

Reply to Common Council File No. 021565
From DOA-Budget and Management Division

February 21, 2003

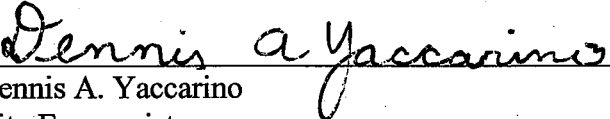
Ref: 03013(13)

Common Council resolution 021565 authorizes the Department of Employee Relations to hire a consultant to assist in preparing requests for proposals for employee benefit contracts. The resolution authorizes the use of up to \$30,000. Funding will be provided from existing funds allocated to the Special Purpose Account for claims cost containment.

There are three contracts that will expire in 2003. The major contract is the Health Maintenance Organizations (HMO's). The amount provided for HMO's services in 2003 was nearly \$50 million. The other two contracts are the fee for service dental organizations and flexible choice program administrator.

It is expect that the consultant will provide valuable services that will minimize future city health costs.

**RECOMMENDATION: APPROVE COMMON COUNCIL RESOLUTION
021565 THAT AUTHORIZES THE DEPARTMENT OF EMPLOYEE
RELATIONS TO HIRE CONSULTANTS TO ASSIST IN PREPARING
REQUESTS FOR PROPOSALS FOR EMPLOYEE BENEFIT CONTRACTS.**


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