



City of Keller

Keller Town Hall
1100 Bear Creek Parkway
Keller, TX 76248
817-743-4000
www.cityofkeller.com

Legislation Text

File #: 16-426, **Version:** 1

To: Mark R. Hafner, City Manager

From: Carolyn J. Nivens, Director of Administrative Services | Human Resources

Subject:

Consider a resolution authorizing the City Manager to execute the Letter of Understanding with CIGNA of Bloomfield, Connecticut, for the City of Keller Employee Medical Insurance, from October 1, 2017 through September 30, 2018.

Action Requested:

Council approval of the resolution authorizing the City Manager to execute the Letter of Understanding with CIGNA, for the City of Keller Employee Medical Insurance, from October 1, 2017 through September 30, 2018.

Background:

Each year, or whenever the contract expires, the City issues a Request for Proposals on the medical insurance to assure a competitive process and the lowest possible cost to the City and the employees.

This year we received four (4) proposals with bids on our current medical plan. Blue Cross/Blue Shield of Texas, our current medical vendor, bid a rate of 5% increase. After best and final negotiations, the lowest bidder was CIGNA, whose bid represents a 3.7% decrease from Fiscal Year 2016-2017. The medical plan benefits remain comparable to our Fiscal Year 2016-2017 benefits.

Budget Impact:

The proposed contract for employee medical insurance is in the amount of \$4,101,600 and is currently funded within the proposed Fiscal Year 2017-2018 Budget.

Financial Considerations:

By going through the Request for Proposal process and accepting the lowest proposal, the total cost decrease for medical insurance will be approximately \$155,971 for FY17-18. CIGNA is also giving the City \$10,000 to use for Wellness programs as well as \$15,000 transition funds which we will apply to our first month's premiums.

Citizen Input/Board Review:

N/A

Legal Review:

The City Attorney has reviewed the proposed resolution and Letter of Understanding.

Alternatives:

City Council has the following alternatives:

- Approve as submitted
- Approve with changes
- Denial

Council Action:

Staff recommends approval of the proposed resolution as presented.