

Agenda #4216

Sponsors:

**Council
President
Gregory**

**Council
Member
Freel**

AN ORDINANCE TO AUTHORIZE A PROFESSIONAL SERVICES AGREEMENT WITH EXPRESS SCRIPTS, INC., FOR A PRESCRIPTION DRUG PROGRAM.

WHEREAS, pursuant to Section 2-308 and Section 8-200 of the City Charter, the City of Wilmington is authorized to enter into contracts for the supply of property or the rendering of services for more than a period of one year if approved by City Council by Ordinance; and

WHEREAS, the City desires to obtain professional services to administer and provide a prescription drug program for City employees, their dependents, and City retirees; and

WHEREAS, the City, after requesting proposals for such services through its insurance broker, USI Insurance Services, has negotiated an agreement with Express Scripts, Inc. (“the City Agreement”), which submitted the best overall proposal; and

WHEREAS, the term of the City Agreement, a copy of which, in substantial form, is attached hereto as Exhibit “A,” is for a period of three (3) years beginning July 1, 2016, with successive renewals of one (1) year each until terminated by either party upon ninety days written notice, at an estimated cost based on current W0084840.

cost trends as follows:

- a) Fiscal Year 2017 -- \$5.6 Million;
- b) Fiscal Year 2018 -- \$6.3 Million;
- c) Fiscal Year 2019 -- \$7.0 Million; and

WHEREAS, Express Scripts shall provide its services to the City in conjunction with and as part of an existing agreement (denoted as Exhibit A-1 thereto) between Express Scripts and Performance Pharmacy Solutions, LLC (“PPS”), dated on or about March 4, 2015 (“the Master Agreement”), a copy of which is attached hereto as Exhibit “B”; and

WHEREAS, under the Master Agreement, PPS shall either directly or through the City Agreement, provide the City with financial and auditing benefits and services which will result in substantial savings to the City through a system of discounts and rebates in connection with the cost of the prescription drugs; and

WHEREAS, it is the recommendation of the Department of Human Resources that the City enter into the City Agreement with Express Scripts, as provided herein.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON HEREBY ORDAINS:

SECTION 1. The agreement between the City and Express Scripts, Inc., copy of which, in substantial form, is attached hereto, as Exhibit “A,” to administer and provide a prescription drug program for City employees, their dependents, and City retirees, for a period of three (3) years beginning July 1, 2016, at an estimated cost based

on current cost trends of Five Million Six Hundred Thousand Dollars (\$5,600,000.00) for Fiscal Year 2017, Six Million Three Hundred Thousand Dollars (\$6,300,000.00) for Fiscal Year 2018, and Seven Million Dollars (\$7,000,000.00) for Fiscal Year 2019, with successive renewals of one year each until terminated by either party on ninety days written notice, is hereby approved and the Mayor or his designee and the City Clerk are hereby authorized to execute as many copies of said agreement, as well as all additional undertakings related thereto, as may be necessary.

SECTION 2. This Ordinance shall be effective upon its passage by City Council and approval of the Mayor.

First Reading May 19, 2016
Second Reading. . . May 19, 2016
Third Reading . . .

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved as to form this
____ day of _____ 2016

First Assistant City Solicitor

Approved this _____ day of

_____, 2016

Mayor

SYNOPSIS: This Ordinance authorizes the City to enter into an agreement with Express Scripts, Inc., to administer and provide a prescription drug program for City employees, their dependents, and City retirees, for a period of three (3) years beginning July 1, 2016, at an estimated cost based on current cost trends of Five Million Six Hundred Thousand Dollars (\$5,600,000.00) for Fiscal Year 2017, Six Million Three Hundred Thousand Dollars (\$6,300,000.00) for Fiscal Year 2018, and Seven Million Dollars (\$7,000,000.00) for Fiscal Year 2019, with successive renewals of one (1) year each until terminated by either party upon ninety days written notice.

IMPACT STATEMENT

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This Ordinance authorizes the City to enter into an agreement with Express Scripts, Inc., to administer and provide a prescription drug program for City employees, their dependents, and City retirees, for a period of three (3) years beginning July 1, 2016, at an estimated cost based on current cost trends of Five Million Six Hundred Thousand Dollars (\$5,600,000.00) for Fiscal Year 2017, Six Million Three Hundred Thousand Dollars (\$6,300,000.00) for Fiscal Year 2018, and Seven Million Dollars (\$7,000,000.00) for Fiscal Year 2019, with successive renewals of one (1) year each until terminated by either party upon ninety days written notice.