



# Westchester Community College

State University of New York

**65578**

October 19, 2018

To: Board of Acquisition and Contract

From: Belinda S. Miles  
President

Re: Authority to amend an agreement with POMCO, Inc. for the provision of health plan administrative services in connection with the College's Employee Benefit Plan in order to assign the agreement to UMR, Inc., effective July 1, 2018 and to extend the agreement for the period of January 1, 2019 through December 31, 2020 in an amount not to exceed \$790,000.00.

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By resolution dated October 11, 2016, your Honorable Board authorized the County of Westchester, acting by and through Westchester Community College (the "College") to enter into an agreement with POMCO, Inc. for the provision of third party administrator ("TPA") services and preferred provider organization ("PPO") network services in connection with the College's Employee Benefit Plans, for a term of two (2) years, commencing January 1, 2017 and terminating December 31, 2018, for an administrative fee in an amount not to exceed \$790,000.

POMCO has advised that effective July 1, 2018, POMCO was acquired by UMR, Inc. ("UMR"). Authority is hereby now being requested from your Honorable Board to to: (i) amend the agreement in order to approve the assignment of the agreement from POMCO to UMR, effective July 1, 2018; (ii) extend the term of the agreement two (2) additional years to a new termination date of December 31, 2020; and (iii) increase the administrative fee for this additional two year period by \$790,000.00 for a new not to exceed amount of \$1,580,000.00.

The College has utilized POMCO's TPA services and PPO network for over 20 years, going back to when the College was a part of the Westchester County Employee Benefit Plan. UMR has advised that it has retained many former POMCO employees, will continue to provide these same services and has agreed to keep its administrative fee at the current level for both 2019 and 2020. All other terms and conditions of the agreement will remain unchanged and in accordance with the agreement, the College will retain the option to terminate the agreement upon 60 days notice.

The public purpose of the proposed Agreement is that it enables the College to ensure the provision of high quality and cost effective health care for employees, retirees and their respective families, in accordance with the College's health benefit plan.

Since health care expenses for employees and retirees are a significant cost to the College, the goals and objectives will be measured by the College's Business Office and Health Benefits Office via on-going monitoring of the costs associated with the services provided.

Accordingly, I recommend to your Honorable Board that the County of Westchester acting by and through Westchester Community College be authorized to: (i) amend the agreement in order to approve the assignment of the agreement from POMCO to UMR effective July 1, 2018; (ii) extend the term of the agreement two (2) additional years to a new termination date of December 31, 2020; and (iii) increase the administrative fee for this additional two year period by \$790,000.00 for a new not to exceed amount of \$1,580,000.00.

A resolution exempting this procurement from the operation of the Westchester County Procurement Policy is also before your Honorable Board and must be adopted prior to adoption of this resolution.

BSM/jpi  
Attachment

## RESOLUTION

Upon a communication from the President, Westchester Community College, be it hereby

**RESOLVED**, that the County of Westchester acting by and through Westchester Community College (the "College") is hereby authorized to: (i) amend the agreement with POMCO, Inc. in order to approve the assignment of the agreement from POMCO, Inc. to UMR, Inc., effective July 1, 2018; (ii) extend the term of the agreement two (2) additional years to a new termination date of December 31, 2020; and (iii) increase the administrative fee for this additional two year period by \$790,000.00 for a new not to exceed amount of \$1,580,000.00; and be it further

**RESOLVED**, that this Agreement is subject to County appropriations; and be it further

**RESOLVED**, that this Agreement is also subject to further financial analysis of the impact of any New York State Budget (the "State Budget") proposed and adopted during the term of this Agreement. The County shall retain the right, upon the occurrence of any release by the Governor of a proposed State Budget and/or the adoption of a State Budget or any amendments thereto, and for a reasonable period of time after such release(s) or adoption(s), to conduct an analysis of the impacts of any such State Budget on County finances. After such analysis, the County shall retain the right to either terminate this Agreement or to renegotiate the amounts and rates approved herein. If the County subsequently offers to pay a reduced amount to the Contractor, then the Contractor shall have the right to terminate this Agreement upon reasonable prior written notice; and be it further

**RESOLVED**, that the County Executive or his authorized designee is hereby authorized to execute all instruments and take all actions reasonably necessary to implement this Resolution.

Original Agreement: \$ 790,000  
 This Amendment: \$ 790,000  
 New NTE Amount: \$1,580,000

Account to be Charged/Credited	Fund	Dept.	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
	705			2707		\$790,000

Budget Funding Year(s) Start Date: 1/1/2019 End Date: 12/31/2020  
 (must match resolution)

Funding Source: Tax Dollars \$189,600 Contractor Federal I.D. No./  
 State Aid \$213,300 Social Security No.:  
\$790,000 Federal Aid \_\_\_\_\_ Vendor No.:  
 (must match resolution) Other \$387,000 (tuition) Encumbrance No.: \_\_\_\_\_

APPROVED BOARD OF ACQUISITION & CONTRACT - 11/15/2018 - LISA M. PAJ, SECRETARY