



RESOLUTION NO. 38799

1 A RESOLUTION related to the purchase of materials, supplies or equipment,
2 and the furnishing of services; authorizing the appropriate City officials to
3 enter into a contract with Regence BlueShield for Medical/RX Plan and
4 Stop Loss Coverage Administrator Services for an initial five-year
5 contract term, in the estimated amount of \$27,089,284, sales tax not
6 applicable, plus the option for a five-year renewal period, for an
7 estimated cumulative total of \$68,543,989.

8 WHEREAS the City has complied with all applicable laws governing the
9 acquisition of those supplies, and/or the procurement of those services,
10 inclusive of public works, set forth in the attached Exhibit "A," incorporated
11 herein as though fully set forth, and

12 WHEREAS the Board of Contracts and Awards has made its
13 recommendation as set forth in Exhibit "A"; Now, Therefore,

14 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

15 Section 1. That the Council of the City of Tacoma concurs with the
16 findings and recommendations of the Board of Contracts and Awards set forth
17 in the attached Exhibit "A."

18 Section 2. That the proper officers of the City are hereby authorized to
19 negotiate and execute a contract with Regence BlueShield for Medical/RX Plan
20 and Stop Loss Coverage Administrator Services for an initial five-year contract
21 term, in the estimated amount of \$27,089,284, sales tax not applicable, plus the
22 option for a five-year renewal period, for an estimated cumulative total of
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1 \$68,543,989, consistent with the findings and recommendations of the Board of
2 Contracts and Awards as more specifically set forth in the attached Exhibit "A."

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4 Adopted _____

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7 Mayor

8 Attest: _____
9 City Clerk

10 Approved as to form:
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12 _____
13 City Attorney

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City of Tacoma
Human Resources Department

DATE: August 22, 2013
TO: Board of Contracts and Awards
SUBJECT: Medical/RX Plan and Stop Loss Coverage Administrator Services
Budgeted from the Health Care Trust Fund 6430
Request for Proposals Specification No. HR13-0191F

RECOMMENDATION: Human Resources recommends a contract be awarded to Regence Blue Shield, Seattle, WA, for the Medical/RX Plan and Stop Loss Coverage Administrator Services. The recommendation is for an initial five year contract term in the estimated amount of \$27,089,284 sales tax not applicable, plus the option for a five year renewal period, for an estimated cumulative total of \$68,543,989 sales tax not applicable. The estimated cumulative total includes fixed costs for 2014 through 2016 and adjustments for 2017 through 2023.

EXPLANATION: Regence BlueShield will provide Medical/RX Plan and Stop Loss Coverage Administrator Services for the self-insured medical plan to the City of Tacoma. This contract covers all aspects of Medical/RX plan administration services, including but not limited to, claims administration, appeals, additional value added services and programs.. The contract includes both individual and aggregate Stop Loss coverage.

COMPETITIVE SOLICITATION: Request for Proposals Specification No. HR13-0191F was opened May 7, 2013. Nineteen companies were invited to bid in addition to normal advertising of the project. Eleven submittals were received. The Selection Advisory Committee, which included members of Management, Joint Labor and Local 6, reviewed submittals and conducted two interviews with the top three finalists.

Medical/RX Plan Administrator Services

Table with 3 columns: Respondent, Location (city and state), Rank. Lists Regence Blue Shield, Group Health Cooperative, United Healthcare, etc.

Stop Loss Coverage Administrator Services

Table with 3 columns: Respondent, Location, Rank. Lists Regence Blue Shield (LifeMap), Group Health Cooperative, United Healthcare, etc.

747 Market Street, Room 1336 | Tacoma, WA 98402-3764 | (253) 591-5400 | FAX (253) 591-5793

www.cityoftacoma.org

CONTRACT HISTORY: New contract.

FUNDING: Funds for this contract are available in the Health Care Trust Fund 6430. Funding beyond the current biennium is subject to future availability of funds.

SBE/LEAP COMPLIANCE: Not applicable

PROJECT ENGINEER/COORDINATOR: Debbie Dahlstrom, 253-591-5433 and LeAnne Nelson, 253-591-5408, Human Resources.



Joy St. Germain

Human Resources Director

cc: Marie Holm, Senior Buyer, Finance/Purchasing

Attachment Breakdown for Rates