



THE CITY OF NEW YORK
OFFICE OF LABOR RELATIONS

Employee Benefits Program

40 Rector Street, New York, N.Y. 10006

JAMES F. HANLEY
Commissioner
DONNA LYNNE
First Deputy Commissioner

CAROLINE I. SULLIVAN
Deputy Commissioner
LEONARD LETO
Director, Health Benefits Program
GEORGETTE GESTELY
Director, Pre-Tax Programs

July 10, 1992

Stanley Hill
Chairperson
Municipal Labor Committee
DC 37, AFSCME
125 Barclay Street
New York, NY 10007

Sandra Feldman
Co-Chairperson
Municipal Labor Committee
United Federation of Teachers
200 Park Avenue South
New York, NY 10010

Dear Mr. Hill and Ms. Feldman:

RE: Agreement Relating to Procurement of
Employee Health Benefit Contracts

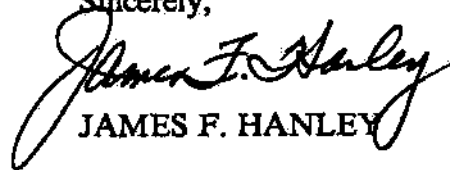
This letter shall serve to memorialize the Agreement between the City of New York ("City") and the Municipal Labor Committee ("MLC") with regard to the procurement of employee health benefit contracts which are the subject of collective bargaining between the City and the Unions.

It is understood and agreed to by the parties hereto that the City and the Unions shall jointly continue to participate in all aspects of the procurement process by which the choice of vendors of collectively bargained health benefits shall be made.

It is understood and agreed that the parties will continue to bargain over and determine by mutual agreement the terms and conditions of employee health benefits. Appropriate issues shall include, but are not limited to, the scope of the contracts, their cost, their term(s) and whether annual renewals within the existing contract terms will be made, and if terminated, whether a new procurement should take place. The parties shall also determine on an ongoing basis whether a material change in the terms of any benefits contained in the contract is necessary.

The parties agree that during FY 1993 they will cause to be issued Request for Proposals ("RFPs") directed to vendors of the types of employee health benefits then offered by the City and vendors of any benefits that the parties contemplate offering. Such RFPs shall fully advise potential vendors of the Program's structure and requirements, shall be widely disseminated by the most appropriate means, and shall be publicly advertised. Thereafter, RFPs shall be issued no less frequently than every five (5) years. The parties may determine at any time that changes in or additions to then-current benefits and/or vendors should be made. In that event, the parties may issue RFIs or RFPs. Vendors shall be selected by a selection committee consisting of equal union and City representation.

By entering into this Agreement, the unions do not concede that the procurement of employee health benefits is subject to the jurisdiction and requirements of the Procurement Policy Board and/or Mayor's Office of Contracts. Furthermore, where contracts entered into by the City on behalf of the municipal labor unions involve the expenditure of only "health insurance stabilization fund" monies, the terms of this Agreement shall not apply.

Sincerely,

JAMES F. HANLEY

IT IS SO AGREED:



STANLEY HILL, CHAIRPERSON
MUNICIPAL LABOR COMMITTEE

7/24/92
DATED



SANDRA FELDMAN, CO-CHAIRPERSON
MUNICIPAL LABOR COMMITTEE

8/25/92
DATED

Commissioner

RICHARD BROWER
UNIFORMED FIRE OFFICERS
MUNICIPAL LABOR COMMITTEE



CAROLYN MCCULLUGH, RN
NYS NURSES ASSOCIATION
MUNICIPAL LABOR COMMITTEE



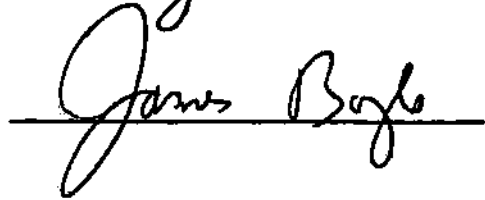
PHILIP CARUSO
PATROLMENS BENEVOLENT ASSOCIATION
MUNICIPAL LABOR COMMITTEE



BARRY FEINSTEIN
LOCAL 237 I.B.T.
MUNICIPAL LABOR COMMITTEE



JAMES BOYLE
UNIFORM FIREFIGHTERS ASSOCIATION
MUNICIPAL LABOR COMMITTEE



DONALD MEYER, DDS
DOCTORS COUNCIL
MUNICIPAL LABOR COMMITTEE



IRWIN POLISHOOK
PROFESSIONAL STAFF CONGRESS
MUNICIPAL LABOR COMMITTEE

