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2.5.16*

MEMORANDUM

TO: Beverly Cameron, City Manager
Mark Whitley, Assistant City Manager
FROM: Robert F. Bell, Director of Human Resources
RE: Sole Source Health Insurance Consultative Services
DATE: February 4, 2016

ISSUE:

The City needs to contract with Wells Fargo for health insurance consultative services. The City's contract with Wells Fargo has expired. It is time for renewal with the City's Health Insurance Administrative Services Only (ASO) company. Wells Fargo's Insurance Services assists with the analysis and negotiation the City needs for health insurance renewal.

RECOMMENDATION:

The City renew its contract with Wells Fargo to aid in the renewal of the ASO contract.

BACKGROUND:

Wells Fargo's Insurance Services has helped the City of Fredericksburg with health insurance analysis and negotiation for over six years. With this experience, it is fair to say that Wells Fargo understands the intricacies of the City's health insurance coverage and issues. They review reports and provide insight and expertise to the City. Wells Fargo assisted in the transition from Anthem to Cigna as ASO. They have guided the City through five renewals and a change in ASO.

The City has a proposal from Wells Fargo in which they will honor the hourly rate and rate cap that the City received from them in 2012. A copy of this proposal is attached.

With the experience and expertise that Wells Fargo has related to the City of Fredericksburg, staff recommends that the City contract with Wells Fargo Insurance Services to aid with the renewal of the City's ASO.