



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

Date: May 22, 2006
To: Ways & Means/Budget Committee
Referral to: City Council
Subject: Broker Services Request for Proposal

Recommendation:

The Human Resources Department seeks approval to enter into contract with Buck Consultants for up to \$260,000. In doing so the City will be obtaining consulting services related to healthcare plan management as well as health and wellness programming for two (2) years with the contingency to renew with Buck annually for a total of five (5) years.

Previous Directives:

W&M/Budget - recommended that the proper City officers be authorized to issue a Request for Proposals (RFP) seeking broker services; further authorized contract negotiations with the selected vendor.

Adopted: April 14, 2006
Approved by Mayor Rybak: April 17, 2006
(Published April 18, 2006)

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Approved by: _____
Pamela French
Director, Human Resources

Steven Bosacker
City Coordinator

Presenter in Committee: Ilena Lonetti

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

After considerable review and analysis, key members of the Benefits Labor Management Committee comprised of labor representatives and Human Resources Department, City Attorney's Office and Risk Management personnel selected Buck Consultants to provide broker services for the City's benefit plans.

The City received very competitive proposals and the selection committee considered multiple aspects of the proposal. The final decision was based on the following key factors:

- Quality approach to healthcare plan management that includes:
 - plan management: long-term benefits strategy, vendor management, and plan design review
 - clinical management: health management, clinical analysis, and pharmacy analysis
 - financial management: claims review, cost projections and management reporting
 - communication as well as compliance:
- Experience and qualifications of staff members who will be servicing the City's account; including experience with public sector clients
- Integrated service team that can assist the City in refining its health and productivity management strategy
- Finalist presentation/interview and commitment to outstanding customer service

The compensation arrangement is under negotiation. For the remainder of 2006, consulting fees will be offset by commissions that are currently embedded in the premiums paid to Blue Cross Blue Shield for medical coverage and to ING for short-term disability coverage. The Human Resources Department will work with the Finance Department, Buck Consultants and the City's benefit plan vendors to determine the source and amount of future commissions. Specifically, we will consider having the commissions paid to Buck Consultants by the various vendors and used to offset consulting fees (not to exceed the requested amount). Any commissions received by Buck Consultants will be fully disclosed.