

Resolution authorizing negotiation and execution of four, three-year service agreements to provide third-party administration of the City's self-funded employee benefits for a total estimated cost of \$127,400,000, with two one-year renewal options.

WHEREAS, third-party administration of the City's employee benefits is required;

WHEREAS, the City issued Request for Proposal No. 1484 ("RFP") on January 15, 2018, requesting proposals for administration of the City's various employee benefit plans;

WHEREAS, the City evaluated the proposals under the RFP and determined that Blue Cross and Blue Shield of Texas, a division of Health Care Service Corporation ("BCBSTX"), of Richardson, Texas, will provide the best value to the City for the administration of the City's medical, dental, and COBRA plans;

WHEREAS, the City evaluated the proposals under the RFP and determined that CAREMARKPCS HEALTH, L.L.C. ("CVS") of Northbrook, Illinois, will provide the best value to the City for the administration of the City's pharmacy plans;

WHEREAS, the City evaluated the proposals under the RFP and determined that Dearborn National Life Insurance Company ("Dearborn"), of Lombard, Illinois, will provide the best value to the City for the administration of the City's life insurance, including ADD, optional and supplemental plans;

WHEREAS, the City evaluated the proposals under the RFP and determined that Ochs, Inc., on behalf of Madison National Life Insurance Company, Inc. ("Ochs"), of Madison, Wisconsin, will provide the best value to the City for the administration of the City's long-term disability plans;

WHEREAS, in the event that any of the above listed proposers fails to execute an agreement for any of the awarded items, the City Manager or designee may negotiate and execute agreements with other proposers, who participated in the RFP, so long as the additional estimated cost under such agreement is no more than 10% greater than the estimated cost listed in this resolution for the specific award items.

Be it resolved by the City Council of the City of Corpus Christi, Texas:

Section 1. The City Council specifically finds that the foregoing statements included in the preamble of this resolution are true and correct and adopts such findings for all intents and purposes related to the authorization of this procurement.

Section 2. The City Manager, or designee, is authorized to negotiate and execute a three-year service agreement with BCBSTX, with two one-year extensions, for the third-party administration of the City's medical, dental, and COBRA benefit plans, with an estimated cost of \$97,860,000 during the three-year term.

Section 3. The City Manager, or designee, is authorized to negotiate and execute a three-year service agreement with CVS, with two one-year extensions, for the third-party

administration of the City's pharmacy benefit plans, with an estimated cost of \$26,800,000 during the three-year term.

Section 4. The City Manager, or designee, is authorized to negotiate and execute a three-year service agreement with Dearborn, with two one-year extensions, for the third-party administration of the City's insurance, including ADD, optional and supplemental benefit plans, with an estimated cost of \$2,060,000 during the three-year term.

Section 5. The City Manager, or designee, is authorized to negotiate and execute a three-year service agreement with Ochs, with two one-year extensions, for the third-party administration of the City's long-term disability benefit plans, with an estimated cost of \$680,000 during the three-year term.

Section 6. Furthermore, in the event that BCBSTX, CVS, Dearborn, or Ochs fails to execute the contract for the awarded items, the City Manager, or designee, is authorized to negotiate and execute a contract with any proposer, who participated in the RFP, so long as the additional estimated cost under such agreement is no more than 10% greater than the estimated cost listed in this resolution for the specific award items.

ATTEST:

CITY OF CORPUS CHRISTI

Rebecca Huerta
City Secretary

Joe McComb
Mayor

Corpus Christi, Texas

_____ day of _____, 20_____

The above resolution was passed by the following vote:

Joe McComb _____

Rudy Garza _____

Paulette Guajardo _____

Michael Hunter _____

Debbie Lindsey-Opel _____

Ben Molina _____

Everett Roy _____

Lucy Rubio _____

Greg Smith _____