

★ Roll Call Number

13-0811

Agenda Item Number

40

Date May 20, 2013

**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, 2013 THROUGH JUNE 30, 2015**

WHEREAS, Wellmark Blue Cross and Blue Shield of Iowa (“Wellmark”), John Forsyth, CEO, 1331 Grand Avenue, Des Moines, Iowa 50309, has provided claims administration services for the City’s self funded employee and retiree health plan since the City returned to a self funded plan in FY11; and

WHEREAS, on March 8, 2013 by Roll Call 13-0425, the Des Moines City Council approved the retention of Holmes Murphy and Associates (“HMA”) to provide employee benefit consulting services including the evaluation of Wellmark’s FY 14 renewal proposal; and

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

WHEREAS, HMA agreed with Wellmark’s claims projections for FY14 and HMA negotiated a reduction in Wellmark’s proposed administrative costs; and

WHEREAS, Wellmark also agreed to limit its administrative service fee in FY15 to no more than 2% above its fee in FY14; 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 comprehensive Request for Proposals again will be conducted at the conclusion of the renewal term with Wellmark (FY16); 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).

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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, 1331 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, 2013 through June 30, 2015 is approved and the Mayor is authorized and directed to execute such Agreement on behalf of the City of Des Moines.

(Council Communication 13- 253)

Moved by Hensley to adopt.

Approved as to form:

Carol J. Moiser
Carol J. Moiser, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
GRIESS	✓			
HENSLEY	✓			
MAHAFFEY	✓			
MEYER	✓			
MOORE	✓			
TOTAL	7			

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.

T. M. Franklin
T. M. Franklin, Mayor

Diane Rauh
Diane Rauh, City Clerk