

Date..... May 23, 2011

**APPROVING EXCEPTION TO COMPETITIVE PROCUREMENT PROCESS
AND APPROVING ADMINISTRATIVE SERVICES ONLY AGREEMENT WITH
WELLMARK BLUE CROSS AND BLUE SHIELD OF IOWA TO PROVIDE CLAIMS
ADMINISTRATION FOR EMPLOYEE AND RETIREE HEALTH PLANS FOR THE
PERIOD JULY 1, 2011 THROUGH JUNE 30, 2012**

WHEREAS, Wellmark Blue Cross and Blue Shield of Iowa (“Wellmark”), John Forsyth, CEO, 636 Grand Avenue, Des Moines, Iowa 50309, has provided the City’s employees with health insurance coverage since February 1, 2003 under a fully insured plan; and

WHEREAS, Aon Risk Services (“Aon”) was retained by the City to evaluate Wellmark’s fiscal year 2012 health insurance renewal proposal; and

WHEREAS, Aon’s findings are detailed in the attached Council Communication; and

WHEREAS, Aon and Wellmark agree that the City may experience greater savings if the City moves to a self-insured plan; and

WHEREAS, in order to maintain consistency in plan administration and provider networks, it is recommended that the City retain Wellmark to administer the plan; and

WHEREAS, a Request for Proposal (“RFP”) was utilized in the health insurance selection process for FY2011 when Wellmark was the only qualified proposer and staff believed that another RFP would not further reduce costs for FY2012 but sought confirmation from an outside evaluator for which Aon was selected via a competitive bid process; and

WHEREAS, Des Moines Municipal Code Subsection 2-710(b) authorizes the City Council subject to the recommendation of the City Manager, to waive the RFP process upon good cause shown; and

WHEREAS, the City Manager recommends that the above described procurement be exempted from the RFP requirements for good cause shown, pursuant to Des Moines Municipal Code Subsection 2-710(b).

Date May 23, 2011

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Des Moines, Iowa:

1) That good cause has been established to exempt the procurement of health insurance administrative services from the competitive procurement requirements of Des Moines Municipal Code Subsection 2-710(b); and

2) That an agreement for administrative services only with Wellmark Blue Cross and Blue Shield of Iowa, John Forsyth, CEO, 636 Grand Avenue, Des Moines, Iowa 50309, to provide claims administration and fiduciary responsibility for the City's employee and retiree health plan for the term July 1, 2011 through June 30, 2012 as set out in the agreement from Wellmark, a copy of which is on file in the Office of the City Clerk, is approved and the Mayor is authorized and directed to execute such Agreement on behalf of the City of Des Moines.

(Council Communication 11- **332**)

Moved by _____ to adopt.

Approved as to Form:



Carol J. Moser, Assistant City Attorney

| COUNCIL ACTION | YEAS | NAYS | PASS | ABSENT |
|----------------|------|------|------|--------|
| COWNIE | | | | |
| COLEMAN | | | | |
| GRIESS | | | | |
| HENSLEY | | | | |
| MAHAFFEY | | | | |
| MEYER | | | | |
| MOORE | | | | |
| TOTAL | | | | |

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

MOTION CARRIED APPROVED

Mayor

City Clerk