

ORDINANCE NUMBER O- 21809 (NEW SERIES)

DATE OF FINAL PASSAGE MAY 20 2024

AN ORDINANCE OF THE COUNCIL OF THE CITY OF
SAN DIEGO APPROVING A HEALTH ADMINISTRATION
CONTRACT BETWEEN THE CITY OF SAN DIEGO AND
BENEFIT OUTSOURCING SOLUTIONS, INC.

WHEREAS, the San Diego City Employees' Retirement System (SDCERS) provides administrative services to the City of San Diego (City) related to the City's retiree health benefits (for eligible members who retire before April 1, 2012) and post-employment health benefits (for eligible members who retire on or after April 1, 2012); and

WHEREAS, on June 23, 2014, the San Diego City Council (City Council) approved a Memorandum of Understanding (MOU) between the City and SDCERS, dated May 13, 2014, concerning the provision of these administrative services (San Diego Ordinance O-20375); and

WHEREAS, in December of 2021, in accordance section 11 of the MOU, SDCERS informed the City it intended to terminate the MOU, but would continue to provide services until the City reached agreement with a new administrator; and

WHEREAS, on June 16, 2023, in accordance with the City's procurement policies, the City issued a Request for Proposal (RFP) seeking a service provider for retiree health administrative services, which include managing healthcare enrollments, calculating the reimbursement amounts for privately secured plans, processing premium payments, conducting the annual open enrollment process, and communicating with retirees regarding their healthcare benefits; and

WHEREAS, after reviewing and evaluating the proposals received, the RFP evaluation committee found Benefits Outsourcing Solutions, Inc. (BOS), exhibited strong credentials and had extensive benefits administration experience; and

WHEREAS, staff recommends approval of the proposed contract with BOS, which is for an initial three-year term, with a City option to extend for seven additional one-year periods, in an amount not to exceed \$1,000,000.00 per year of the contract, or \$10,000,000.00 over the (10) year term; and

WHEREAS, the funding source for the BOS contract will be the Risk Administration Fund, Fund 720048; and

WHEREAS, the contract requires compliance with San Diego City Charter section 99, which provides that no contract, agreement, or obligation where the City incur debt extending for a period of more than five years may be authorized except by ordinance adopted by a two-thirds majority vote of the City Council; and

WHEREAS, the Office of the City Attorney has drafted this ordinance based on the information provided by City staff, with the understanding that this information is complete, true, and accurate; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That the Mayor or his designee is authorized to enter into Contract between the City and BOS to provide retiree health administration services in an amount not to exceed \$1,000,000.00 annually, or \$10,000,000.00 over the ten (10) year term.

Section 2. That the Chief Financial Officer is authorized to expend an amount not to exceed \$10,000,000 over the ten (10) year period in the Risk Management Administration Fund (Fund 720048), for the purpose of funding a Contract with BOS to provide retiree health administration services, contingent upon the passing of the annual Appropriation Ordinance for

the applicable fiscal year, and contingent upon the Chief Financial Officer furnishing one or more certificates certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

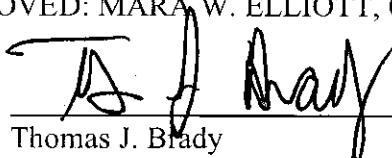
Section 3. That a two-thirds vote is required for City Council approval of this ordinance, pursuant to Charter section 99.

Section 4. That a full reading of this ordinance is dispensed with prior to passage, a written copy having been made available to the Council and the public prior to the day of its passage.

Section 5. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: MARA W. ELLIOTT, City Attorney

By



Thomas J. Brady
Senior Deputy City Attorney

TJB:jvg
April 15, 2024
Or.Dept: Risk Management
Doc. No. 3622214

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of MAY 14 2024.

DIANA J.S. FUENTES
City Clerk

By Kristhell Medina
(Deputy City Clerk)

Approved: 5/17/24
(date)

Todd Gloria
TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

(Note: The date of final passage is May 20, 2024, which represents the day this ordinance was returned to the Office of the City Clerk with the Mayor's signature of approval.)

Passed by the Council of The City of San Diego on MAY 14 2024, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry L. Foster III	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kent Lee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raul A. Campillo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sean Elo-Rivera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage MAY 20 2024.

AUTHENTICATED BY:

TODD GLORIA
Mayor of The City of San Diego, California.

(Seal)

DIANA J.S. FUENTES
City Clerk of The City of San Diego, California.

By Kristell Medina, Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

APR 29 2024, and on MAY 20 2024.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

DIANA J.S. FUENTES
City Clerk of The City of San Diego, California.

By Kristell Medina, Deputy

Office of the City Clerk, San Diego, California
Ordinance Number O- 21809