KC
03/12 /15
Item No. 26

AN ORDINANCE 2015-03-12-0200

AUTHORIZING AN AMENDMENT TO THE EXISTING CONTRACT WITH BUCK CONSULTANTS, LLC, TO EXTEND THE TERM OF THE CONTRACT FOR AN AMOUNT UP TO $275,000.00 BEGINNING JUNE 19, 2015 THROUGH DECEMBER 31, 2015; AND AMENDING THE CONTRACT TO ALLOW FOR CONTINUED SERVICES TO INCLUDE ACTUARIAL ANALYSIS, COST ANALYSIS, AND REVIEW OF ALL MEDICAL PLAN DESIGNS.

* * * *

WHEREAS, the City of San Antonio issued a Request of Proposals for professional consulting services; and

WHEREAS, after conducting an evaluation process, City Staff recommends Buck Consultants, LLC be selected to perform the employee benefit consulting services under the contract; and

WHEREAS, said Contract provided for a one year term, expiring on June 19, 2015; and

WHEREAS, the parties wish to amend the terms of the contract to extend the contract term beginning June 19, 2015 through December 31, 2015; and

WHEREAS, the parties additionally wish to amend the term to allow for month-to-month extensions to begin January 1, 2016 at City's option, on an as-needed basis, contingent on availability of funds; and

WHEREAS, the parties also wish to amend the contract to provide continued consulting services to include actuarial analysis, cost analysis, Third Party Administrator Request for Proposal assistance; stop loss; and review of all medical plan designs; **NOW THEREFORE:**

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

SECTION 1. The City's contract with Buck Consultants, LLC is hereby amended to extend the contract for a period from June 19, 2015 through December 31, 2015, and allowing for month-to-month extensions beginning January 1, 2016 based on availability of funding. The contract is also amended to provide continued consulting services, to include actuarial analysis; cost analysis; Third Party Administrator Request for Proposal assistance; stop loss; and review of all medical plan designs, as set forth in Attachment 1. The City Manager, or her designee, is authorized to execute the Amendment and Extension, attached hereto and incorporated herein as Attachment 1.

SECTION 2. Funds are budgeted for this contract in fund 75002000, Cost Center 1002010004, and General Ledger 5201040, as part of the Fiscal Year 2015 Budget.

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

KC
03/12 /15
Item No. 26

SECTION 4. This ordinance is effective immediately upon passage of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 12th day of March, 2015.

M A Y O R
Ivy R. Taylor

ATTEST:

Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:

Martha G. Sepeda, Acting City Attorney

Agenda Item:	**26 (in consent vote: 7, 8, 9, 10, 11, 12, 14, 17, 18B, 19A, 19B, 20, 21, 22, 24, 25, 26, 28, 30, 31)**
Date:	03/12/2015
Time:	10:06:53 AM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing an amendment to the existing contract with Buck Consultants, LLC, to extend the term of the contract for an amount up to $275,000.00 beginning June 19, 2015 through December 31, 2015; and amending the contract to allow for continued services to include actuarial analysis, cost analysis, and review of active and retired civilian medical plan designs. [Ben Gorzell, Jr., Chief Financial Officer; Lori Steward, Interim Director Human Resources]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Trevino	District 1		x				x
Alan Warrick	District 2		x				
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6	x					
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x			x	

AMENDMENT AND EXTENSION OF PROFESSIONAL SERVICES CONTRACT

This Amendment and Extension of the Professional Services Contract with Buck Consultant's, LLC, (hereinafter referred to as "CONSULTANT") to provide comprehensive benefits consulting services to the City of San Antonio (hereinafter referred to as "CITY"), is as follows:

WHEREAS, through Ordinance No. 2014-06-19-0463, passed and approved June 19, 2014, City Council authorized the execution of the consulting contract (hereinafter the "Contract"), with CONSULTANT; and

WHEREAS, said Contract provides that CONSULTANT shall provide comprehensive benefits consulting services; and

WHEREAS, CITY and CONSULTANT want to amend the contract term and allow for an extension to begin June 19, 2015 and end December 31, 2015 with the option to renew at City's option on a month-to-month basis provided funds are available; and

WHEREAS, the Parties wish to amend the Contract as set forth in the attached agreement; **NOW THEREFORE:**

I. Renewal

Pursuant to the provisions of Section VIII of the Contract, CITY and CONSULTANT mutually agree to extend the term of said Contract commencing on June 19, 2015 and terminating December 31, 2015 as outlined in Exhibit A, unless CITY exercises option to renew on a month-to-month basis provided funds are available and have not exceeded $275,000.00, under the same terms and conditions as stated in said Contract.

II. Amendment

Section II, Scope, is amended as follows:

2.4 CONSULTANT shall provide the following benefit consulting services:

2.4.1 Stop Loss (for the entire Plan)

2.4.2 Request For Proposal assistance as outlined in Exhibit B and up to $30,000.00 in additional services as agreed to in advance by both Parties.

Note: Some of Buck Consultants' work includes providing consulting compliance services to the City of San Antonio. Buck Consultants is not a law firm and does not practice law nor is Buck or any associated entity engaged to do so. All such compliance services are for the City's review and further consideration.

Section V. Consideration and Billing, is amended as follows:

5.1 In consideration of CONSULTANT'S performance hereunder, CITY shall pay to CONSULTANT an amount not to exceed $275,000.

III.

All other terms, conditions, covenants and provisions of the Contract approved through Ordinance No. 2014-06-19-0463 and not specifically provided for herein shall remain in full force and effect for the term.

Executed and **Agreed** to this the 10th day of March 2015.

CITY OF SAN ANTONIO

By:_____
Sheryl Sculley
City Manager

BUCK CONSULTANTS, LLC.

By: Dottie Watson
Dottie Watson
Principal, Southwest Market Leader

APPROVED AS TO FORM:

_____
Krista Cover
Assistant City Attorney

Exhibit A– City of San Antonio Civilian and Retirees Renewal

Pricing	
Year 1 (06/19/15 – 12/31/15	$217,770

The following is a high level guide to the services included in our fees:

Health and Welfare Services		
Deliverable	**Description / Scope**	**Year 1 06/19/15 – 12/31/15**
Strategic Planning	• Project Planning Meeting (One 2.5 hour session) • Development of pricing under plan designs and guiding principles (2 iterations) • IBNR Estimate • Annual budgeting pricing (up to 4 iterations) • Determine design modifications (up to 4 iterations)	Included
Actuarial Services	• Cost analysis • Trends in public sector • GASB Standard 45 Valuation • Contribution Strategy (up to 8 significant iterations) with two 1-hour calls	Included
Utilization Reporting	• Review population risks and opportunities for consideration (1 evaluation) • Offering comparison • Quarterly reports and analysis • Semi-annual meetings with San Antonio to review (2) 2 hr. meetings • One stop loss utilization analysis	Included Quarterly reports on medical, dental and vision
Vendor Management	• Semi-annual vendor meetings (Two 2.5 hr. sessions) • Finalize plan design and vendor renewals (4 iterations) • Quarterly check-in meetings (4) 1.5 hr. sessions • Implementation and Support (2) 1 hr. sessions with OE team	Included
Compliance	• Legislative Updates • PPACA consulting	Included

Health and Welfare Services		
Deliverable	**Description / Scope**	**Year 1** **06/19/15 – 12/31/15**
Rate Setting	• Accrual rate analysis • Migration and selection analysis • Self-funded plan reserve calculations (up to 2 iterations) • Cost impact to plan changes (up to 6 significant iterations)	Included

Additional Details on Scope

- **Health and Welfare**
  - Scenarios with union negotiations not included in this scope.
  - This assumes the rest of the terms and conditions associated with our contract carry forward.
  - With respect to stop loss, we have included one utilization analysis each year for the plan. The following are not included in the stop loss analysis:
    - Renewal analysis
    - Implementation following any RFP or new contract
  - All deliverables assume three rounds of review in Word and three rounds of review in layout to finalize (unless otherwise noted)
  - These estimates are based on our understanding of current project scope. In the event scope changes, Buck will discuss out-of –scope items with City of San Antonio in order to agree on new scope and fee estimates. Every effort will be made to provide the City of San Antonio with a work order for any out-of-scope work in advance of the work being performed. In the event the work order cannot be prepared and/or executed prior to the work being completed, the following schedule of hourly rates will apply. Most work will be performed at the associate and director level:

Role	Hourly Rate
Principal or Managing Director	$640 - $780*
Director	$516 - $600
Sr. Consultant or Sr. Manager	$396 - $512
Consultant Manager	$340 - $392
Sr. Associate	$300 - $332
Associate	$264 - $296
Other Technical and General Operating Personnel	$104 - $180

* No change for Client Manager (Principal)

  - This estimate does not include other potential out-of-pocket expenses (i.e., postage, any mailing to your employees, etc.)
  - Pricing assumes clean, valuation ready census and timely assistance from personnel as needed, with data collection and assumption setting.

Exhibit B – City of San Antonio RFP Advisory Assistance

Pricing	
Limited assistance/oversight – All Groups	$27,324

* Civilian, Retirees, Police and Fire

The following is a high level guide to the services included in our fees:

Health and Welfare Services	
Limited RFP	
Deliverable	**Description/Scope**
Oral Comments	o Review of COSA prepared questions for vendors (up to 50 questions).
Meeting Participation	o Serve as an advisor in three 1 hour meetings.
Contract	o Includes up to 12 hours of assistance with contract negotiations for COSA and procurement for one medical vendor and no more than one PBM option-fees, performance guarantees, length of guarantees.

Additional Details on Scope

- **Health and Welfare**
  - All deliverables assume three rounds of review in Word and three rounds of review in layout to finalize (unless otherwise noted).
  - We are assuming we are hired as the City's consultant for the Police and Fire Plan on or before the commencement of this project. Otherwise, fees will be higher than those shown above.
  - These estimates are based on our understanding of current project scope. In the event scope changes, Buck will discuss out-of –scope items with City of San Antonio in order to agree on new scope and fee estimates. Every effort will be made to provide the City of San Antonio with a work order for any out-of-scope work in advance of the work being performed. In the event the work order cannot be prepared and/or executed prior to the work being completed, the following schedule of hourly rates will apply. Most work will be performed at the associate and director level:

Role	Hourly Rate
Principal or Managing Director	$640 - $780*
Director	$516 - $600
Sr. Consultant or Sr. Manager	$396 - $512
Consultant Manager	$340 - $392
Sr. Associate	$300 - $332
Associate	$264 - $296
Other Technical and General Operating Personnel	$104 - $180

* No change for Client Manager (Principal)

- This estimate does not include other potential out-of-pocket expenses (i.e., postage, any mailing to your employees, etc.) We will have any large expenses approved in advance by the City.