

RESOLUTION OF THE CITY COUNCIL

No. 358

Approved June 22, 2018

RESOLVED, That the Members of the Providence City Council
hereby Authorize Approval of the following Contract Award by the Board of
Contract and Supply, in accordance with Section 21-26 of the Code of Ordinances.

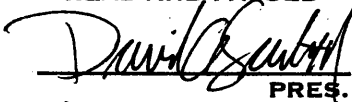
Delta Dental of Rhode Island
(Human Resources)


\$5,700,000.00 for a one year extension

IN CITY COUNCIL

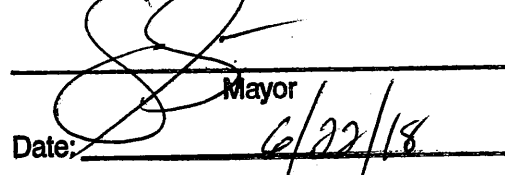
JUN 21 2018

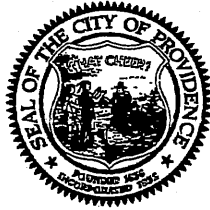
READ AND PASSED


PRES.


CLERK

I HEREBY APPROVE.


Mayor
Date: 6/22/18



Office of the Internal Auditor

May 23, 2018

Ms. Lori Hagen
City Clerk's Office
City of Providence
25 Dorrance Street
Providence, RI 02903

Dear Lori:

I am writing to request that the following requested contract award be submitted to the City Council and the Finance Committee for approval:

▪ **Human Resource:**

- Request to extend the administrative service only (ASO) contract with the **Blue Cross Blue Shield of Rhode Island (BCBSRI)** for a term of three years in an amount of **\$10,400,000** in accordance with Code of Ordinance Section 21-26.
- Request to extend the current pharmacy benefit management (PBM) contract with **CVS Caremark** for a term of three years for an amount of **\$19,900,000.00** in accordance with the Code of Ordinance Section 21-26.
- Request a one year extension with **Delta Dental of RI** for one additional year for an amount of **\$5,700,000.00** in accordance with the Code of Ordinance, Section 21-26.
- Request to extend the stop loss contract with **Blue Cross and Blue Shield of Rhode Island (BCBSRI)** for one year in an amount of **\$882,000.00** in accordance with the Code of Ordinance, Section 21-26.

▪ **Water Supply Board:**

- Request to engage services with Pure Technologies in an amount to exceed \$577,242 for a five year term in accordance with the Code of Ordinances, Section 21-26.

Sincerely,

A handwritten signature in black ink, appearing to read "Gina M. Costa".

Gina M. Costa
Internal Auditor

Cc: Margaret Wingate, Deputy Director of Human Resources & Benefits
Ricky Caruolo, General Manager, Water Supply Board
Al Buco, Acting Director of Public Property
Sabrina Solares-Hand, Associate Director of Purchasing
James Lombardi, Senior Adviser to the City Council
CITY HALL • 25 DORRANCE STREET, ROOM 310 • PROVIDENCE, RHODE ISLAND 02903
Phone: (401) 521-7477 • Fax: (401) 521-3920
COUNCIL@PROVIDENCERI.COM



CITY OF PROVIDENCE

Jorge O. Elorza, Mayor

May 23, 2018

The Honorable Mayor Jorge Elorza
Chairman, Board of Contract and Supply
City Hall
Providence, RI 02903

Dear Mayor Elorza:

The purpose of this correspondence is to respectfully request a one year extension to the contract between the City of Providence and Delta Dental of RI.

The City is currently in the second year of a (5) year contract with Delta Dental. The current contract is set to expire on June 30, 2021. An extension if granted would extend the contract (1) one additional year and expire on June 30, 2022.

The reasons for this request are as follows:

- Delta Dental has committed to a 0% change in premium for FY19 which would include extending the current contract one additional year to FY22
- Mercer on the City's behalf has successfully negotiated a 0% increase or rate pass for the past 5 years
- Delta Dental affords the City's members with a national network of providers and deep provider discounts
- Overall, a long-term renewal arrangement offers stability to members and financial security to the City. A fully insured arrangement offers predictable premiums at a lower cost than the estimated self-funded expense.

Account: 891-891-51576 (Actives)
892-892-51576 (Retirees)

Amount: \$5,700,000.00

Respectfully Submitted,

Margaret M. Wingate

Margaret M. Wingate
Deputy Director of Human Resources - Benefits

Financial Approval:

Sara A. Silveria

Sara A. Silveria
Deputy Director of Finance

HUMAN RESOURCES

Providence City Hall | 25 Dorrance Street, Room 401, Providence, Rhode Island 02903
401 421 7740 ph | 401 273 9510 fax
www.providenceri.com

DELTA DENTAL OF RHODE ISLAND

Summary of Monthly Premium Rates (1)
One Year Renewal Proposal Effective July 1, 2018 through June 30, 2019

City of Providence

Group/ Division Number	Division Name	Present Rates Eff. 7/1/17 - 6/30/18			Renewal Rates Eff. 7/1/18 - 6/30/19		
		Ind	2 Per	Fam	Ind	2 Per	Fam
1105-25, 1105-26	RIPE Local 1033	\$38.30	\$0.00	\$121.41	\$38.30	\$0.00	\$121.41
1105-36	Providence School Retirees	\$39.77	\$0.00	\$122.62	\$39.77	\$0.00	\$122.62
1105-6	Providence School Retirees	\$37.88	\$0.00	\$116.77	\$37.88	\$0.00	\$116.77
1105-4, 1105-5	Providence School Teachers	\$34.58	\$0.00	\$106.61	\$34.58	\$0.00	\$106.61
1105-1, 1105-19	City of Providence Non-Union	\$35.71	\$0.00	\$113.21	\$35.71	\$0.00	\$113.21
1105-2, 1105-3, 1105-14, 1105-15	Providence Police/Fire	\$34.58	\$71.09	\$106.61	\$34.58	\$71.09	\$106.61
1105-17	Providence Civic Center	\$34.58	\$0.00	\$106.61	\$34.58	\$0.00	\$106.61
1105-12	City of Providence Extended	\$36.22	\$74.46	\$111.67	\$36.22	\$74.46	\$111.67
1105-22	Providence School/ Local 1033	\$35.05	\$0.00	\$109.68	\$35.05	\$0.00	\$109.68
1105-27, 1105-28	PPSD Local 1339 Clerks	\$35.05	\$0.00	\$109.68	\$35.05	\$0.00	\$109.68

Renewal Rate Adjustment

0.00%

(1) Refer to General Assumptions page.

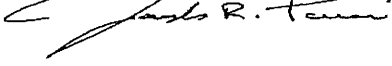
This Renewal shall be effective on the date(s), and for the Term specified above, and shall be deemed accepted upon written affirmation by the Group through execution of this Renewal where indicated below or otherwise, manually, electronically or by facsimile, or if performance has begun by Delta Dental of Rhode Island.

ACCEPTED:

CITY OF PROVIDENCE

DELTA DENTAL OF RHODE ISLAND

By: _____
Print Name: _____
Title: _____
Date: _____

By:  _____
Print Name: Joseph R. Perroni
Title: Vice President, Sales & Business Relations

City of Providence



Rhode Island

Department of City Clerk

MEMORANDUM

DATE: October 3, 2016

TO: Purchasing Director

SUBJECT: APPROVAL OF THE RENEWAL OF A CONTRACT WITH
DELTA DENTAL – DEPARTMENT OF HUMAN
RESOURCES

CONSIDERED BY: Board of Contract and Supply

DISPOSITION: VOTED: that the Purchasing Director hereby authorizes approval of the renewal of a contract, with Delta Dental, the City will benefit both through plan design and financial savings, the revised renewal calculated an additional 1.3% increase above the 1.6% previously presented to the City, upon the acceptance of the new five year proposal, Delta Dental of RI agreed to a Rate Pass for this upcoming fiscal year, the contract adds (2) years onto the in-force contract, has better terms as it relates to rate caps for future years, and by agreeing to this contract, the City will have a savings for Fiscal Year 2017, a long-term renewal arrangement offers stability to members and financial security to the City, a fully insured arrangement offers predictable premiums at a lower cost than the estimated self-funded expense, all in accordance with the request of Margaret Wingate, Manager of Employee Benefits, in communication dated September 28, 2016.

cc: Pur.Dir.
Contr.
H. Resources
File

A handwritten signature, likely of the Purchasing Director, is written over the "File" line of the distribution list.

A handwritten signature in cursive script, reading "Lori L. Hagen".
City Clerk



CITY OF PROVIDENCE

Jorge O. Elorza, Mayor

September 28, 2016

The Honorable Jorge O. Elorza
Chairman, Board of Contract and Supply
City Hall
Providence, RI 02903

Dear Mayor Elorza:

The City is currently in the (3) third year of a (5) five year contract with Delta Dental. The current contract is set to expire on June 30, 2019. We are respectfully requesting permission to enter into a renewal of the Delta Dental contract for a period of (5) five years.

We are again requesting a (5) five year rate renewal of the Dental Contract. By doing so, the City will benefit both through plan design and financial savings:

- The revised renewal calculated an additional 1.3% increase above the 1.6% previously presented to the City. Upon the City's acceptance of the new five year proposal, Delta Dental of RI agreed to a Rate Pass for this upcoming fiscal year.
- A new (5) five year contract has been negotiated starting July 1, 2016.
 - The contract adds (2) years onto the in force contract.
 - The contract has better terms as it relates to rate caps for future years.
 - By agreeing to this contract, the City will have a savings of \$168,000.00 for Fiscal Year 2017.

Overall, a long-term renewal arrangement offers stability to members and financial security to the City. A fully insured arrangement offers predictable premiums at a lower cost than the estimated self-funded expense.

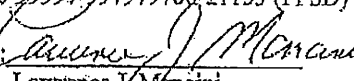
Account Code(s) 101-900-21321 (City)
10-02001-432102500-52125 (PPSD)
10-99997-997979700-21153 (PPSD)

Respectfully submitted,


Margaret M. Wingate

Manager of Employee Benefits

Finance Approval:


Lawrence J. Manoini
Director of Finance

HUMAN RESOURCES

Providence City Hall | 25 Dorrance Street, Room 401, Providence, Rhode Island 02903
401 421 7740 ph | 401 273 9510 fax
www.providenceri.com

DELTA DENTAL OF RHODE ISLAND

Summary of Monthly Prospective Premium Rates (1)
Five Year Renewal Proposal Effective July 1, 2016 through June 30, 2021

City of Providence

Division	Renewal Rates Effective (2) 7/1/16 - 6/30/17			Maximum Renewal Rates Eff. (3) 7/1/17 - 6/30/18			Maximum Renewal Rates Eff. (3) 7/1/18 - 6/30/19			Maximum Renewal Rates Eff. (5) 7/1/19 - 6/30/20			Maximum Renewal Rates Eff. (5) 7/1/20 - 6/30/21		
	Ind	2 Per	Fam	Ind	2 Per	Fam	Ind	2 Per	Fam	Ind	2 Per	Fam	Ind	2 Per	Fam
	1105-0001	\$36.51	N/A	\$115.76	\$37.97	N/A	\$120.59	\$39.87	N/A	\$126.41	\$41.87	N/A	\$132.73	\$44.38	N/A
0002/0003	\$35.36	\$72.69	\$109.01	\$36.77	\$75.60	\$113.37	\$38.61	\$79.38	\$119.04	\$40.54	\$83.35	\$124.99	\$42.97	\$88.35	\$132.49
0004/0005	\$35.36	N/A	\$109.01	\$36.77	N/A	\$113.37	\$38.61	N/A	\$119.04	\$40.54	N/A	\$124.99	\$42.97	N/A	\$132.49
1105-0006	\$35.36	N/A	\$109.01	\$36.77	N/A	\$113.37	\$38.61	N/A	\$119.04	\$40.54	N/A	\$124.99	\$42.97	N/A	\$132.49
1105-0012	\$37.03	\$76.14	\$114.18	\$38.52	\$79.18	\$118.75	\$40.44	\$83.14	\$124.69	\$42.46	\$87.30	\$130.92	\$45.01	\$92.53	\$138.78
0014/0015	\$35.36	\$72.69	\$109.01	\$36.77	\$75.60	\$113.37	\$38.61	\$79.38	\$119.04	\$40.54	\$83.35	\$124.99	\$42.97	\$88.35	\$132.49
1105-0017	\$35.36	N/A	\$109.01	\$36.77	N/A	\$113.37	\$38.61	N/A	\$119.04	\$40.54	N/A	\$124.99	\$42.97	N/A	\$132.49
1105-0019	\$36.51	N/A	\$115.76	\$37.97	N/A	\$120.59	\$39.87	N/A	\$126.41	\$41.87	N/A	\$132.73	\$44.38	N/A	\$140.69
1105-0021	\$35.84	N/A	\$112.15	\$37.27	N/A	\$116.63	\$39.14	N/A	\$122.47	\$41.09	N/A	\$128.59	\$43.56	N/A	\$136.30

Renewal Rate Adjustment 2.25%

4.00%

5.00%

6.00%

- (1) This proposal is contingent upon a signed agreement for the contract period, July 1, 2016 through June 30, 2021. Should the agreement be terminated prior to the end of the contract period, liquidation damages will be assessed to the City of Providence and payable to Delta Dental of Rhode Island. The renewal rates include the Federal PPACA fee assessment applicable to all insured groups.
- (2) The monthly prospective premium rates are guaranteed based upon the following enrollment assumption: 4248 Individual contracts and 3004 Family contracts. Any significant change in the assumed enrollment (plus or minus 10%) may result in adjustments to this renewal. Effective January 1, 2009, Rhode Island General Law, Chapter 44-17 entitled Taxation of Insurance Companies was amended to include non-profit dental service corporations. The rates quoted include a 2.0% premium tax and are subject to change at any time to comply with applicable state law.
- (3) The renewal rates effective 7/1/17-6/30/18, 7/1/18-6/30/19, 7/1/19-6/30/20 and 7/1/20-6/30/21 represent the maximum rates the City of Providence would receive to be determined through annual experience ratings. The renewal rates assume no benefit changes to the medical or dental benefit plans in effect as of the last renewal date. The maximum rates in future contract periods may be adjusted in accordance with changes in federal, state and local governmental or regulatory provisions.

City of Providence
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

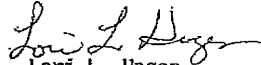
No. 503

EFFECTIVE November 17, 2014

RESOLVED, That the Members of the Providence City Council
hereby Authorize Approval of the following Five-Year Contract Extension by the
Board of Contract and Supply, in accordance with Section 21-26 of the Code of
Ordinances.

Delta Dental
(Human Resources)

Effective without the
Mayor's Signature


Lori L. Hagen
City Clerk
ACTING

IN CITY COUNCIL

NOV 06 2014

READ AND PASSED


PRES.


ACTING CLERK

MATTHEW M. CLARKIN, JR.
INTERNAL AUDITOR
25 DORRANCE STREET, ROOM #307
PROVIDENCE, RI 02903
Phone: (401) 421-7740 EXT. 577
Fax: (401) 351-1086
mclarkin@providenceri.com



City of Providence, Rhode Island
Office of the Internal Auditor

October 2, 2014

Ms. Lori Hagen
City Clerk
City of Providence
25 Dorrance Street
Providence, RI 02903

Dear Ms. Hagen:

In accordance with Section 21-26 of the City's Code of Ordinances, I am writing to request that the following requested contract awards be submitted to the City Council and the Ways & Means Committee.

- *Human Resources* – Approval of a three-year extension to the contract with Delta Dental of Rhode Island for employee dental insurance.
- *Human Resources* – Approval of three-year extension to the contract with Blue Cross Blue Shield of Rhode Island for the administration of the city's health insurance program.
- *Human Resources* – Approval of an amendment to the contract with Mercer Health & Benefits, LLC, the city's current health and benefits consulting firm, from a one-year agreement to a three-year agreement at an annual cost of \$330,000.

If you have any questions or concerns regarding any of these items, please contact me. Thank you for your consideration with this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew M. Clarkin, Jr.", is written over a horizontal line.

Matthew M. Clarkin, Jr.
Internal Auditor

Cc: Alan Sepe, Director of Operations
Francisco Ramirez, Director of Purchasing
Yvonne Graf – Chief of Staff – City Council
Jim Lombardi, City Treasurer



CITY OF PROVIDENCE
Angel Taveras, Mayor

October 1, 2014

The Honorable Angel Taveras
Chairman, Board of Contract and Supply
City Hall
Providence, RI 02903

Dear Mayor Taveras:

The City is currently in the final year of a (5) five-year contract with Delta Dental of Rhode Island. The current contract is set to expire on June 30, 2015. We are respectfully requesting permission to enter into a renewal of the Delta Dental contract for a period of three years.

We are again requesting a 5-year rate renewal of the Dental Contract. By doing so, the City will benefit both through plan design and financial savings:

- The City will be able to offer CBA mandated Wisdom Teeth removal coverage outside the annual plan maximums with no impact to premium. This item alone represents an estimated Year 1 savings of \$211,400 to the fully insured premium.
- Multi-year renewal caps - The City will secure a maximum increase over the next 5 years (the renewals can always be below the maximum, but not higher than the maximum) It should be noted that fully insured dental trend is between 6% and 8%. Following are the maximum increases; (rates will be underwritten each year):

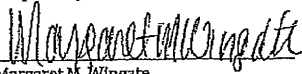
Year	Max Increase
FY16	+4%
FY17	+5%
FY18	+5%
FY19	+6%

- At any point during the 5-year contract, the City can elect to move from a fully insured to a self-funded financial arrangement with no associated financial penalties

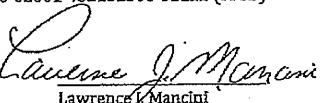
Overall, a long-term renewal arrangement offers stability to members and financial security to the City. There is no other vendor that can match Delta's network and discount arrangements. A fully insured arrangement offers predictable premiums at a lower cost than the estimated self-funded expense.

Account Code(s) 101-900-21321 (City)
10-02001-432102500-52125 (PPSD)
10-99997-997979700-21153 (PPSD)
10-02001-432102500-52122 (PPSD)

Respectfully submitted,


Margaret M. Wingate
Manager of Employee Benefits

Financial Approval:


Lawrence J. Mancini
Acting Director of Administration/
Director of Finance

HUMAN RESOURCES | WORKERS' COMPENSATION
Providence City Hall | 25 Dorrance Street, Room 108, Providence, Rhode Island 02903
401 421 7740 ph | 401 272 0867 fax
www.providenceri.com

Summary of Monthly Prospective Premium Rates (1)
Five Year Renewal Proposal Effective July 1, 2014 through June 30, 2019

Subloc.	Renewal Rates Effective (2)			Maximum Renewal Rates Eff. (3)			Maximum Renewal Rates Eff. (3)			Maximum Renewal Rates Eff. (3)					
	7/1/14 - 6/30/15			7/1/15 - 6/30/16			7/1/16 - 6/30/17			7/1/17 - 6/30/18			7/1/18 - 6/30/19		
	Ind	2 Per	Fam	Ind	2 Per	Fam	Ind	2 Per	Fam	Ind	2 Per	Fam	Ind	2 Per	Fam
1105-0001	\$35.71	N/A	\$113.21	\$37.14	N/A	\$117.74	\$39.00	N/A	\$123.63	\$40.95	N/A	\$129.81	\$43.40	N/A	\$137.59
0002/0003	\$34.58	N/A	\$106.61	\$35.96	N/A	\$110.87	\$37.76	N/A	\$116.42	\$39.65	N/A	\$122.24	\$42.03	N/A	\$129.57
0004/0005	\$34.58	N/A	\$106.61	\$35.96	N/A	\$110.87	\$37.76	N/A	\$116.42	\$39.65	N/A	\$122.24	\$42.03	N/A	\$129.57
1105-0006	\$34.58	N/A	\$106.61	\$35.96	N/A	\$110.87	\$37.76	N/A	\$116.42	\$39.65	N/A	\$122.24	\$42.03	N/A	\$129.57
1105-0012	\$36.22	\$74.46	\$111.67	\$37.67	\$77.44	\$116.14	\$39.55	\$81.31	\$121.94	\$41.53	\$85.38	\$128.04	\$44.02	\$90.50	\$135.72
1105-0013	\$35.71	N/A	\$113.21	\$37.14	N/A	\$117.74	\$39.00	N/A	\$123.63	\$40.95	N/A	\$129.81	\$43.40	N/A	\$137.59
0014/0015	\$34.58	\$71.09	\$106.61	\$35.96	\$73.93	\$110.87	\$37.76	\$77.63	\$116.42	\$39.65	\$81.51	\$122.24	\$42.03	\$86.40	\$129.57
1105-0017	\$34.58	N/A	\$106.61	\$35.96	N/A	\$110.87	\$37.76	N/A	\$116.42	\$39.65	N/A	\$122.24	\$42.03	N/A	\$129.57
0019/0020	\$35.71	N/A	\$113.21	\$37.14	N/A	\$117.74	\$39.00	N/A	\$123.63	\$40.95	N/A	\$129.81	\$43.40	N/A	\$137.59
0021/0022	\$35.05	N/A	\$109.68	\$36.45	N/A	\$114.67	\$38.27	N/A	\$123.63	\$40.19	N/A	\$125.76	\$42.60	N/A	\$133.30

500%

- (1) This proposal is contingent upon a signed agreement for the contract period, July 1, 2014 through June 30, 2019. Should the agreement be terminated prior to the end of the contract period, liquidation damages will be assessed to the City of Providence and payable to Delta Dental of Rhode Island. The renewal rates include the Federal PPACA fee assessment applicable to all insured groups.
- (2) The monthly prospective premium rates are guaranteed based upon the following enrollment assumptions: 482.1 Individual contracts and 4178 Family contracts. Any significant change in the assumed enrollment (plus or minus 10%) may result in adjustments to this renewal. Effective January 1, 2009, Rhode Island General Law, Chapter 44-17 entitled Taxation of Insurance Companies was amended to include non-profit dental service corporations. The rates quoted include a 2.0% premium tax and are subject to change at any time to comply with applicable state law.
- (3) The renewal rates effective 7/1/15-6/30/16, 7/1/16-6/30/17, 7/1/17-6/30/18 and 7/1/18-6/30/19 represent the maximum rates the City of Providence would receive to be determined through annual experience ratings. The renewal rates assume no benefit changes to the medical or dental benefit plans in effect as of the last renewal date. The maximum rates in future contract periods may be adjusted in accordance with changes in federal, state and local governmental or regulatory provisions.