



Department of Employee Relations

March 6, 2001

To The Honorable Common Council
Finance and Personnel Committee
200 East Wells Street
Milwaukee, Wisconsin 53202

John O. Norquist
Mayor

Jeffrey Hansen
Director

Florence Dukes
Deputy Director

Frank Forbes
Labor Negotiator

Michael Brady
Employee Benefits Manager

RE: Common Council Companion Resolution to 001571 regarding Extension of Employee Benefit Contracts

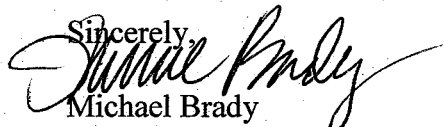
Dear Ladies and Gentlemen:

Please introduce a file to authorize the Department of Employee Relations to extend current contracts on the original terms with new rates for 2002 and 2003 for the following benefit vendors: four Health Maintenance Organizations, CompCareBlue, CompCareBlue Aurora Family Network, Humana and UnitedHealthcare; three Pre-paid Dental Providers, Care-Plus Dental, Delta Dental and First Commonwealth Dental; one Fee-for-Service Dental Provider, Delta Dental; and, one Long-Term Disability vendor, Standard Insurance.

This file authorizes DER to extend contracts. The original file, Common Council file 001571, authorized DER to do Request for Proposals for each of these employee benefits. After further review, including discussion with the City Attorney's Office, it was determined that completing a time consuming and detailed Request for Proposal Process would not change either the current vendors or the current vendors rates for 2002, and would not have an impact on either the City or the employee share of these benefits.

This file will amend Common Council file 001571 to reduce the number of full Request for Proposals to the four related to the Basic Health Plan, and reduce the cost of the consultant from no more than \$60,000 to no more than \$30,000.

If you have any questions regarding this file please call Mike Brady at 286-2317.

Sincerely,

Michael Brady
Employee Benefits

Cc: City Attorney Grant Langley
Dennis Yaccarino, Budget Office
Barry Zalben, legislative Reference Bureau
Jeffrey Hansen
Florence Dukes

Draft language for resolution

Whereas the following City of Milwaukee Employee Benefit Contracts expire at the end of the year, December 31, 2001:

- ❑ the four Health Maintenance Organizations (HMOs),
- ❑ the Pre-paid Dental,
- ❑ the Fee-for-Service Dental, and,
- ❑ The Long Term Disability Insurance.

Whereas the City of Milwaukee Department of Employee Relations recommends that the contracts be extended for up to two years under the current contract terms with new rates for one or both years;

Whereas the City of Milwaukee Department of Employee Relations by extending these contracts with current vendors will not impact on the City budget, nor will it impact on the employee share of these benefit contracts;

Be it resolved that the Employee Benefits Manager be authorized to negotiate premium charges to extend these contracts for the years 2002 and 2003, subject to final approval by the Common Council, and be further authorized to enter into contract amendments with said vendors to extend these contracts for the years 2002 and 2003.