



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Simpson, Helgeson, Manning, Mital and Brown
FROM: Lena Kostopulos, Human Resources Manager
DATE: July 21, 2016
SUBJECT: Procedural Correction - Employee Benefits Procurement Exemption
OBJECTIVE: Information only

Issue

This correspondence is follow-up to an informational memorandum regarding a change in EWEB employee health plan providers which, was included in the background packet for the July 19 Board Meeting. In that memo, I communicated to the Board of Commissioners that health insurance contracts would follow for the Board's approval as a consent item for the August, 2016 Board Meeting.

Since that time, Purchasing has advised that ORS279A.025(2)(r), as well as EWEB's adopted Public Contracting Rules (6-0111(1)(m), specifically exempt employee benefits and insurance policies from Public Contracting Code. The rule references "benefits plans," specifically citing medical, dental and vision insurance.

For the Board's further information *ORS279A.025(2)(c) Insurance and service contracts (Service Contracts are related to Oregon Health Authority service contracts for Medical Assistance.)* governs the process surrounding the selection of health insurance providers. *EWEB Procurement Rules (6-0220)* regarding insurance reflect the ORS in requiring that insurance brokers will be retained and that they will research and recommend selection of insurance coverage to best meet the needs of the Utility.

USI, EWEB's insurance broker for employee benefits prepared an RFP-style document soliciting proposals from a list of their recommended insurance providers. USI directed and participated in the review and selection process, conducted the required research and, is now in the process of preparing the associated policy documents with the selected companies.

In as much as the Public Contracting Code and EWEB Public Contracting Rules do not apply, no further Board action is required. The Long Term Financial Plan and the 2017 projected budget documents have been adjusted to reflect the reduction in insurance costs.

Recommendation and Requested Board Action

Information only; no Board action is required.