



AGENDA MEMORANDUM

Future Item for the City Council Meeting of August 14, 2018
Action Item for the City Council Meeting of August 21, 2018

DATE: August 14, 2018

TO: Keith Selman, Interim City Manager

FROM: Steve Viera, Director of Human Resources
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Employee Health Benefit – Stop Loss Coverage

CAPTION:

Motion authorizing completion of the negotiations and execution of a one-year service agreement to provide stop loss coverage for the City's self-funded employee health benefits for an estimated value of \$1,883,862.48 with Partner Re.

PURPOSE:

Approval to negotiate and execute a contract for stop loss coverage.

BACKGROUND AND FINDINGS:

The current contracts for employee health benefits are expiring. These benefits are for City employees including both Fire and Police labor groups. A Request for Proposal No. 1484 was released January 15, 2018 to start the process for new contracts. The City solicited all lines of coverage with the exception of vision. The City received 30 proposals for these services, and evaluations of the proposals began by the City's evaluation committee and health benefits consultant. The five top scoring firms proposing to provide medical and pharmacy benefits were invited for interviews. Upon completion of the interviews the five top firms were asked to submit their best and final offers (BAFOs). The BAFOs were evaluated and final scores were tabulated for each firm to determine the highest ranking firm offering the best value to the City for health benefits.

The life and long term disability providers were evaluated in the same manner with the exception that no interviews were conducted. These firms also provided a BAFO for review. Scores were tabulated and the highest ranking firm offering the best value to the City for life and long term disability benefits are being recommended for award.

The procurement covered stop loss coverage as well, however pricing could not be finalized for a few months after the process ended for all the other coverages therefore, the award of this coverage was delayed until more recent claims data could be provided in order to improve the pricing for the City. This new claims data was made available in mid-July so that refined BAFO's could be submitted by the participating proposers. The revised BAFO's were received and scored and these final pricing scores were added to the evaluations previously conducted to determine the firm providing the best value to the City. Therefore, staff is recommending Partner Re for award of the stop loss coverage.

ALTERNATIVES:

No feasible alternative

OTHER CONSIDERATIONS:

No feasible considerations

CONFORMITY TO CITY POLICY:

This purchase conforms to the City's purchasing policies and procedures and State Statutes regulating procurements.

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

Human Resource Department, Financial Services Department, Legal Department and Budget Department

FINANCIAL IMPACT:

X Operating ☐ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2017-2018	Current Year	Future Years	TOTALS
Line Item Budget	\$0.00	\$1,883,862.48	\$1,883,862.48
Encumbered / Expended Amount	\$0.00	\$0.00	\$0.00
This item	\$0.00	\$1,883,862.48	\$1,883,862.48
BALANCE	\$0.00	\$0.00	\$0.00

Fund(s): N/A

Comments: There are no funds needed for this fiscal year as the contracts will not begin until next fiscal year. The estimated value of this contract is \$1,883,862.48 for this one-year term. Fluctuation in health plan enrollment may alter the total cost.

RECOMMENDATION:

Staff recommends approval of the Motion.

LIST OF SUPPORTING DOCUMENTS:

Evaluation Matrix