



Staff Summary Report

Council Meeting Date: 04/09/2009

Agenda Item Number: _____

SUBJECT: Request approval of a one-year renewal of a contract with CIGNA Health Care for a health maintenance organization (HMO) medical plan for City employees, their families and retirees.

DOCUMENT NAME: 20090409fsta06

PURCHASES (1004-01)

SUPPORTING DOCS: No

COMMENTS: (T97-001-01) Total amount not to exceed \$5,000,000.

PREPARED BY: Tony Allen, Procurement Officer, 480-350-8548

REVIEWED BY: Michael Greene, Central Services Administrator, 480-350-8516
Renie Broderick, Human Resources Manager, 480-350-8407
Lynna soller, Employee Benefits Administrator, 480-350-2975

**LEGAL REVIEW AS
TO CONTRACT FORM**

ONLY: N/A

FISCAL NOTE: Sufficient funds have been appropriated in the Health Fund for the anticipated expenditures in the current fiscal year.

RECOMMENDATION: Approve the renewal of the contract.

ADDITIONAL INFO: Vendor performance over the past year has been satisfactory, therefore, staff is requesting that this contract be renewed for an additional year using the seventh of ten available renewal options. This contract is for a health maintenance organization (HMO) medical plan for all eligible City employees, their families and retirees. The initial renewal request included a requested rate increase of 4.88% - further negotiations with CIGNA resulted in a reduction of the requested increase. This renewal includes a rate increase of 3.05%.