



CITY COUNCIL COMMUNICATION

August 26, 2008

SUBJECT: Contract for Prescription Medications under the Employee Health Plan

SUBMITTED BY: Loretta Getchell, Deputy City Manager

REFERENCE NO: RFP No. 005-08

ACTION REQUESTED:

Consider award of RFP No. 005-08 for the purchase of prescription medications under the employee health plan to Scott & White Prescription Services (SWPS).

Authorization of the City Manager to execute a contract for a (3) three year term on behalf of the City of Euless.

ALTERNATIVES:

- Do not approve
- Re-bid

SUMMARY OF SUBJECT:

The purchasing department requested competitive sealed proposals for the purchase of prescription medications purchased under the employee health plan. Proposals were submitted by seven (7) pharmacy benefit management companies.

Proposals were accepted for retail only or combined retail and mail order services. Proposals were evaluated based on pricing structure including brand and generic pricing methods, fees charged, transparency of pricing system, network access, and mail order capabilities. The attached tabulation sheet reflects the proposal of each company. Additional evaluation was performed based on a sample of brand and generic drugs under each PBM's pricing methodology.

Staff recommends that the proposal be awarded to Scott & White, the current vendor. They continue to have transparent pricing that yields the overall lowest pricing and have provided the City with excellent service over the past six years.

The proposal is for a three year term with two (2) three year renewals.

FINANCIAL CONSIDERATIONS:

Revenue Sources: Health Insurance Fund

Expenditure Accounts:

Budgeted Fiscal Year(s): FY 2008-2009

Estimated Expenditure: \$ 672,709.00

Over/Under Projection By:

Other Comments:

SUPPORTING DOCUMENTS:

- PBM Analysis (Bid Tabulation)
- Vendor List

APPROVED BY:

_____ **LG** _____ City Manager's Office

_____ **SC** _____ City Secretary's Office