



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

*Human Resources and Labor Relations
Committee / Union Presidents*

*Wednesday, September 14, 2011
11:00 A.M.*

1. Call to Order..... Kathleen Boucher
Vice Chairperson

2. Union Presidents..... Kathleen Boucher
 - Hiring and promotion practices
 - Lack of Transparency
 - Team Blue Project
 - Non-competitive promotions
 - Responses to information requests from the unions
 - Management's failure to involve the unions in decisions to make changes
 - I-9 compliance project
 - Contracting out
 - Team Blue initiatives
 - Changes to the safety processes
 - Management's lack of priority for maintaining a good labor management relationship with various local unions and not having departmental labor management meetings with various unions
 - Open Discussion

3. Benefits Update.....Michelle Buckmire
Manager, Benefits
 - Information Item:
 - [Defined Contribution Plan Restatement](#)
 - Action Item:
 - [Contract No., WAS-11-034-AA-MB, Cigna Health Care](#)
 - [Contract No. WAS-09-071-AA-MB, Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.](#)

4. [Revised Internal Recruitment Process](#).....Denyse Jeter-Williams
Manager, Employment Services

5. Adjournment..... Kathleen Boucher



Defined Contribution Plan Restatement

**D.C. Water & Sewer Authority
Board of Directors**

Human Resources/Labor Relations Committee

Anthony Griffin, Chairman

September 14, 2011

Background

- The District of Columbia Water and Sewer Authority Defined Contribution Plan was originally effective January 2, 2000 and last Amended and Restated as of January 1, 2002.
- Application for Restatement submitted to IRS January 2009 to incorporate:
 - approved amendments
 - technical changes required by Internal Revenue Code and related Treasury guidance and Regulations.
- IRS Favorable Determination Letter issued July 15, 2011
- Conditional on DC Water's adoption of revised amendment within 90 days (October 15, 2011)
- Revised amendment pertains to General Manager's compensation and was presented and adopted by Board of Directors on July 3, 2008. Resolution #08-58
- Revised to address questions and technical issues raised by the IRS as part of determination letter process.

Revisions

- **First Change:** Clarify that the plan is a ‘discretionary contribution plan’ and not a ‘money purchase pension plan’
- **Second and Third Change:** Language added to specifically exclude “leased employees”
- **Fourth Change:** Permit DC Water to make a discretionary contribution for selected employees. (This provision was added to permit discretionary contribution for the General Manager.) The plan must have a definite allocation formula and the amount allocated to the participants account must be fixed by a Board Resolution
- **Fifth Change:** Clarify how the limitations on the allocation of contributions under IRC Section 415 would be applied. (These limitation would never apply under the current contribution structure)

Informational Statement

The General Manager and Staff hereby inform the Human Resources and Labor Relations Committee of the signing of the revised amendment to the District of Columbia Water & Sewer Defined Contribution Plan as amended and restated effective January 1, 2009 in accordance with IRS directive and Board Resolution #08-58.



**Medical & Dental Services
Request for Proposals &
2012 Projected Premiums**

**D.C. Water & Sewer Authority
Board of Directors**

Human Resources/Labor Relations Committee

Anthony Griffin, Chairman

September 14, 2011

Medical Service

Background

- May 19 – Request for Proposal issued
 - Preferred Provider Organization (PPO)
 - Health Maintenance Organization (HMO)
- Two Responses:
 - CIGNA
 - CareFirst Blue Cross Blue Shield
- Data Analysis conducted by Aon Hewitt
- Finalist Interview and evaluation conducted by DC Water Review Panel
- Vendors were allowed to present ‘best and final’ offer

Medical Service

- Review Panel
 - Katrina Wiggins, AGM Support Services
 - Arthur Green, HR Director
 - Michelle Buckmire, Benefits Manager
 - Ronald Lewis, Benefits Analyst

- Technical Evaluation Factors
 - Organizational Experience, staff qualifications, experience and expertise
 - Provider Network Capabilities
 - Quality and comprehensiveness of disease management, educational and wellness programs
 - Responsiveness to Scope of Services and Requirements

- Cost Factor (evaluated by Procurement)

Medical Service

Considerations:

- Technical (75%)- Although both CIGNA and CareFirst were deemed capable of providing service, CIGNA received a higher overall technical score due to the following:
 - Based on DC WATER’s population, CIGNA had the best network match geographically and highest In-Network percentage match of the top providers currently utilized by DC WATER employees
 - CIGNA combines health risk assessment and predictive modeling to identify high risk individuals and offers a health guarantee program
 - CIGNA provides a robust and flexible Wellness program and has partnered well with DC Water to improve the health of employees
 - CIGNA’s past service and performance

Medical Service

Considerations:

- Cost (25%): CareFirst received a higher cost score based on rates only; however, CIGNA provided other financial enhancements.

- CIGNA
 - 1.8% premium decrease for calendar year 2012 (\$121K premium reduction)
 - DCWATER impact (\$97K)
 - \$25,000 Performance Guarantee
 - \$70,000 Wellness budget to be used at the discretion of DC Water
 - \$569,000 Premium holiday for December 2011 (FY 2012)

- CareFirst
 - 9% premium decrease for calendar year 2012 (\$613K premium reduction)
 - DCWATER impact (\$490K)
 - No Performance Guarantee
 - Wellness at an additional cost

Medical Service

Conclusion:

- Recommend awarding contract to CIGNA
 - Highest overall scoring of Evaluation Factors
 - Price was determined to be fair and reasonable based on independent analysis conducted by Aon Hewitt utilizing DC Water's claims experience, actuarial projections and industry standard underwriting guidelines
 - 1.4% premium decrease based on Aon Hewitt analysis
 - No disruption in service to employees
 - DC Water is satisfied with the level of service that CIGNA has provided

Kaiser Permanente – 2012 Renewal

Original Renewal Results for 2012 / Prior to Negotiations

- 15% premium increase (\$398K)
- Renewal increase of 17.29%, subject to Kaiser's 15% rate cap

Final Renewal Results for 2012

- 8% premium increase (\$212K)
- DCWATER impact (\$170K)

Note:

- (1) The original renewal increase is due to DCWater's claims experience. Kaiser experienced higher volume and larger claims during the past year.
- (2) Independent analysis conducted by Aon Hewitt utilizing DC Water's claims experience, actuarial projections and industry standard underwriting guidelines resulted in a rate increase of 16.6%
- (3) The final renewal result is due to Kaiser's desire to attract DC Water employees by remaining competitive with the CIGNA plans. Kaiser's membership increased by 10% during 2011 and Kaiser believes there is a great opportunity to continue growing with DC Water.



Dental Service

Background

- June 3 – Request for Proposal issued
 - Dental Preferred Provider Organization (DPPO)
 - Dental Health Maintenance Organization (DHMO)
- Four Responses:
 - CIGNA
 - Delta Dental
 - DentaQuest
 - United Concordia
- Data Analysis conducted by Aon Hewitt
- Vendors were allowed to present ‘best and final’ offer

Dental Service

- Review Panel
 - Katrina Wiggins, AGM Support Services
 - Arthur Green, HR Director
 - Michelle Buckmire, Benefits Manager
 - Ronald Lewis, Benefits Analyst

- Technical Evaluation Factors
 - Organizational Experience, staff qualifications, experience and expertise
 - Provider Network Capabilities
 - Plan, Methodology, Approach and Strategy
 - Responsiveness to Requirements of the Solicitation

- Cost Factor (evaluated by Procurement)

Dental Service

Considerations:

- Technical (70%)-
 - GeoAccess Match (2 providers within 10 miles)
 - Provider Disruption
 - Past service and performance

Vendor	Disruption		GeoAccess	
	DPPO	DHMO	DPPO	DHMO
Cigna	40%	50%	99.2%	87.9%
Delta Dental	4%	48%	98.7%	91%
DentaQuest	65%	54%	82.3%	82.2%
United Concordia	23%	4%	90.2%	99.5%

Dental Service

Considerations:

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

Vendor	2012 Rate		Rate Cap	
	DPPO	DHMO	2013	2014
CIGNA	1.2%	6.2%	5%	7%
Delta Dental	5.5%	16.6%	0%	9.8%
DentaQuest	-2.6%	-5.5%	0%	5%
United Concordia	-9.7%	0.0%	0%	Not Offered

Dental Service

Conclusion:

- Recommend awarding DPPO Contract to Delta Dental
- Recommend awarding DHMO Contract to United Concordia
- Technical and Cost Evaluation Factors
 - Highest overall scoring of Evaluation Factors
 - Price was determined to be fair and reasonable based on an independent analysis conducted by Aon Hewitt utilizing DC Water's claims experience, actuarial projections and industry standard underwriting guidelines
 - 5.8% DPPO rate increase
 - Low disruption of benefits and service to employees
 - DC Water is satisfied with the level of service provided by Delta Dental and United Concordia

Recommendation

The Human Resources 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 DPPO provider for a two (2) year base period and three (3) one year options
- United Concordia for a two (2) year base period and three (3) one year options

2012 Rate Changes

- CIGNA – decrease of 1.8%
- Kaiser Permanente – increase of 8%
- Delta Dental – increase of 5.5%
- United Concordia – no change

**DC WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

GOODS AND SERVICES CONTRACT:

Medical Services

(Joint Use)

Approval to award contract for a Base Period of One (1) Year in the amount of \$6,705,000.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Cigna Health Care 10490 Little Patuxent Parkway Suite 400 Columbia, Maryland 21044	SUBS: N/A	PARTICIPATION: N/A
--	---------------------	------------------------------

DESCRIPTION AND PURPOSE

Base Period Contract Value: \$6,705,000
 Contract Base Period: 365 Days (1 Year)
 Number of Option Years: 4
 Anticipated Contract Start Date: 01/01/2012
 Anticipated Contract Completion Date: 12/31/2012
 Proposal Closing Date: 06/20/2011
 Proposals Received: 2
 Proposal Range: Not Applicable
 Preference Points Received: 0

Purpose of the Contract:

To provide DC Water employees two (2) medical plans: Health Maintenance Organization (HMO) as well as a Preferred Provider Organization (PPO).

Contract Scope:

- To provide medical services to DC Water employees hired on-or after October 1, 1987.

Contractor's Past Performance:

- Contractor's performance under Contract Number: WAS-06-020-AA-MB, Medical Services has been satisfactory.

Note: If the contract for Medical Services is awarded to Cigna Healthcare (Cigna), they will offer DC Water a premium holiday for December 2011. This offer will result in a total savings for DC Water of approximately \$569,000.

Cigna premiums are billed and payable on a monthly basis. The premium is determined by taking the monthly enrollment in each enrollment category, such as Employee, Employee + 1, and Employee + Family, and multiplying it by the associated rate for that category.

Proposals Received:

CareFirst
Cigna Health Care

PROCUREMENT INFORMATION


Contract Type:	Fixed Price	Award Based On:	Highest rating
Commodity:	Goods & Services	Contract Number:	WAS-11-034-AA-MB
Contractor Market:	Open Market with preference		

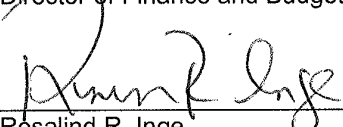
BUDGET INFORMATION

Funding:	Operating	Department:	Human Resources
Service Area:	DC Water wide	Department Head:	Rick Green

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	81.45%	\$5,461,222.50
Washington Suburban Sanitary Commission	13.49%	\$ 904,504.00
Fairfax County	3.26%	\$ 218,583.00
Loudoun County & Potomac Interceptor	1.61%	\$ 107,950.00
Potomac Interceptor	.19%	\$ 12,739.50
Total Estimated Dollar Amount	100.00%	\$6,705,000.00

 9/9/11
 Yvette Downs Date
 Director of Finance and Budget

 9/8/11
 Rosalind R. Inge Date
 Director of Procurement

 9/9/11
 Katrina Wiggins Date
 Assistant General Manager
 Support Services

_____/_____
 George S. Hawkins Date
 General Manager

**DC WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

GOODS AND SERVICES OPTION YEAR

**MEDICAL SERVICES
JOINT- USE**

Approval to execute the Second Option Year of Four (4) Option Years in the amount of \$2,866,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. 2101 East Jefferson Street Rockville, Maryland 20852	SUBS: Not Applicable	PARTICIPATION: Not Applicable
--	--------------------------------	---

DESCRIPTION AND PURPOSE

Original Contract Value:	\$2,026,257.00
Original Contract Dates:	January 01, 2010 – December 31, 2010
First Option Year Value:	\$2,497,884.00
First Option Year Dates:	January 01, 2011 – December 31, 2011
Second Option Year Value:	\$2,866,000
Second Option Year Dates:	January 01, 2012 – December 31, 2012

Purpose of the Contract:

To provide a Health Maintenance Organization (HMO) Medical Plan to employees hired on/or after October 1, 1987.

Contract Scope:

- To provide medical services.

2012 Renewal Rate:

- The renewal rates for 2012 represents an 8% increase. This increase is slightly under the medical trend of 9.8%; which is based on DC Water's benefits consultant's Summer 2011 Health Care Trend Survey.

Price Modifications:

- None

Spending Previous Years:

- Cumulative Contract Value: (01/01/2010 to 12/31/2011) – \$4,524,141.00
- Cumulative Contract Spending: (01/01/2010 to 08/31/2011) – \$3,986,174.58

Contractor's Past Performance:

- Contractor's performance has been satisfactory.

Note: Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. (Kaiser) Premiums are billed and payable on a monthly basis. The premium is determined by taking the monthly enrollment in each enrollment category, such as Employee, Employee + 1, and Employee + Family, and multiplying it by the associated rate for that category.

PROCUREMENT INFORMATION

Contract Type:	Fixed Unit Price	Award Based On:	Sole Source
Commodity:	Services	Contract Number:	WAS-09-071-AA-MB
Contractor Market:	Non-Competitive		

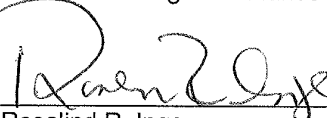
BUDGET INFORMATION

Funding:	Operating	Department:	Human Resources
Project Area:	Human Resources	Department Head:	Rick Green
Project:	N/A		

USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	81.45%	\$2,334,357.00
Washington Suburban Sanitary Commission	13.49%	\$ 386,623.40
Fairfax County	3.26%	\$ 93,431.60
Loudon County	1.61%	\$ 46,142.60
Other Potomac Interceptor	0.19%	\$ 5,445.40
Total Estimated Dollar amount	100%	\$2,866,000.00

 _____, 9/9/11
 Yvette Downs Date
 Director of Budget & Finance

 _____, 9/8/11
 Rosalind R. Inge Date
 Director of Procurement

 _____, 9/9/11
 Katrina Wiggins Date
 Assistant General Manager

_____, _____
 George S. Hawkins Date
 General Manager

IV. INTERVIEWING AND SELECTION PROCESS

A. General Guidelines and Responsibilities

1. Communicating Staffing Requirements

It is important that the Hiring Manager communicate the staffing needs to the Recruiter at the beginning of the employment process, which can be accomplished by conducting a "Staffing Strategy Meeting" between the Hiring Manager and the Recruiter.

- a. The Recruiter schedules a Staffing Strategy Meeting with the Hiring Manager within 1 – 5 days of the position posting.
- b. During the Staffing Strategy Meeting the Hiring Manager should communicate the selection criteria for technical competencies, as well as tangibles such as work experience, education, and intangibles such as work styles and interpersonal skills.
- c. During the Staffing Strategy Meeting the Hiring Manager may identify external recruitment sources including but not limited to newspapers, other general publications, professional journals, electronic media and professional or community organizations.

2. Sourcing Candidates

Recruiters act as consultants to the Hiring Managers to determine the best sources (1-15 days) for obtaining candidates for their open positions. For the most part, the budget for sourcing activities is a partnership between the Hiring Manager and the HR Staffing Branch, which has a limited budget for advertising.

Each recruitment source should have a source code, which should be made available through eRecruiter for applicants to reference when responding to any advertising or sourcing. This will assist Staffing in determining which sources work best for filling certain positions.

Qualified applicants can be found through many types of sources. It is important to identify the proper recruiting sources prior to starting the search. The general types of sources are the following:

- a. Advertising (i.e., newspapers, magazines, trade journals, etc.)
- b. Job Postings (i.e., in-house posting, local employment commission, internet websites, etc.)
- c. Contingent Search Firms, Retained Search Firms and Researchers

- d. Job Boards
 - e. Job fairs and Conferences (i.e., technical and general job fairs conducted throughout the year in the Washington, D.C. area).
 - f. Direct hire from competitor companies within the same industry.
3. Screening Applicants
- 1. During the screening activity, resume(s) and/or application(s) are received and reviewed in order to identify qualified applicants (1-15 days).
 - 2. An eAssessment is an online assessment test given to the applicant when they apply. It allows a Recruiter to determine if the applicant meets the minimum qualifications for the position. An eAssessment is also used in the hiring process it allows the Recruiter to rank applicants in order based on their assessment scores.
 - 3. The Recruiter works with the hiring manager during the Staffing Strategy Meeting to develop specific questions for eAssessment pertaining to education, certification requirements, and experience or work culture.
 - 4. The Recruiter phone screens the applicant to qualify them for the position prior to the applicant being forwarded to the Hiring Manager. At this time the Recruiter changes the status of the applicant to "screen", once the Recruiter changes the applicant's status to screen the applicants resume and/or application can be viewed by the Hiring Manager.
 - 5. Applicants viewable by the manager are applicants that the Recruiter has determined to be the best qualified internal and external applicants for the position.
 - a. If applicable, the Recruiter schedules applicants for skills assessment test.
 - b. If the internal applicant does not meet the minimum qualifications for the position, the Recruiter will put a note on the applicant record in eRecruiter documenting why the internal applicant is not being forwarded to the hiring manager.

At this time, the applicant becomes a candidate.

- 1. The Recruiter will forward the resume/application of all internal candidates that meet the minimum qualifications to the Hiring Manager for review.

2. Additionally, when a position is open to internal and external applicants, based on the requirements of the position, the Recruiter will forward qualified candidates to the Hiring Manager via eRecruiter. The Hiring Manager will receive an email with the candidates resume, application, profile, eAssessment and/or other pertinent candidate information.

The Hiring Manager has the following responsibilities:

- a. After receiving eRecruiter resumes/applications the Hiring Manager reviews them within (1-5 days).
- b. The Hiring Manager selects the resumes/applications of the candidates that he/she believes to be the best qualified candidates for the position. The Hiring Manager is not required to interview an internal applicant if it is determined that the internal candidate is not one of the best qualified candidates. The Hiring Manager may choose to pre-screen a candidate by conducting a telephone interview. The telephone interview will be conducted by both the Hiring Manager and the Recruiter.
- c. When the Hiring Manager identifies candidates to interview, he/she informs the Recruiter via email stating the names of the candidate and the suggested interview dates. The Hiring Manager is encouraged to interview a minimum of three (3) and preferably no more than five (5) candidates for each position. If the Hiring Manager decides to only interview one or two candidates, he/she should provide the Recruiter a reason(s) why the other candidate(s) will not be interviewed.
- d. If there is no feedback or response from the Hiring Manager after one (1) week, the Recruiter will forward the resumes/applications marked second request for feedback.
- e. If there is still no feedback or response from the Hiring Manager after two (2) weeks the Recruiter will make the Manager, Employment Services aware of the situation.
- f. The Manager, Employment Services will inform the Hiring Manager via eRecruiter that the position will be "Canceled" if the Hiring Manager does not provide the Recruiter with feedback within seven (7) days of the email.
- g. If there is no feedback or response from the Hiring Manager within seven (7) days of notification, the Hiring Manager will receive notification from the Manager, Employment Services of the cancelation of the position.