



**CITY OF ALBUQUERQUE**  
Albuquerque, New Mexico  
Office of the Mayor

**EC-19-371**

Mayor Timothy M. Keller

**INTER-OFFICE MEMORANDUM**

March 26, 2019

**TO:** Klarissa J. Peña, President, City Council

**FROM:** Timothy M. Keller, Mayor 

**SUBJECT:** Mayor's Recommendation of Award (ROA) for RFP No. 2019000037 "Self-Funded Pharmacy Benefit Manager"

The City of Albuquerque's Human Resources, Insurance and Benefits Division in conjunction with the Department of Finance, Purchasing Division, issued the RFP for a self-funded benefit manager.

The RFP was posted on the Purchasing E-Procurement, Sicomm.net website on November 9, 2018 and advertised in the Albuquerque Journal on November 11, 2018.

The City received four (4) responses to this solicitation. The ad hoc evaluation committee evaluated and scored the proposals received in accordance with the evaluation criteria published in the RFP. After thoroughly reviewing and scoring all the proposals, Express Scripts submitted the highest ranked proposal earning a score of 793 points. The ad hoc committee found Express Scripts to be both responsive and qualified and recommends an award to Express Scripts.

I concur with this recommendation.

The City of Albuquerque's Insurance and Benefits Division will manage this contract.

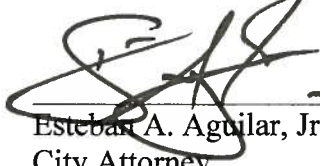
Mayor's Recommendation of Award (ROA) for RFP No. 2019000037 "Self-Funded Pharmacy Benefit Manager"

Approved:

  
\_\_\_\_\_  
Sarita Nair  
Chief Administrative Officer

4/1/19  
\_\_\_\_\_  
Date

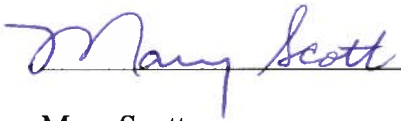
Approved as to Legal Form:

  
\_\_\_\_\_  
Esteban A. Aguilar, Jr.  
City Attorney

3-28-19  
\_\_\_\_\_  
Date



Recommended:

  
\_\_\_\_\_  
Mary Scott,  
Director of Human Resources

3/27/19  
\_\_\_\_\_  
Date

## **Cover Analysis**

### **1. What is it?**

Approval of recommendation for the award of “Self-Funded Pharmacy Benefit Manager”.

### **2. What will this piece of legislation do?**

Approve the negotiation and execution of the contract with the recommended Pharmacy Benefit Manager.

### **3. Why is this project needed?**

This project is required to provide the Pharmacy Benefit within the Medical Benefits Program to the employees and families of the City of Albuquerque and Participating Entities.

### **4. How much will it cost and what is the funding source?**

Under the new contract the Human Resources Department will contract with a Pharmacy Benefits Manager (PBM) to provide the Pharmacy Benefit within the Medical Benefits Program. In FY20 it is estimated that pharmacy claims to be \$10.9 million. The fund will bring in revenues to cover the projected expense.

The funding source is an internal service fund for medical benefits.

### **5. Is there a revenue source associated with this Plan? If so, what level of income is projected?**

The Self-Funded Health Fund will maintain revenues by charging the participating employees and their dependents a sufficient amount to cover part of the projected costs.

## FISCAL IMPACT ANALYSIS

TITLE: Mayor's Recommendation of Award (ROA) for RFP No. 2019000037 "Self-Funded Pharmacy Benefit Manager"

R: O:  
FUND: 710

DEPT: Human Resources

- ☐ No measurable fiscal impact is anticipated, i.e., no impact on fund balance over and above existing appropriations.
- ☒ (If Applicable) The estimated fiscal impact (defined as impact over and above existing appropriations) of this legislation is as follows:

	2019	Fiscal Years 2020	2021	Total
Base Salary/Wages				-
Fringe Benefits at	-	-	-	-
Subtotal Personnel	-	-	-	-
Operating Expenses		10,891,238	1,089,124	11,980,362
Property	-	-	-	-
Indirect Costs	-	-	-	-
Total Expenses	\$ -	\$ 10,891,238	\$ 1,089,124	\$ 11,980,362
<input type="checkbox"/> Estimated revenues not affected				
<input checked="" type="checkbox"/> Estimated revenue impact		10,891,238	1,089,124	11,980,362
Total Revenue	\$ -	\$ 10,891,238	\$ 1,089,124	\$ 11,980,362

These estimates do not include any adjustment for inflation.

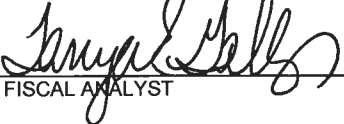
\* Range if not easily quantifiable.

Number of Positions created

**COMMENTS:** The Human Resources Department will contract with a Pharmacy Benefits Manager (PBM) to provide the Pharmacy Benefit within the Medical Benefits Program. FY20 it is estimated that pharmacy claims to be \$10.9 million. The fund will bring in revenues to cover the the projected expense. In FY21, there is an estimated increase in pharmacy claims of approximately 10%.

### COMMENTS ON NON-MONETARY IMPACTS TO COMMUNITY/CITY GOVERNMENT:

PREPARED BY:

  
FISCAL ANALYST

APPROVED:

  
DIRECTOR (date) 3/27/19

REVIEWED BY:

  
EXECUTIVE BUDGET ANALYST

  
BUDGET OFFICER (date) 3/27/19

  
CITY ECONOMIST



**City of Albuquerque**  
Department of Finance and Administrative Services

Timothy M. Keller, Mayor

**Interoffice Memorandum**

Date February 8, 2019

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**TO:** Sarita Nair, Chief Administrative Officer

**FROM:** Mary Scott, Director of Human Resources *M Scott*

**SUBJECT:** **Recommendation of Award: RFP No. 2019000037, "Self-Funded Pharmacy Benefit Manager"**

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The City of Albuquerque Department of Human Resources, Insurance and Benefits Division, in conjunction with the Department of Finance and Administrative Services, Purchasing Division, issued the subject solicitation. The solicitation was posted on the purchasing website and advertised in the Albuquerque Journal. Four responses were received for evaluation.

The ad hoc evaluation committee evaluated and scored the responses in accordance with the evaluation criteria published in the RFP and recommends award of contract to Express Scripts. I concur with this recommendation. Listed below are the composite scores for the top three responses received:

Express Scripts	793
Medimpact Healthcare Systems	712
Presbyterian	689

The City of Albuquerque's Insurance and Benefits Division will manage this contract.

Approved:

*SN* 2/20/19  
Sarita Nair (Date)  
Chief Administrative Officer

Attachment: Score Sheet  
Campaign Reports

Original: Purchasing P2019000037

Evaluation Factors		Presbyterian	RX Benefits	Medimpact Healthcare Systems	Express Scripts
Organizational Strength and Stability, Experience and qualifications, of the Offeror as demonstrated in references and personnel as shown on staff resumes to perform tasks described in Part 3, Scope of Services and in the Questionnaire.	CM1	150	150	180	190
	CM2	175	100	100	180
	CM3	150	120	160	190
	CM4	160	130	150	190
	CM5	175	165	175	195
Up to 200					
Total		810	665	765	945
Strength of Pharmacy Network and formulary Management Programs, Demonstrated Ability to Manage Drug Mix – emphasis on specialty drug management, formulary management and generic drug utilization	CM1	125	125	175	175
	CM2	190	100	175	200
	CM3	160	140	160	190
	CM4	180	130	170	190
	CM5	150	160	185	190
Up to 200					
Total		805	655	865	945
The Offeror's general approach and plans to meet the requirements of the RFP. The Offeror's demonstrated ability in implementation management, claims adjudication and customer service excellence.	CM1	300	200	350	380
	CM2	350	250	350	350
	CM3	325	270	350	380
	CM4	340	275	360	400
	CM5	300	300	350	365
Up to 400					
Total		1615	1295	1760	1875
Cost Proposal – The costs proposed by the Contractor as described in Section 2.2 of this RFP to perform the tasks listed in Part 3, Scope of Services. The evaluation of this section will occur after the technical evaluation, based on a cost/price analysis.	CM1	166	0	170	200
	CM2				
	CM3				
	CM4				
	CM5				
Up to 200 pts					
Total		166	0	170	200
Sub Total		3396	2615	3560	3965
AVERAGE (1000 Points Possible)		679	523	712	793
<b>Preferences</b>					
Local Vendor (50 Pts)		0	0	0	0
Small Vendor (50Pts)		0	0	0	0
State (50 Pts)		50	0	0	0
Veteran (50 Pts)		0	0	0	0
(to be calculated by Purchasing)					
GRAND Total (AVERAGE)* 1200 Points Possible		689	523	712	793

\* Total = total points divided by number of evaluators

**Campaign Contributors Report**

Monday, February 11, 2019

Page 1 of ?

For the period of Feb 11, 2017 to Feb 11, 2019

Prompt Values Entered: NOTHING SELECTED, Presbyterian

CONTRIBUTOR NAME: PRESBYTERIAN HEALTHCARE SERVICES ,		
CANDIDATE OR COMMITTEE	DATE ADDED	CONTRIBUTION AMOUNT
FORWARD ALBUQUERQUE	09/22/2017	\$5000.00
PRESBYTERIAN HEALTHCARE SERVICES ,		\$5000.00

This report was created with the most current campaign contribution data provided by the City Clerk's Office (and the Information Systems Division) last updated on Dec 28, 2017

## Campaign Contributors Report

Monday, February 11, 2019

Page 1 of ?

For the period of Feb 11, 2017 to Feb 11, 2019

Prompt Values Entered: NOTHING SELECTED, RX Benefits

No Records Found

This report was created with the most current campaign contribution data provided by the City Clerk's Office (and the Information Systems Division) last updated on Dec 28, 2017

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