



RESOLUTION NO. \_\_\_\_\_

BOARD LETTER APPROVAL

*Tracey K. Pierce*

Tracey K. Pierce (Mar 18, 2025 15:50 PDT)  
**TRACEY K. PIERCE**  
Chief People Officer

*Janisse Quiñones*

**JANISSE QUIÑONES**  
Chief Executive Officer and Chief Engineer

**DATE:** March 25, 2025

**SUBJECT:** Approval of Agreement No. 47001-6 for Health Care Services for Active and Retired Employees. Award to Health Plan of Nevada for a term of one year.

**SUMMARY**

The proposed Agreement No. 47001-6 (Agreement) with Health Plan of Nevada (HPN) is to provide health care services to LADWP active and retired employees.

Budgeted health care services are projected to cost LADWP approximately \$1.25 million for Fiscal Year (FY) 2025-26 for both active and retired employees enrolled in an HPN health plan. Employee health and dental benefit provisions are included in the Memorandum of Understanding agreements with the various unions and are subject to the labor negotiations process. The next opportunity for plan design changes and/or increases in employee's share of the costs will be during labor negotiations for the 2026-27 plan year.

City Council approval is not required.

**RECOMMENDATION**

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution authorizing approval of the Agreement with HPN.

**ALTERNATIVES CONSIDERED**

There are no other viable alternatives. Pursuant to the Board's authority under City of Los Angeles Charter Section 682, and in accordance with long-standing agreements with the various labor organizations and Resolution No. 86-169, LADWP will provide health and dental care services to its active and retired employees.

## **FINANCIAL INFORMATION**

The HPN Agreement is for a term of 12 months beginning July 1, 2025, and ending June 30, 2026. The Agreement has an estimated cost to LADWP of \$1.23 million for retired employees, a 16.5 percent increase, and an estimated cost to LADWP of \$19,200 for actives, a 9.0 percent change, based on current levels of enrollments. HPN continues to provide health coverage to active employees, retirees under the age of 65, and retirees over the age of 65 who reside in Nevada. Overall, HPN rate increases are above health industry standards of 5.0 percent to 8.0 percent for medical plans.

## **BACKGROUND**

LADWP currently offers health and dental care services to more than 19,000 active and retired employees at a projected annual cost of approximately \$499.0 million for FY 2025-26, which includes LADWP's contribution towards Medicare Part B premiums.

## **ENVIRONMENTAL DETERMINATION**

Determine item is exempt pursuant to California Environmental Quality (CEQA) Guidelines 15060(c)(3). In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378(b)(4) states that government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment do not meet that definition. Therefore, the continued provision of health care coverage is not subject to CEQA.

## **CITY ATTORNEY**

The Office of the City Attorney has reviewed and approved the Agreement and Resolution as to form and legality.

## **ATTACHMENTS**

- Procurement Summary
- Resolution
- Agreement

## PROCUREMENT SUMMARY

1.	Recommended Vendor: HPN
2.	Procurement Type: Agreement
3.	Procurement Details: A. Agreement Status: New Agreements B. Bid Advertisement Date: N/A C. Pre-Bid Conference Date: N/A D. Number of Downloads of Solicitation: N/A E. Number of Bids/Proposals Received: N/A F. Protest Received: No
4.	Buyer Assigned: N/A
5.	Contract Administrator: Lindsey Ikuta
6.	LADWP System: Joint
7.	Contact Person for Item: Antrecia Sims

### A. Summary of Bids Received/Evaluation Rating Summary of Proposals

Not applicable.

### B. Evaluation of Bid/Proposal/Cooperative Agreement

Not applicable.

### C. Procurement History

Contract and Vendor Experience					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Contract Amount
47315-5	Health Plan of Nevada	12 months	7/1/15	6/30/16	\$1.4 million
47001-7	Health Plan of Nevada	12 months	7/1/16	6/30/17	\$1.4 million
47001-8	Health Plan of Nevada	12 months	7/1/17	6/30/18	\$1.6 million
47001-9	Health Plan of Nevada	12 months	7/1/18	6/30/19	\$1.6 million
47001-0	Health Plan of Nevada	12 months	7/1/19	6/30/20	\$700,000
47001-1	Health Plan of Nevada	12 months	7/1/20	6/30/21	\$700,000

47001-2	Health Plan of Nevada	12 months	7/1/21	6/30/22	\$700,000
47001-3	Health Plan of Nevada	12 months	7/1/22	6/30/23	\$1.1 million
47001-4	Health Plan of Nevada	12 months	7/1/23	6/30/24	\$1.1 million (projected)
47001-5	Health Plan of Nevada	12 months	7/1/24	6/30/25	\$1.1 million
47001-6	Health Plan of Nevada	12 months	7/1/25	6/30/26	\$1.3 million (projected)

**D. Local Business Preference Program (LBPP)**

Not applicable.

**E. Additional Outreach Efforts Taken**

Not applicable.

**F. Small Business Enterprises (SBE)/Disabled Veterans Business Enterprises (DVBE)/Minority Business Enterprises (MBE)/Women Business Enterprises (WBE)/Other Business Enterprises (OBE) Subcontracting Participation**

<b>SBE:</b>	None
<b>DVBE:</b>	None
<b>MBE:</b>	None
<b>WBE:</b>	None
<b>OBE:</b>	None