

Date: September 8, 2014

To: C.H. Huckelberry  
County Administrator

From: M. Allyn Bulzoni, Director  
Human Resources

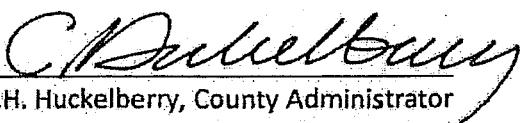
Re: Limited Competition Procurement – Health Benefits Consultant

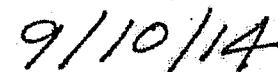
On August 20<sup>th</sup> I requested your approval for limited completion procurement for the health benefits consultant, CBIZ (attached).

As we move forward in the Self Insurance environment; we realize that in the effort to curb health care costs for the trust fund we need to look into the feasibility of developing onsite medical clinics for our employees. In order to proceed with the study we will need to increase the anticipated annual contract amount by \$25,000.00; therefore, changing the annual contract amount to not exceed \$100,000.00.

This contract would be for a period of three (3) years with the ability to renew annually for an additional two (2) years. Any additional details can be provided upon request.

I approve the increase of the annual contract amount not to exceed \$100,000.

  
C.H. Huckelberry, County Administrator

  
Date

C: L. George Widugiris, Director  
Procurement Department

Date: August 20, 2014

To: C.H. Huckelberry  
County Administrator

From: M. Allyn Buzom, Director  
Human Resources

Re: Limited Competition Procurement – Health Benefits Consultant

As you are well aware the County is entering is second full year of providing health benefits through a self-insured environment. The decision to move to self-insurance was reached over many years and in large part was achieved through the efforts of our current health benefits consultant, CBIZ.

For the several years, CBIZ has provide health benefits consulting services to Pima County, assisting us in achieving major goals to prepare for self-insurance; including but not limited to the elimination of HMO's, removal of Retirees from our health benefit programs, establishment of Health Savings Accounts (HSA's), and education of our employees concerning health benefits. In addition, CBIZ is a leading expert concerning the Affordable Care Act (ACA), and the impact the ACA has on our County.

The first full year of self-insurance was very successful and I am sure the audited financials will show the trust fund reserves are growing at the appropriate rate. There are still significant milestones to achieve. We need to repay the \$10 million dollar general fund loan, we need to build our reserves to a level where we will not be required to purchase stop loss insurance and we need to continue to implement any existing or new ACA regulations.

Until such time as the Self Insurance Trust Fund is self-sustaining and debt free it is critical that we maintain the continuity of our consultant by contracting with CBIZ. CBIZ has the expertise and history to assist us in getting to the next level. For that reason, Human Resources recommends Pima County award a contract to CBIZ for health benefits consulting. The anticipated annual contract amount will not exceed \$75,000.00;

This contract would be for a period of three (3) years with the ability to renew annually for an additional two (2) years. Any additional details can be provided upon request.

I approve both the limited procurement and the award of contact to CBIZ.

C. Huckelberry  
C.H. Huckelberry, County Administrator

8/20/14  
Date

C: L. George Widugiris, Director  
Procurement Department