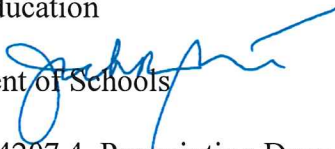


Office of the Superintendent of Schools  
MONTGOMERY COUNTY PUBLIC SCHOOLS  
Rockville, Maryland

July 14, 2020

MEMORANDUM

To: Members of the Board of Education

From: Jack R. Smith, Superintendent of Schools 

Subject: Contract Award—RFP No. 4207.4, Prescription Drug Plan

On February 10, 2020, three Montgomery County agencies—Montgomery County Public Schools (MCPS), the Maryland-National Capital Park and Planning Commission, and the Washington Suburban Sanitary Commission—jointly issued Request for Proposal No. 4207.4, Prescription Drug Plan, soliciting proposals for administration of prescription plans. The goal of this procurement effort was to select one plan administrator for the prescription plan for active employees and pre-Medicare retirees as well as a prescription plan for the Medicare-enrolled retiree population that could meet the plan design requirements at a competitive cost while offering proactive cost management strategies.

Requests for Proposals were sent to several vendors, and four companies submitted proposals. Aon Consulting and staff in the Employee and Retiree Service Center evaluated each proposal based on evaluation criteria on pricing, performance guarantees, and specific contractual commitments.

CVS Health (formally known as Caremark) was the most responsive and responsible vendor for MCPS as the vendor to administer the prescription plans. Annualized savings with the CVS Health contract is estimated at approximately \$19,300,000 for each of the three years.

WHEREAS, The Board of Education, by Resolution 563-58, established in 1958 an employee benefit plan to provide life and health insurance to eligible employees; and

WHEREAS, The Board of Education expanded the Employee Benefit Plan by Resolution 448-72, Resolution 457-72, and Resolution 43-76 to include dental coverage, vision coverage, a prescription drug plan, and dependent life insurance; and

WHEREAS, The Board of Education periodically has bid elements of the Employee Benefit Plan for the benefit of employees and to reduce administrative costs; and

WHEREAS, Montgomery County Public Schools solicited proposals to administer its medical plans, effective January 1, 2021; and

WHEREAS, Having been duly advertised under Request for Proposal No. 4207.4 , Prescription Drug Plan, prescription firms were asked to submit proposals for consideration; and

WHEREAS, Montgomery County Public Schools engaged the services of a benefit consultant, Aon Consulting, to assist in the evaluation of proposal responses; and

WHEREAS, The evaluation has identified that the prescription plans proposed by CVS Health best meet the needs of Montgomery County Public Schools; and

WHEREAS, Montgomery County Public Schools and its employees will continue to have a high-quality prescription benefit; now therefore be it

Resolved, That a contract for administering the Montgomery County Public Schools prescription plans be awarded to CVS Health, commencing January 1, 2021; and be it further

Resolved, That the Board of Education president and the superintendent of schools be authorized to execute the documents necessary for this transaction.

JRS:DKM:KAT:rj