



BOARD OF SUPERVISORS AGENDA ITEM REPORT AWARDS / CONTRACTS / GRANTS

☐ Award ☒ Contract ☐ Grant

Requested Board Meeting Date: 06/17/2025

** = Mandatory, information must be provided*

or Procurement Director Award: ☐

***Contractor/Vendor Name/Grantor (DBA):**

CaremarkPCS Health, LLC dba CVS Health

***Project Title/Description:**

Pharmacy Benefits Administrative Services

***Purpose:**

Amendment of Award: Supplier Contract No. SC2400000860, Amendment No. 04. This Amendment exercises the annual renewal option to extend the termination date to 06/30/2026, increases the not-to-exceed contract amount by \$500,000.00 for a cumulative not-to-exceed contract amount of \$775,000.00 and appends the Heat Injury and Illness Prevention and Safety Plan provision to the contract, pursuant to Pima County Procurement Code 11.40.030. The increase is needed due to Pima County experiencing an increase in administrative invoice costs due to the implementation of the Drug Savings Review (DSR) program in October 2024, which includes a \$0.30 Per Employee Per Month fee. Additionally, there has been a rise in prior authorizations driven by enhanced utilization management practices. These changes have increased administrative fees but support more effective oversight and care management and provide the County an estimated cost savings of at approximately \$260,000.00 annually for prescription claims. Two (2) renewal options remain.

Adminisitering Department: Human Resources.

***Procurement Method:**

Pursuant to Pima County Procurement Code 11.12.020, Competitive sealed proposals, on 01/16/2018, the Board of Supervisors approved an award of contract for an initial term of five (5) years and an initial award amount of \$125,000.00 with five (5) one-year renewal options.

On 09/20/2018, the Procurement Director approved Amendment No. 01, which supplemented the Participating Group Addendum.

On 06/20/2023, the Board of Supervisors approved Amendment No. 02, which exercised the annual renewal option to extend the termination date to 06/30/2024, increased the not-to-exceed contract amount by \$150,000.00 for a cumulative not-to-exceed contract amount of \$275,000.00, and added the Israel Boycott Certification provision pursuant to 35-393.01 and the Forced Labor of Ethnic Uyghurs provision to the contract pursuant to A.R.S. § 35-394. Four (4) renewal options remained.

On 06/30/2024, the Procurement Director approved Amendment No. 03, which extended the termination date to 06/30/2025. No additional funds were added and contract not-to-exceed amount remained at \$275,000.00. Three (3) renewal options remained.

PRCUID: 264063

Attachment: Contract Amendment No. 04.

***Program Goals/Predicted Outcomes:**

Cost effective integrated claims administration for pharmacy services.

***Public Benefit:**

Cost effective integrated health benefits program.

***Metrics Available to Measure Performance:**

Active review of various reports that monitor the overall effectiveness of claims administration and formulary management.

***Retroactive:**

No.

To: COB 06/03/2025

Vers: 2

Pgs: 2

THE APPLICABLE SECTION(S) BELOW MUST BE COMPLETED

Click or tap the boxes to enter text. If not applicable, indicate "N/A". Make sure to complete mandatory (*) fields

Contract / Award Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____
 Commencement Date: _____ Termination Date: _____ Prior Contract Number (Synergen/CMS): _____
☐ Expense Amount \$ _____ ☐ Revenue Amount: \$ _____

***Funding Source(s) required:** _____

Funding from General Fund? ☐ Yes ☐ No If Yes \$ _____ % _____

Contract is fully or partially funded with Federal Funds? ☐ Yes ☐ No

If Yes, is the Contract to a vendor or subrecipient? _____

Were insurance or indemnity clauses modified? ☐ Yes ☐ No
 If Yes, attach Risk's approval.

Vendor is using a Social Security Number? ☐ Yes ☐ No
 If Yes, attach the required form per Administrative Procedure 22-10.

Amendment / Revised Award Information

Document Type: SC Department Code: PO Contract Number (i.e., 15-123): SC2400000860
 Amendment No.: 04 AMS Version No.: N/A
 Commencement Date: 07/01/25 New Termination Date: 06/30/26

Prior Contract No. (Synergen/CMS): MA-PO-18-190

☒ Expense ☐ Revenue ☐ Increase ☐ Decrease

Amount This Amendment: \$ 500,000.00

Is there revenue included? ☐ Yes ☒ No If Yes \$ _____

***Funding Source(s) required: Health Benefit Self-Insurance Fund**

Funding from General Fund? ☐ Yes ☒ No If Yes \$ _____ % _____

Grant/Amendment Information (for grants acceptance and awards)

☐ Award ☐ Amendment

Document Type: _____ Department Code: _____ Grant Number (i.e., 15-123): _____
 Commencement Date: _____ Termination Date: _____ Amendment Number: _____
☐ Match Amount: \$ _____ ☐ Revenue Amount: \$ _____

***All Funding Source(s) required:** _____

*Match funding from General Fund? ☐ Yes ☐ No If Yes \$ _____ % _____

*Match funding from other sources? ☐ Yes ☐ No If Yes \$ _____ % _____

*Funding Source: _____

*If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)?

Contact: Procurement Officer: Kelsey Braun-Shirley Digitally signed by Kelsey Braun-Shirley Date: 2025.05.28 14:15:04 -0700 Division Manager: Ana Wilber Digitally signed by Ana Wilber Date: 2025.05.28 14:17:58 -0700

Department: Procurement Director: Bruce D Collins Digitally signed by Bruce D Collins Date: 2025.05.28 14:23:07 -0700 Telephone: 520-724-7466

Department Director Signature: _____ Date: 5/29/25
 Deputy County Administrator Signature: _____ Date: 5/29/25
 County Administrator Signature: _____ Date: 5/30/2025

Pima County Procurement Department**Administering Department:** Human Resources**Project:** Pharmacy Benefits Administrative Services**Contractor:** CaremarkPCS Health, LLC

1 CVS Drive

Woonsocket, Rhode Island 02895

Contract No: SC2500000860 (formerly MA-PO-18-190)**Contract Amendment No.:** 04

Original Contract Term	7/1/2018 – 6/30/2023	Original Contract Amount:	\$	125,000.00
Prior Termination Date	6/30/2025	Prior Amendments Amount:	\$	150,000.00
New Termination Date	6/30/2026	This Amendment Amount:	\$	500,000.00
		Revised Total Amount:	\$	775,000.00

CONTRACT AMENDMENT**1. Parties, Background and Purpose.****1.1. Background.**

On July 1, 2018, County and Contractor entered into the above referenced agreement to provide pharmacy benefits administrative services.

1.2. Purpose.

County requires continuing services of integrated claims administration for pharmacy benefits.

2. Term.

County is exercising the third extension option to renew the contract for one year commencing on July 1, 2025 and terminating on June 30, 2026. If the commencement date is before the Effective Date of this amendment, the parties will, for all purposes, deem the amendment to have been in effect as of the commencement date.

3. Maximum Payment Amount.

The maximum amount County will spend under this Contract is increased by \$500,000.00. County's total payments to Contractor for administrative fees only (excluding prescription claim amounts) under this Contract, including any sales taxes, will not exceed \$775,000.00.

4. Heat Injury and Illness Prevention and Safety Plan.

Pursuant to Pima County Procurement Code 11.40.030, Contractor hereby warrants that if Contractor's employees perform work in an outdoor environment under this Contract, Contractor will keep on file a written Heat Injury and Illness Prevention and Safety Plan. At County's request, Contractor will provide a copy of this plan and documentation of heat safety and mitigation efforts implemented by Contractor to prevent heat-related illnesses and injuries in the workplace. Contractor will post a copy of the Heat Injury and Illness Prevention and Safety Plan where it is accessible to employees. Contractor will further ensure that each subcontractor who performs any work for Contractor under this Contract complies with this provision.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties have approved this Amendment and agree to be bound by the terms and conditions of the Contract on the dates written below.

All other provisions of the Contract not specifically changed by this Amendment remain in effect and are binding upon the parties.

This contract template has been approved as to form by the Pima County Attorney's Office.

Pima County

CaremarkPCS Health, LLC



Chair, Board of Supervisors

Alona Smith
Authorized Officer Signature

Date

5/19/2025
Date

ATTEST

Clerk of the Board

Date

Approved as to Content

Cathy Bohland
Department Head

05/29/25
Date