

**THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED ORDINANCE OR
RESOLUTION ADOPTED BY CITY COUNCIL**

AN ORDINANCE

APPROVING A CONTRACT WITH HEALTH CARE SERVICE CORPORATION DBA BLUE CROSS AND BLUE SHIELD OF TEXAS, IN AN ESTIMATED ANNUAL AMOUNT OF \$5,000,000.00, TO PROVIDE THIRD PARTY ADMINISTRATION (TPA) FOR THE CITY'S SELF-FUNDED MEDICAL PLANS, FLEXIBLE SPENDING ACCOUNT (FSA) TO INCLUDE PRE-TAX REIMBURSEMENT OF HEALTH CARE AND DEPENDENT CARE EXPENSES, HEALTH SAVINGS ACCOUNT (HSA), COBRA ADMINISTRATION, PREFERRED PROVIDER NETWORK, AND TOTAL HEALTH MANAGEMENT SERVICES, FOR A TERM OF FIVE YEARS WITH ONE TWO YEAR OPTION TO EXTEND.

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WHEREAS, the City's Employee Benefits program provides active full time civilian employees, uniformed employees, retired civilian employees and their dependents, with medical benefit plan coverage; and

WHEREAS, the Finance Department, Purchasing Division, on behalf of the Human Resources Department issued a Request for Proposal (RFP) for Third Party Administrators for the administration of the City's medical plans, pharmacy plan, Flexible Spending Account (FSA), and Health Savings Account (HSA) spending accounts, for which the City received twelve (12) responses; and

WHEREAS, nine total responses were evaluated with three responses for medical TPA services only, by a selection committee composed of representatives from various City departments, unions, civilian employees' associations, and City retirees' association; and

WHEREAS, the criteria used during the RFP process included experience, background and qualifications; proposed plans; proposed price, and Small Business Economic Development Advocacy Program (SBEDA) participation, Local Preference Program, and Veteran-Owned Small Business Preference Program; and

WHEREAS, as a result of the review, the staff recommends that Blue Cross and Blue Shield of Texas be awarded the contracts to provide Third Party Administration, Preferred Provider Network, FSA, HSA, COBRA Administration, and Disease Management services; and

WHEREAS, Blue Cross and Blue Shield of Texas will facilitate the City's FSA and HSA programs through HSA Bank; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or her designee is hereby authorized to execute a contract

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with Blue Cross and Blue Shield of Texas to provide TPA, PPN, FSA, HSA, COBRA Administration, and other contingent additional services for employees, elected officials, retirees and their dependents covered under the City's self-funded medical plans and enter into an arrangement with HSA Bank for FSA and HSA account administration. The contract shall be executed for an initial five (5) year term, beginning January 1, 2017, and ending December 31, 2021, and includes an option for the City to extend the contract for one (1) two (2) year periods subject to subsequent funding and approval by City Council. A copy of the contract, in final form, is attached hereto as Exhibit A. The terms and conditions of said contract are hereby approved.

SECTION 2. Financial Allocations

SECTION 3. This ordinance shall take effect immediately upon passage, provided that it is passed by eight or more affirmative votes; otherwise, this ordinance shall take effect ten days from the date of passage.

PASSED AND APPROVED this x day of x, 2016.

M A Y O R
Ivy R. Taylor

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

City Attorney