

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 16

DATE: July 15, 2008

STAFF: Jim O'Neill
Amy Sharkey

SUBJECT

First Reading of Ordinance No. 086, 2008, Extending the Contracts of the City's Service Providers for Employee Benefits Programs to December 31, 2009.

RECOMMENDATION

Staff recommends adoption of this Ordinance on First Reading.

FINANCIAL IMPACT

Funds are currently included in the 2008 and 2009 budget to cover the cost of these contracts.

EXECUTIVE SUMMARY

The vendors providing life insurance, dental insurance, vision insurance, and transplant insurance for City employees have serviced the City of Fort Collins for many years. This Ordinance will approve an extension of the current agreements with these vendors for an additional year to allow for sufficient time and resources for a competitive process to be completed in 2009.

BACKGROUND

The vendors providing life insurance, dental insurance, vision insurance, and transplant insurance for City employees have serviced the City of Fort Collins for many years and are in good standing. The City has contracted with these vendors for the last five years.

Staff resources have been limited due to the development and implementation of the City's Performance Management System, the process of identifying the new markets for City jobs, and the market analysis that identifies employee pay as it relates to the new market. In addition, staff resources are maximized due to the extensive efforts to review the City's benefit programs, current or new, and assuring that these programs are aligned to the market.

City staff is requesting that Council approve an extension of the above current agreements for an additional year to allow for sufficient time and resources for a competitive process to be completed in 2009.

ORDINANCE NO. 086, 2008
OF THE COUNCIL OF THE CITY OF FORT COLLINS
EXTENDING THE CONTRACTS OF THE CITY'S SERVICE PROVIDERS
FOR EMPLOYEE BENEFITS PROGRAMS

WHEREAS, the Sun Life, Anthem Life Insurance Companies, Delta Dental Plan of Colorado, VSP Plan and Segal Company (BCS) (the "Service Providers") were selected on September 25, 2003, by a competitive process to provide various employee benefits to employees of the City; and

WHEREAS, the City has contracted with the Service Providers for the last five years and they have satisfactorily performed under those agreements; and

WHEREAS, recent changes in the Human Resources Department have made it extremely difficult to complete another competitive process to select new service providers for the provision of these employee benefits prior to the expiration of the current agreement on December 31, 2008; and

WHEREAS, the City desires to extend the term of the agreements for an additional year to allow sufficient time and resources to complete a competitive process in 2009; and

WHEREAS, because of the time and resources required to complete a competitive process the Purchasing Agent has determined that a competitive process cannot reasonably be used and, if used, would result in substantially higher cost to the City and may result in the impairment of the City's delivery of services, and the Purchasing Agent has submitted the requisite justification for this determination to the City Manager for approval; and

WHEREAS, the City Manager has reviewed and approved the justification for this contract extension; and

WHEREAS, Section 8-186(a) of the City Code requires all contracts in excess of five years to be approved by ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that the Purchasing Agent is hereby authorized to enter into an extension of the employee benefits contracts with Sun Life; Anthem Life Insurance Companies; Delta Dental Plan of Colorado; VSP Plan and Segal Company (BCS) for the year 2009.

Introduced, considered favorably on first reading, and ordered published this 15th day of July, A.D. 2008, and to be presented for final passage on the 19th day of August, A.D. 2008.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 19th day of August, A.D. 2008.

Mayor

ATTEST:

City Clerk