



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Human Resources



**Date:** December 6, 2012  
**Board Meeting Date:** January 15, 2013  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Donna Vaillancourt, Human Resources Director  
Peter Bassett, Interim Assistant Director of Human Resources

**Subject:** Amendment to the Agreement with Delta Dental of California

**RECOMMENDATION:**

Adopt a Resolution waiving the Request for Proposal process and authorizing the Human Resources Director to renew coverage with Delta Dental of California to provide dental health maintenance organization benefits to employees and retirees through December 31, 2016, in an amount not to exceed \$1,900,000

**BACKGROUND:**

Delta Dental was selected to provide dental health maintenance organization (DHMO) benefits through a Request for Proposal (RFP) process in 1999. The County renewed its coverage with Delta in 2003, 2006, and 2009. In January 2010, a labor-management-retiree committee was established to conduct a formal RFP process for dental insurance services to determine if the County's current dental plans continue to meet the needs of the County, its employees and retirees, and all covered dependents.

The Committee recommended that the County continue to offer the DeltaCare HMO Plan. The Committee found that the DeltaCare HMO plan offered employees the largest HMO dental network at the most affordable cost.

**DISCUSSION:**

Through this amendment, Delta has agreed to continue offering the same DHMO benefits for employees and retirees that it currently offers with a 4.5% rate increase, guaranteed for three years.

An RFP waiver is being requested because an RFP process was recently conducted two years ago, and the DeltaCare HMO plan continues to meet the County's needs.

In addition to authorization to execute the amendment, the Human Resources Department requests your Board to authorize the Human Resources Director or the Director's designee to execute amendments to the agreements which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the agreements term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

The Contractor has assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other agreement provisions that are required by County ordinance and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination and equal benefits. County Counsel has reviewed and approved the Resolution as to form.

Approval of this Amendment contributes to Shared Vision 2025 of a Collaborative Community by providing cost-effective dental plans to County employees resulting in a healthy and productive workforce.

**PERFORMANCE MEASURE(S):**

<b>Measure</b>	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Projected</b>
Calls to Delta's Customer Service Department are answered within 30 seconds	79%	80%
Annual turnover of contract dentists	1%	1%

**FISCAL IMPACT:**

The DeltaCare contract rate is increasing 4.5% which equates to \$84,000 over the 3-year term. Since the County and employees share in the cost of dental premiums (90% and 10% respectively), the net County cost increase is \$75,600 over the next three years. This increase has been included in the FY2012-13 budget.