



Request for City Council Committee Action from the Department of Human Resources

Date June 26, 2006

To Council Member Paul Ostrow, Chair, Ways and Means Committee
Referral to City Council

Subject Request for Proposal for City of Minneapolis Medical Insurance

Recommendation

1) Authorize the proper city officials to release a Request for Proposal for City of Minneapolis Medical Insurance for coverage effective January 1, 2007, and 2) Authorize the proper city officials to enter into contract negotiations with the selected vendor.

Previous Directives

None

Prepared or Submitted by: Ilena Lonetti, Director Enterprise Services, Human Resources (612) 673-2591

Approved by: Pam French, Director Human Resources _____

Approved by: Steven Bosacker, City Coordinator _____

Permanent Review Committee (PRC) Approval Not Applicable _____

Note: To determine if applicable see <http://insite/finance/purchasing/permanent-review-committee-overview.asp>

Policy Review Group (PRG) Approval _____ Date of Approval _____ Not Applicable

Note: The Policy Review Group is a committee co-chaired by the City Clerk and the City Coordinator that must review all requests related to establishing or changing enterprise policies.

Presenters in Committee: Ilena Lonetti

Financial Impact (Check those that apply)

No financial impact (If checked, go directly to Background/Supporting Information).

Action requires an appropriation increase to the _____ Capital Budget or _____ Operating Budget.

Action provides increased revenue for appropriation increase.

Action requires use of contingency or reserves.

Business Plan: _____ Action is within the plan. _____ Action requires a change to plan.

Other financial impact (Explain): Until the proposals are received and final negotiations

are completed the financial impact is unknown. However, the Finance Department incorporates the cost of medical plan coverage in each department's budget. It is our understanding that budgeted amounts incorporate assumptions for medical trend that will be sufficient to cover any increase in plan cost that may result from RFP.

___ Request provided to department's finance contact when provided to the Committee Coordinator.

Community Impact (use any categories that apply)

Neighborhood Notification

City Goals

Comprehensive Plan

Zoning Code

Other

Background/Supporting Information Attached

The City is required by Minnesota Statutes to issue an RFP for medical insurance at least once every five years. The City's last RFP for medical insurance was released in 2003 for coverage effective January 1, 2004. Human Resources and the Benefits Subcommittee of the Citywide Labor Management Committee (the 'BLMC') endorse releasing an RFP at this time to seek competitive proposals for medical plan coverage. Human Resources is working with the City Attorney's Office, Procurement, Risk Management and the BLMC to ensure the RFP process complies with City standards and business needs.

Because Minnesota Statutes permit a contract of up to five years in length, we request this Council action not limit the purpose of the RFP to a three-year contract.