

52753

Date: September 14, 2016

To: Board of Acquisition and Contract

From: Ann Marie Berg
Commissioner of Finance

Re: Authority to exercise an option to renew an agreement with POMCO, Inc. (“POMCO”) for the provision of health plan administrative services in connection with the County of Westchester’s Employee Benefit Plans for a term commencing January 1, 2017 through December 31, 2018 in an amount not to exceed \$8,950,000 for the two year period.

On December 15, 2011 your Honorable Board authorized the County of Westchester (“County”) to enter into an agreement with POMCO for the provision of health plan administrative services and Preferred Provider Organization Network Services in connection with the County’s Employee and Retiree Benefit Plans (“Agreement”) for a three (3) year term expiring on December 31, 2014. The resolution also provided the County with the sole option to extend the agreement for two (2) additional two (2) year terms. The Agreement was duly executed on or about February 8, 2012.

By Resolution dated November 11, 2014 your Honorable Board authorized the County to exercise the first of its two renewal options with POMCO on the same terms and conditions, for a term commencing January 1, 2015 and expiring December 31, 2016. This agreement was duly executed on or about November 25, 2014.

The attached Resolution, if approved by your Honorable Board, will authorize the County to exercise the second of its two renewal options with POMCO on the same terms and conditions, for a term commencing January 1, 2017 and expiring December 31, 2018, in an amount not-to-exceed \$8,950,000 for the two year period, which will increase the total contract amount not-to-exceed from \$22,364,698 to \$31,314,698.

This administrative fee is based on the pricing proposed and the number of eligible employees and retirees (the “census”) provided by the County. These amounts may fluctuate based on the monthly census, however, the price proposal will remain the same over the two year term of the

agreement. If there is an increase or decrease in the yearly amounts indicated above, the change will be due to fluctuations in the census.

All other terms and conditions of the Agreement, as amended, shall remain unchanged and in full force and effect.

Based upon the foregoing, I recommend approval of the attached resolution authorizing the County to extend the Agreement with POMCO for the provision of health plan administrative services in connection with the County's Employee and Retiree Benefit Plans for the period January 1, 2017 through December 31, 2018.

AMB/DCK/TSA

APPROVED BOARD OF ACQUISITION & CONTRACT - 10/13/2016 - U.S. AIR FORCE, SECRETARY

RESOLUTION

Upon a communication from the Commissioner of Finance, be it hereby

RESOLVED, that the County of Westchester (“County”) is hereby authorized to exercise its second option to renew its agreement with POMCO, Inc. (“POMCO”) for the provision of health plan administrative services and Preferred Provider Organization Network Services in connection with the County’s Employee and Retiree Benefit Plans in order to extend the term of the agreement for two (2) years commencing January 1, 2017 through December 31, 2018 in an amount not-to-exceed \$8,950,000, which will increase the total contract amount not-to-exceed from \$22,364,698 to \$31,314,698; and be it further

RESOLVED, that all other terms and conditions of the Agreement, as amended, shall remain unchanged and in full force and effect; 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 duly authorized designee is hereby authorized to execute and deliver any and all documents and to take all action necessary and appropriate to effectuate the purposes hereof.

<u>Agreement #</u>	
Original Agreement	\$ 13,467,798
1st Amendment	8,896,900
2 nd Amendment	<u>8,950,000</u>
TOTAL	\$ 31,314,698

Account to be Charged/credited	Fund	Dept.	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
	617	61	0010	1680		\$4,450,000 (2017)
	617	61	0010	1680		\$4,500,000 (2018)

Budget Funding Year(s) 2017-2018 Start Date 1/1/17 End Date 12/31/18
 Funding Source Tax Dollars \$8,950,000
 State Aid _____
 \$ 8,950,000 Federal Aid _____
 (must match resolution) Other _____