



City of San Antonio

Agenda Memorandum

File Number:18-6240

Agenda Item Number: 26.

Agenda Date: 11/29/2018

In Control: City Council A Session

DEPARTMENT: Human Resources

DEPARTMENT HEAD: Lori Steward

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

Employee Benefits Consultant Contract Amendment

SUMMARY:

This Ordinance authorizes the City Manager or her designee to amend the Contract entered into between the City and Arthur J. Gallagher & Co. for data warehouse services at an annual amount not to exceed \$75,000. This amendment will correspond with the current Contract with Arthur J. Gallagher & Co., which expires March 3, 2019, with the right to renew for two additional one-year terms.

BACKGROUND INFORMATION:

Custom benchmarks are critical to understanding the true performance of the City's benefit plans. They adjust for the age/gender, geographic location of plan members and the benefit plans offered. These are factors that can have a dramatic impact on healthcare costs. The information available through the data warehouse will allow for the identification of areas where true problems and opportunities exist for providing optimal medical and pharmacy benefits for approximately 26,000 participants on the City's medical plans.

The initial data load will include medical and pharmacy data for calendar years 2015 through 2018 year to date and every month thereafter.

ISSUE:

Award of this contract will allow for the analysis needed to review medical and pharmacy benefits for approximately 26,000 participants on the City's medical plans. The data warehouse will allow for custom benchmarks that are critical to understanding the performance of the City's medical and pharmacy benefits plans.

ALTERNATIVES:

Should this item not be approved, data analysis will continue to be conducted using existing resources. There will be no source for aggregated data dating back to 2015 which will make ad-hoc analyses more difficult. This may also hamper future benefits needs projects as they are based on historical data.

FISCAL IMPACT:

This ordinance authorizes amending the Professional Services Contract with Arthur J. Gallagher & Co. to create a custom data warehouse to include medical and pharmacy data for an annual amount not to exceed \$75,000, funded from the Employee Benefits Insurance Fund FY 2019 Adopted Budget. Subsequent funding will be contingent upon City Council appropriations in future fiscal years.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the City Manager or her designee to amend the Contract entered into between the City and Arthur J. Gallagher & Co. for data warehouse services at an annual amount not to exceed \$75,000. This amendment will correspond with the current Contract with Arthur J. Gallagher & Co., which expires March 3, 2019, with the right to renew for two additional one year terms.