

City of Waukesha

Human Resources Office

MEMORANDUM

TO: Ed Henschel, City Administrator

FROM: Donna Hylarides Whalen, Asst. City Atty/HR Mgr 

DATE: October 2, 2014

SUBJECT: Health Insurance Consultant Contract Renewal

City of Waukesha Financial Policy 6.2.6 allows the budget authority to secure contractual or professional services without taking formal or informal bids using sole source purchasing provided the circumstance of such purchase is entered into the records of the purchase. I am requesting that you give some thought to awarding the health insurance consultant contract to Willis based upon sole source considerations.

The City Administrator and the Mayor are the budget authorities for health insurance consultant agreements. (See attached resolution.) David Wierkiewicz has worked with the City since 1998 when he was with United Health Care as an account manager. He later became a private consultant with Mercer. Mercer was retained by the City and David became the account representative. After he left Mercer the City remained with Mercer for nearly a year but with very unsatisfactory results. Several important decision making points were not understood by the consultant assigned to the City. The City then contracted with Wells Fargo Services where David had secured employment and that relationship lasted for a number of months after David left Wells Fargo, again with very unsatisfactory results. The representatives assigned to the City's account did not have sufficient knowledge and expertise in the public sector health insurance to adequately advise the City on the numerous issues that arise with our self-funded plan. After the Wells Fargo agreement expired, the City contracted with Willis where David had secured a consultant position. Over the past 16 years Mr. Wierkiewicz has consistently provided excellent service to the City of Waukesha. The success of the City's relationship with Willis is outlined in the attached documents.

While I am not opposed to sending out an RFP if that is your desire, it would take a truly extraordinary response to displace the successful relationship the City has had with Willis over the past three years. Willis has agreed to maintain the agreement at the current fee for the next three years, extending the contact through September of 2017.

Therefore, I respectfully request that you consider utilizing your sole source authority in this circumstance.

CITY OF WAUKESHA, WISCONSIN

A RESOLUTION AUTHORIZING IMPLEMENTATION OF A SELF-FUNDED MEDICAL PROGRAM – PLAN NUMBER 501

WHEREAS, the Common Council of the City of Waukesha desires to establish a self-funded medical program for eligible active and retired employees of the City; and,

WHEREAS, the City of Waukesha will be the fiduciary and medical claims will be paid from the general funds of the City; and,

WHEREAS, a feature of the medical program is the establishment of a Health Reimbursement Arrangement pursuant IRS regulations; and,

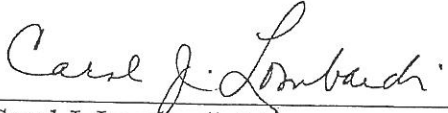
WHEREAS, by establishment of the self-funded medical program the City gains greater control of its health insurance costs and flexibility in establishing benefit levels.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Waukesha that effective January 1, 2005 there be and hereby is established a self-funded medical program which will be know as the City of Waukesha Employee Health Program, 501, and a City of Waukesha Health Reimbursement Arrangement, 555 (together "the Plan") which claims will be paid from the general funds of the City.

BE IT FURTHER RESOLVED that the Mayor and City Administrator are hereby designated the administrators for the Plan and are allocated the responsibility for the operation and management of the Plan including authority to amend the Plan and enter into agreements to render advice and administrative assistance as necessary to carry out the objectives of the Plan.

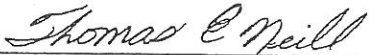
Passed and adopted this 7th day of December, 2004.

Signed:



Carol J. Lombardi, Mayor

Attest:



Thomas Neill, City Clerk/Treasurer