

Ordinance No. 483-2021

By Council Member Kelley
(by departmental request)

AN EMERGENCY ORDINANCE

Authorizing the Director of Human Resources to exercise early the third option to renew under the contract with CaremarkPCS Health, L.L.C. to take advantage of improved discounts.

FOR PASSAGE
June 7, 2021

WHEREAS, Ordinance No. 1331-18, passed November 12, 2018, authorized the Director of Human Resources to enter into one more or more contracts to provide professional services necessary to administer and provide group medical, dental, prescription, vision and life insurance coverage and various other benefits for a period of one year, with three one-year options to renew, the third of which requires additional legislation to exercise; and

WHEREAS, Board of Control Resolution No. 296-20, as amended by Resolution No. 32-21, authorized the Director of Human Resources to enter into a contract with CaremarkPCS Health, L.L.C. (“CVS/caremark”) based on its October 4, 2019 proposal for prescription coverage pricing provided to the Health Action Council (HAC) for the years 2020 through 2024, for an amount not to exceed \$25,000,000 per year;

WHEREAS, HAC recently conducted a full RFP on behalf of its members and has decided to continue its partnership with CVS/caremark, and CVS/caremark has offered to implement the 2022 pricing on July 1, 2021 for any member group that exercises an early renewal option to extend the contract through December 31, 2024;

WHEREAS, exercising the early renewal of the third year option and authorizing and exercising an additional nine month renewal will result in significant savings to the City;

WHEREAS, this ordinance constitutes an emergency measure providing for the usual daily operation of a municipal department; now, therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CLEVELAND:

Section 1. That the Director of Human Resources is authorized to exercise early the third one-year option to renew and an additional nine month renewal through December 31, 2024 under the contract with CVS/caremark, effective May 20, 2021, to implement the 2022 pricing beginning on July 1, 2021 for the prescription coverage

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pricing provided to HAC, for an amount not to exceed \$25,000,000 for the third year option and not to exceed \$18,750,000 for the additional nine month renewal option. This ordinance constitutes the additional legislative authority required by Ordinance No. 1331-18 to exercise the third year option and provides the additional legislative authority to provide and exercise the additional nine month renewal option.

Section 2. That this ordinance is declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all the members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

SM:nl
6-7-2021
FOR: Director West

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REPORT
after second Reading

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READ FIRST TIME **REPORTS**
referred to

CITY CLERK

READ SECOND TIME

CITY CLERK

READ THIRD TIME on JUNE 7, 2021

PRESIDENT

CITY CLERK

APPROVED

MAYOR

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READ FIRST, SECOND AND THIRD TIME