



Legislation Text

File #: 2556-2018, **Version:** 1

BACKGROUND: The Director of Human Resources seeks the authority to modify and increase the current contract with AON Hewitt Consulting Services to allow the firm to conduct a financial audit of the city's Pharmacy Benefit Manager, Optum RX. The city entered into contract with this firm earlier this year, per Ord. 0017-2018, to provide the Employee Benefits Risk Management office with general benefits consulting services as well as assistance in selecting employee health care plan administrators. At that time, specifics of the prescription drug audit were unknown. Once details and time requirements of the audit were reviewed, new staff was in place and the need to contract with a firm with extensive institutional knowledge and experience of the city's six prescription drug plans was needed.

Therefore, competitive bidding requirements for a firm to conduct this audit are being waived.

Costs initially legislated, per Ordinance 0017-2018, totaled \$200,000.00; this modification provides for additional expenses related to the Pharmacy Benefit Manager audit. This legislation increases the maximum obligation liability by \$60,000.00, bringing the total contract obligation to \$260,000.00.

This modification will not change any provisions of the current contract with AON Hewitt Consulting Services, which provides funding from February 1, 2018 through January 31, 2019, for employee benefits consulting services.

Emergency action is requested to ensure the Pharmacy Benefit Manager audit can commence as soon as contractually possible.

Contract Compliance number is 22-2232264

FISCAL IMPACT: Funding is budgeted and available in the 2018 employee benefits fund budget for this contract modification and increase.

To authorize the Human Resources Director to modify and increase the existing contract with AON Hewitt Consulting to include performing a Pharmacy Benefit Manager audit; to authorize the additional expenditure of \$60,000.00 from the Employee Benefits Fund or so much thereof as may be necessary to pay the costs of the audit; to waive the competitive bidding requirements of the Columbus City Codes; and to declare an emergency. (\$60,000.00)

WHEREAS, the existing contract with AON Hewitt Consulting was legislated via Ordinance 0017-2018 for professional employee benefits consulting services from February 1, 2018 through January 31, 2019; and

WHEREAS, it is in the best interest of the City of Columbus to modify and increase the existing contract with AON Hewitt Consulting to provide funding for a Pharmacy Benefit Manager audit of the city's vendor, Optum RX; and

WHEREAS, it is in the best interest of the city to waive relevant provisions of Chapter 329 of the Columbus City Code relating to competitive bidding, due to the firm's institutional knowledge and experience in benefits administration for the City of Columbus; and

WHEREAS, it is necessary to authorize the expenditure of \$60,000.00 from the Employee Benefit Funds, fund 5502, or so

much thereof as may be necessary, to pay costs associated with this audit; and

WHEREAS, all provisions of the current contract with AON Hewitt Consulting Services remain unchanged; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Human Resources in that it is immediately necessary to authorize the Human Resources Director to modify and increase the contract with AON Hewitt Consulting to conduct a Pharmacy Benefit Manager audit as soon as contractually possible, thereby working within established timeframes for conducting an audit;

Now, Therefore,

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

SECTION 1. That the Human Resources Director is hereby authorized to modify and increase the existing contract with AON Hewitt Consulting to provide funding for a Pharmacy Benefit Manager audit of Optum RX.

SECTION 2. That the expenditure of \$60,000.00, or so much thereof as may be necessary, is hereby authorized to be expended as follows:

Department: 46-01 | Fund: 5502 | Subfund: 550201 | Program: RM002

SECTION 3. That this Council finds it is in the City's best interest to waive the relevant provisions of Chapter 329 of the Columbus City Codes regarding competitive bidding.

SECTION 4. 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 5. 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.