



City of Columbus

Office of City Clerk
90 West Broad Street
Columbus OH 43215-9015
columbuscitycouncil.org

Legislation Text

File #: 2639-2014, **Version:** 1

BACKGROUND: As a result of a Request For Proposal process in accordance with Section 329.14 of the Columbus City Codes, three medical insurance bid responses were reviewed by the City's Evaluation Committee, comprised of five members.

Each proposal was evaluated on the following criteria as required by section 329.14: competency to perform, quality and feasibility of the offerors technical proposal, ability to perform the required service competently, past performance, and the cost structure of the proposal. United Healthcare is recommended as the medical insurance benefits administrator. United Healthcare has provided excellent services for the City of Columbus and has guaranteed a three year administrative rate. The medical insurance plan administrative rate of \$28.93 per employee per month is effective February 1, 2015 until January 31, 2016. United Healthcare offers the ability to continue to duplicate negotiated benefits.

To maintain insurance programs in accordance with the negotiated labor contracts, additional funding of the medical insurance program is necessary to insure continuation of the medical insurance program. Cost estimates were based on 2013-14 trust fund expenditures using a three year average of actual city utilization, expected changes due to union negotiations, as well as input from insurance carriers and from the City's employee benefits consultant. The contract is for a three-year period, subject to annual appropriation.

Emergency action is requested to ensure the medical insurance program for city employees is able to commence as soon as contractually possible, thereby maintaining continuity of service.

Contract compliance number is 41-1289245

FISCAL IMPACT: To enter into contract with United HealthCare Insurance Company to establish the maximum obligation liability of \$113,153,083 for the medical plan administration services from February 1, 2015 through January 31, 2016. Funding is available in the 2015 budget for this contract. Contingent on the passage of the 2015 Operating Budget (ordinances 2620-2014 and 2621-2014).

To authorize the Human Resources Director to enter into contract with United HealthCare Insurance Company and to provide all eligible employees medical insurance coverage from February 1, 2015 through January 31, 2016 and to authorize the expenditure of \$113,153,083.00 from the Employee Benefits Fund, or so much thereof as may be necessary to pay the costs of said contract; and to declare an emergency. (\$113,153,083.00)

WHEREAS, it is in the best interest of the City of Columbus to enter into contract with United HealthCare Insurance Company to provide all eligible employees medical insurance from February 1, 2015 through January 31, 2016; and

WHEREAS, United HealthCare Insurance Company has indicated its intention to use an MBE and report the dollar amount quarterly.

WHEREAS, it is necessary to authorize the expenditure of up to \$113,153,083, or so much thereof as may be necessary to pay contract costs for medical insurance services;

WHEREAS, an emergency exists in the usual daily operations of the Department of Human Resources in that it is immediately necessary to authorize the Director to enter into contract and expend funds to ensure the life insurance program for city employees is able to commence as soon as contractually possible, thereby maintaining continuity of service;

Now, Therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Human Resources Director is hereby authorized to enter into contract with United HealthCare Insurance Company to provide medical insurance to all eligible employees from February 1, 2015 through January 31, 2016.

SECTION 2. That the expenditure of \$113,153,083 or so much thereof as may be necessary for coverage is hereby authorized to be expended as follows:

Department: 46-02 | Fund: 502 | Subfund: 208 | OL1 - 03 | OL3 - 3362 | OCA 462007
Amount: \$4,000,000

Department: 46-02 | Fund: 502 | Subfund: 208 | OL1 - 03 | OL3 - 3363 | OCA 462004
Amount: \$109,153,083

SECTION 3. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 4. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after passage, if the Mayor neither approves nor vetoes the same.