



City of Austin

Recommendation for Action

File #: 24-6107, **Agenda Item #:** 51.

11/21/2024

Posting Language

Authorize negotiation and execution of a contract for stop-loss medical coverage for eligible City employees, dependents, affiliated employers, retirees, and Consolidated Omnibus Budget Reconciliation Act of 1985 (also known as COBRA) participants for the Human Resources Department with Health Care Service Corporation/Blue Cross Blue Shield of Texas, for an initial term of one year with four one-year extension options, for a total contract amount not to exceed \$90,020,000. Funding: \$5,209,000 is available in the Fiscal Year 2024-2025 Operating Budget of the Human Resources Department. Funding for the remaining contract term is contingent upon available funding in future budgets.

Lead Department

Financial Services Department.

Client Department(s)

Human Resources Department.

Fiscal Note

Funding in the amount of \$5,209,000 is available in the Fiscal Year 2024-2025 Operating Budget of the Human Resources Department.

Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

The Financial Services Department issued a Request for Proposals solicitation RFP 5800 SLW3018 for these services. The solicitation was issued on April 29, 2024, and closed on June 27, 2024. Of the three offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City's website. This information can currently be found at

https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=140563.

MBE/WBE:

This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program). For the services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

Additional Backup Information:

The contract is for the administration of the City's stop-loss medical coverage for eligible City employees, dependents, affiliated employers, retirees, and Consolidated Omnibus Budget Reconciliation Act of 1985 (also known as COBRA) participants. Stop-loss insurance coverage protects the City from any catastrophic claim that a covered person may incur over \$750,000.

This contract replaces the current contract expiring December 31, 2024. Requested authorization is determined based on the estimated participants on the City's health plan. The recommended contractor is the current provider of this service.

An evaluation team with expertise in this area evaluated the offers and scored Health Care Service Corporation / Blue Cross Blue Shield of Texas as the best to provide these services based on price, small business preference, local business preference, general company information, features, and claims administration.