

★ Roll Call Number

13-0812

Agenda Item Number

41

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 FLEXIBLE SPENDING ACCOUNTS AND  
HEALTH REIMBURSEMENT ACCOUNTS FOR THE PERIOD JULY 1, 2013  
THROUGH DECEMBER 31, 2013**

WHEREAS, the City of Des Moines, Iowa provides its employees the opportunity to defer salary into a flexible spending account ("FSA") and participation in Health Reimbursement Accounts ("HRA") for some of its employees; and

WHEREAS, Wellmark Blue Cross and Blue Shield of Iowa, John Forsyth, CEO, 1331 Grand Avenue, Des Moines, Iowa 50309 has administered the City's FSA program since 2006 and it did not charge for their administration apart from the health insurance then provided by Wellmark; and

WHEREAS, after the City moved to a self-insured health insurance plan, there was a charge for FSA administration; and

WHEREAS, bids for FSA administration were taken in November 2012 and Wellmark was selected to administer both the FSA and HRA accounts for FY13; and

WHEREAS, FSA accounts adhere to a calendar year rather than the employer's selected fiscal year and for ease of administration, it is to the City's benefit to bid FSA and HRA administrative services at the calendar year; and

WHEREAS, in order to shift to a calendar year for such administration, it is recommended that the current administrative services agreement be extended through December 31, 2013 as described in the attached Council Communication after which time such services will be competitively bid; 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 flexible spending and health reimbursement account 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 for the city's Flexible Spending and Health Reimbursement Accounts for the term July 1, 2013 through December 31, 2013 is approved and the Mayor is authorized and directed to execute an extension agreement on behalf of the City of Des Moines.

(Council Communication 13- 266 )

Moved by Hensley to adopt.

Approved as to form:

Carol J. Moser  
Carol J. Moser, 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.

Diane Rauh

City Clerk

T. M. Franklin  
Mayor