

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of August 19, 2010, awarded Contract No. 11406, Managed Prescription Drug Program, to Medco Health, in the funded amount of \$53,869,000.00, and is now recommending to the Council of the City of Memphis that it approve said award as approved in the MLGW 2010 fiscal year budget as approved and subsequent years budget as proposed; and

WHEREAS, the project scope is to provide pharmacy benefit management for Preferred Provider Organization (PPO) Program and retiree drug subsidy; and

WHEREAS, twenty-two proposals were solicited; MLGW received seven (7) proposals on May 7, 2010, with one of the most responsive proposals being from Medco Health. The Division will pay 75% of the employee's annual premium in the estimated funded amount of \$40,401,750.00 and the MLGW employees will be responsible for 25% of the annual premiums through payroll deduction in the estimated amount of \$13,467,250.00. The projected amount to be funded by MLGW is \$40,401,750.00, the actual payments from January 1, 2011 to December 31, 2013 will be reconciled to the projected amount and the results reported to the Board of Commissioners at the end of each term. The term of this contract is for a 36-month period from the date of the Notice to Proceed; and

NOW THEREFORE BE IT RESOLVED by the Council of the City of Memphis, that there be and is hereby approved an award of Contract No. 11406, Managed Prescription Drug Program, to Medco Health, in the funded amount of \$53,869,000.00, chargeable to the MLGW fiscal year 2010 as approved and subsequent years budget as proposed.

E X C E R P T
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
August 19, 2010

Commissioner Steve Wishnia moved to award Contract No. 11406, Managed Prescription Drug Program, to Medco Health, in the funded amount of \$53,869,000.00.

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The 2011 budgeted amount for Self-Funded Retirees and Active Employees is \$41,822,250.00; of which \$12,317,250.00 will be spent in 2011 for this contract; and the remaining \$28,084,500.00 will be spent in subsequent budget years as approved.

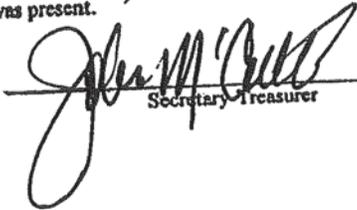
NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water

Commissioners:

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of Contract No. 11406, Managed Prescription Drug Program, to Medco Health, in the funded amount of \$53,869,000.00, as outlined in the foregoing preamble, is approved; and further,

THAT, The President or his designated representative is authorized to execute the Award.

I hereby certify that the foregoing is a true copy of a resolution adopted by the Board of Light, Gas and Water Commissioners at a regular ~~special~~ meeting held on 14th day of August, 2010, at which a quorum was present.


Secretary-Treasurer