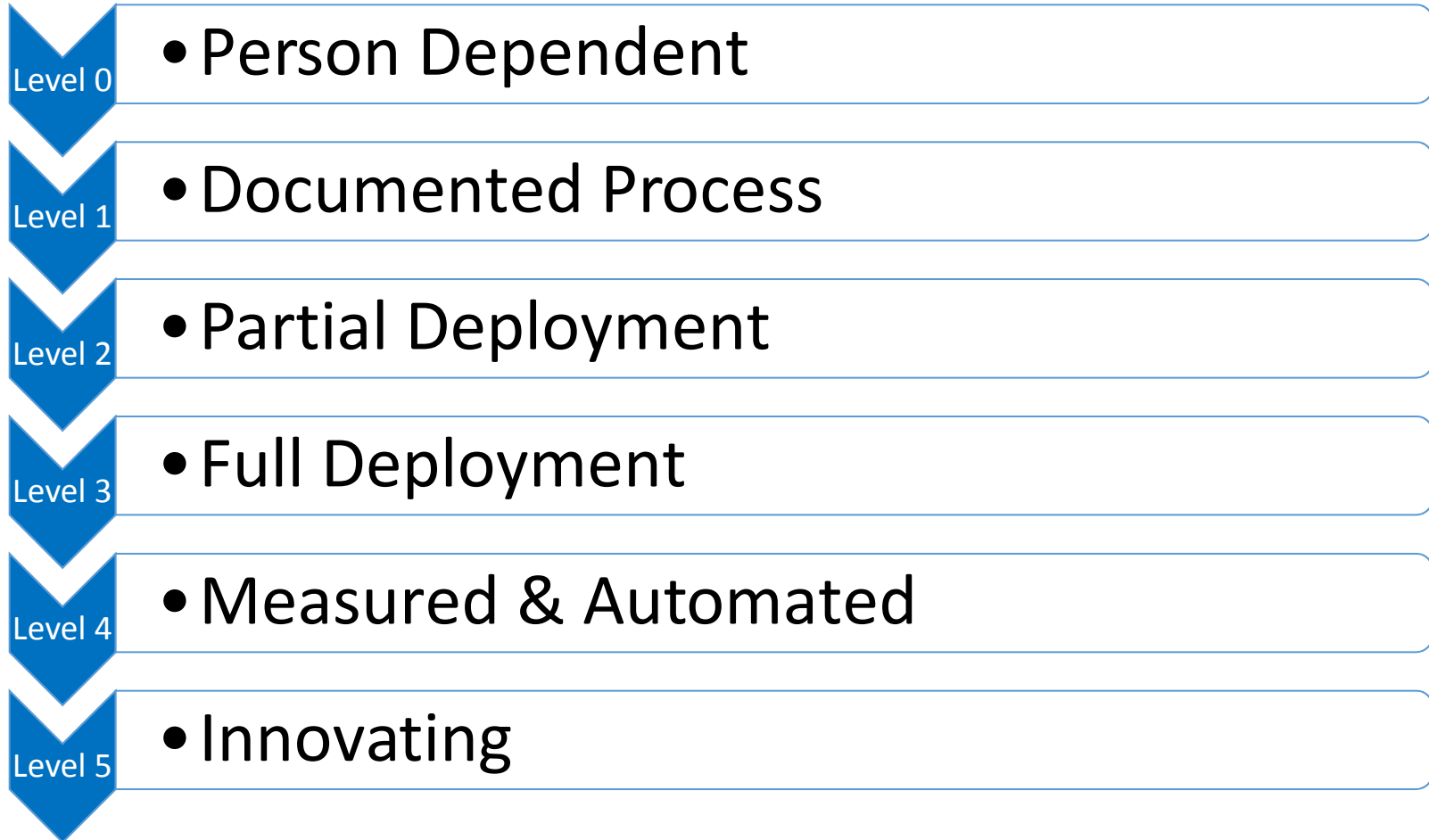
Goals create alignment, clarity, and job satisfaction—and they have to be revisited and discussed regularly.

Aligning Goals with Performance



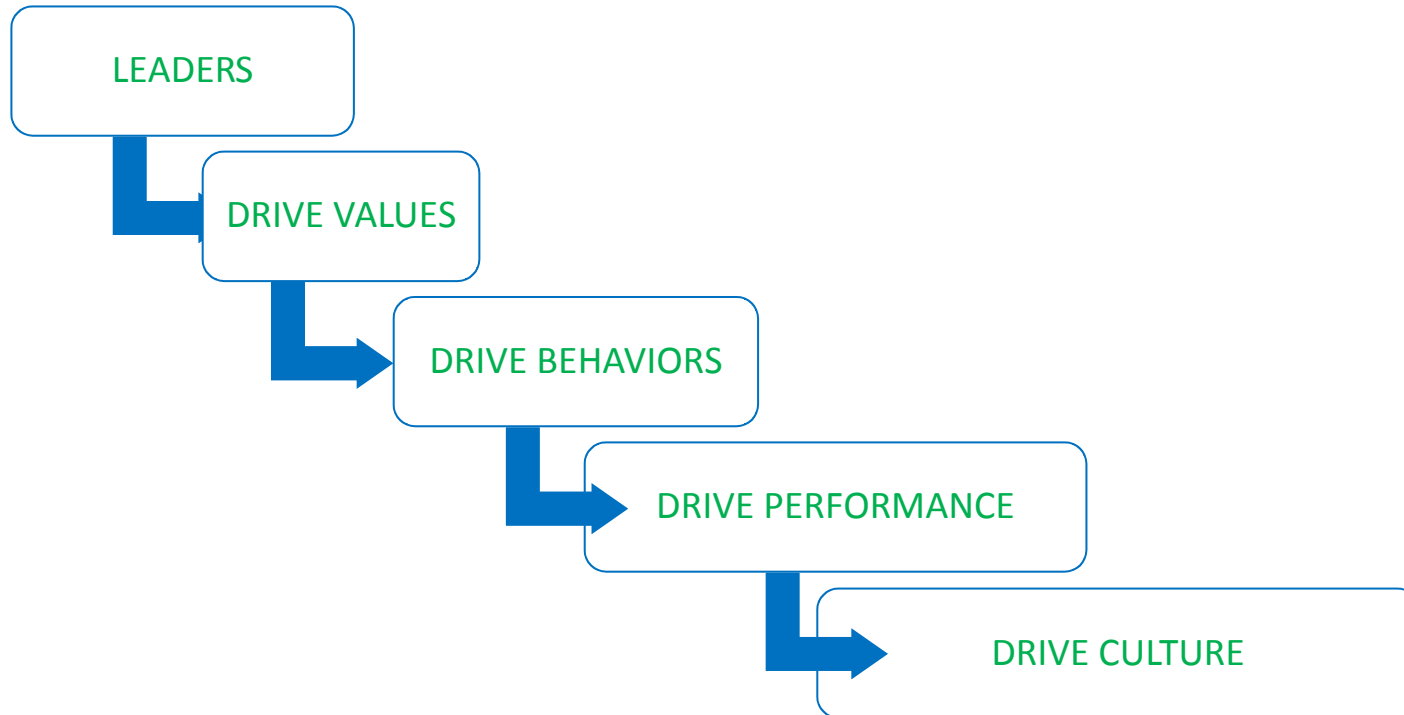
Business Unit Maturity





Leading Blue

An approach to creating a results driven performance culture by developing the ability of leaders to serve others, equipping them with the training, tools, and emotional intelligence necessary to realize their full potential.



Leaders

Impact

Organizations with high levels of employee engagement focus on developing great leaders. They invest heavily in management development and ensure that new leaders are given ample support.

"We must believe that we are gifted for something, and this thing, at whatever cost, must be attained."

Marie Curie