



## Legislation Text

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**File #:** 1774-2020, **Version:** 1

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**Background Information:** This legislation authorizes the Director of Human Resources to enter into contract with Claims Technology Incorporated for employee benefit audits for the following lines of business: medical, dental, pharmacy, pharmacy rebates, short term disability and pharmacy market checks. The annual contract is in the amount of \$174,500.00. This ordinance represents the first of a three year contract, from August 1, 2020 through July 31, 2021. Following the third year, the contract allows for two additional one year extensions if all parties are in agreement. Every year the contract renewal is subject to available appropriation and funding. The City underwent a Request for Proposal process (RFQ015629) to select a vendor to provide employee benefit audit and market check services. Eight vendors responded and, following a rigorous evaluation process, Claims Technology Incorporated was recommended as the service provider. In addition to being the highest ranked bidder, Claims Technology Incorporated has the resources, expertise and technology to meet the needs of Employee Benefits Program at the most reasonable cost. The contract will be for a three-year period, subject to annual appropriation, with the option for two additional one year extensions.

In 2020, the City will request the following audits begin: medical (\$42,500), dental (\$23,000), pharmacy (\$52,000 - 2 audits: one for 2019 and one for 2020), pharmacy rebates (\$47,500 - one for 2019 and one for 2020), and pharmacy market check (\$9,500). The short term disability audit will begin mid-2021 and funding for that will be legislated at that time.

The maximum fees for these services from August 1, 2020 through July 31, 2021 will not exceed \$174,500.00.

**Fiscal Impact:** Funding for this contract totals \$174,500.00 and is budgeted from and within the 2020 Department of Human Resources' Employee Benefits Fund budget specifically for this purpose. As stated above, this is the first year of a three year contract. Following the third year, the contract allows for two additional one year extensions if all parties are in agreement. Every year the contract renewal is subject to available and adequate appropriation and funding.

The contract compliance number for Claims Technology, Incorporated is CC012841.

**Emergency Action:** Emergency action is requested to ensure the City can move forward to commence benefit audits in 2020, so as not to lose audit rights as provided in the vendor contracts, as soon as possible, thereafter.

To authorize the Director of Human Resources Department to enter into contract with Claims Technology Inc. for employee benefit audits for medical, dental, pharmacy, pharmacy rebates, short term disability and pharmacy market checks; to authorize the expenditure of \$174,500.00 from and within the Employee Benefits Fund; and to declare an emergency. (\$174,500.00)

**WHEREAS,** it is in the best interest of the City to have employee Benefit audits performed on various insurance lines of business; and

**WHEREAS,** a committee comprised of personnel from the Finance and Management Department and the Human Resources Department selected Claims Technology Incorporated to perform employee benefit audits for medical, dental, pharmacy, pharmacy rebates, short term disability and pharmacy market checks, based on criteria outlined in Request for Proposal RFQ015629, opened May 8<sup>th</sup>, 2020 with relevant requirements of the Columbus City Codes, Chapter 329; and

**WHEREAS**, it is in the city's best interest to procure professional services to perform employee benefit audits for the following lines of business: medical, dental, pharmacy, pharmacy rebates, short term disability and pharmacy market checks; and

**WHEREAS**, in 2020, the City will request the following audits begin: medical, dental, pharmacy, pharmacy rebates and pharmacy market check; and

**WHEREAS**, the short-term disability audit will commence in 2021 and legislated at that time; 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 Director to enter into contract with Claims Technology Incorporated to perform employee benefit for various insurance lines as noted above to ensure the City can move forward to commence benefit audits in 2020, thereby preserving the public health, peace, property, safety and welfare; **Now, therefore**

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

**SECTION 1.** That the Director of Human Resources Department is hereby authorized to enter into contract with Claims Technology Incorporated to perform employee benefit audits for medical, dental, pharmacy, pharmacy rebates, and pharmacy market checks.

**SECTION 2.** That the expenditure of \$174,500.00, or so much thereof as may be necessary, is hereby authorized to be expended from the Employee Benefits Fund 5502 in object class 03 Services, per the accounting codes in the attachment to this ordinance.

**SECTION 3.** That the funds are hereby deemed appropriated and expenditures and transfers authorized to carry out the purposes of this ordinance 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 hereby 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.