



Legislation Details (With Text)

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**On agenda:** 6/25/2013      **Final action:** 6/25/2013  
**Title:** Dept/ Agency: Administration/Division of Personnel  
Action:  Ratifying  Authorizing  Amending  
Type of Service: Contract for Health Insurance Benefits  
Purpose: To provide Managed Care Health Plan (Horizon EPO)  
Entity Name: Horizon Blue Cross Blue Shield of New Jersey  
Entity Address: Three Penn Plaza East, Newark, New Jersey 07105  
Contract Amount: Estimated cost of \$14,907.00  
Funding Source: City of Newark 2013 Budget  
Contract Period: January 1, 2013 through December 31, 2013  
Contract Basis:  Bid  State Vendor  Prof. Ser.  Insurance in compliance with the requirements of EUS  
 Fair & Open  No Reportable Contributions  RFP  RFQ  
 Private Sale  Grant  Sub-recipient  n/a  
Additional Information:  
7R1-AC(AS)062012

**Sponsors:**

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Date	Ver.	Action By	Action	Result
6/25/2013	1	Municipal Council	Adopt	Pass

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**WHEREAS**, the City of Newark (the “City”) desires to enter into contract to provide its eligible employees, eligible retirees and their eligible dependents represented by the various bargaining units with which the City negotiates and eligible unclassified personnel with a managed care health plan, with in network benefits only; and

**WHEREAS**, in compliance with *N.J.S.A.52:15C-10* and Notice of State Comptroller dated May 7, 2008 and on September 20, 2012, the City of Newark submitted a request to the Office of the State Comptroller to solicit a contract for a managed care plan, with in network benefits only because the contract is expected to be valued over Ten Million Dollars (\$10,000,000.00); and

**WHEREAS**, on October 17, 2012 the State Comptroller approved the City’s request; and

**WHEREAS**, Horizon Healthcare Services d/b/a Horizon Blue Cross Blue Shield of New Jersey (“Horizon”) has submitted a Proposal indicating they will provide a managed care health plan, with in network benefits only called the Horizon Advantage Exclusive Provider Organization (Horizon EPO) with the monthly rates of single tier - \$435.90, parent/child(ren) tier - \$784.55, family tier - \$1,242.25; and

**WHEREAS**, pursuant to Chapter 78, P.L. 2011 enacted on June 28, 2011, the City will offer the Horizon EPO medical plan as a lower cost alternative; and

**WHEREAS**, the estimated annual premium cost for January 1, 2013 through December 31, 2013 contract year is \$14,907.00. The actual cost is contingent upon actual enrollment; and

**WHEREAS**, this contract is awarded without competitive bidding as an exception to Local Public Contract Law, pursuant to *N.J.S.A. 40A:11-5(m)*, and shall be in accordance with the requirements of an Extraordinary Unspecifiable Service, *N.J.S.A. 40A:11-5(1)(a)(ii)*; and

**WHEREAS**, Local Public Contract Law *N.J.S.A. 40A:11-1*, et seq. requires a resolution of the Governing Body authorizing the award of contracts for Extraordinary Unspecifiable Services and further requires that the contract itself must be available for public inspection; and

**WHEREAS**, the contract is exempt from the requirements of State Pay to Play Law *N.J.S.A. 19:44A-20.5* as Insurance Companies are state-regulated companies by the Department of Banking and Insurance and are statutorily barred from making a reportable contribution pursuant to *N.J.S.A. 19:34-32*; and

**WHEREAS**, the Mayor of the City of Newark signed into law Executive Order Number MEO-07-0001 (hereinafter “Pay to Play Executive Order”), which requires reporting of political contributions

to Newark Municipal Candidates and prohibits certain political contributions during the duration of the contract.

**NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:**

1. The Mayor and/or his designees, the Business Administrator and the Personnel Director, are hereby authorized to enter into and execute a contract with Horizon Healthcare Services, Inc. d/b/a Horizon Blue Cross Blue Shield of New Jersey, Three Penn Plaza East, Newark, New Jersey 07105, for the provision of a managed care health insurance services, with in network benefits only, for all eligible active employees, eligible retirees, and their eligible dependents, for the period commencing January 1, 2013 and terminating on December 31, 2013.

2. This contract is hereby ratified from January 1, 2013 to the date of adoption of this authorizing resolution.

3. The estimated cost of providing the aforesaid services for the period of January 1, 2013 through December 31, 2013 is \$14,907.00, which is subject to change based on actual enrollment. The actual cost is contingent upon actual enrollment.

4. A copy of the fully-executed contract shall be filed in the Office of the City Clerk by the Personnel Director.

5. The contract is awarded without competitive bidding as an exception to Local Public Contracts Law, pursuant to N.J.S.A. 40A:11-5(m), and in accordance with the requirements of an Extraordinary Unspecifiable Services N.J.S.A. 40A:11-5(1)(a)(ii), and is in compliance with Executive Order MEO-07-0001, effective March 31, 2007.

6. A Certification of Extraordinary Unspecifiable Services is attached and shall be filed with the Office of the City Clerk.

7. The contract is exempt from the requirements of State Pay-to-Play Law N.J.S.A. 19:44A-20.5 because Insurance Companies are state-regulated companies by the Department of Banking and Insurance and are statutorily barred from making a reportable contribution pursuant to N.J.S.A. 19:34-32 and because Horizon is a not-for-profit entity.

8. This is an open-ended contract to be used as needed during the term of the contract. Thus, for any and all expenditures against this contract, certification of the availability of sufficient funds, as required by N.J.A.C. 5:30-5.5(b)(2), shall be executed before a contractual liability is incurred each time an order is placed, covering the amount of the order. If operating under a temporary budget, the City shall comply with N.J.A.C. 5:30-5.5(a)(1) and (2).

9. There shall be no amendments or changes to this contract without approval from the Municipal Council.

10. There shall be no advance payments on this contract in accordance with N.J.S.A. 40A:5-16.

11. A notice of this action shall be published in the newspaper authorized by law to publish a legal advertisement and as required by law within ten (10) days of its passage.

12. If required by Law, the City Clerk shall provide the appropriate Notice of Award of the contract to the State Comptroller, no later than twenty (20) business days following such award, in accordance with *N.J.S.A. 52:15C-10* and the Notice of the Office of the State Comptroller dated May 7, 2008.

### **STATEMENT**

This resolution ratifies and authorizes the Mayor and/or his designees, the Business Administrator and the Personnel Director, to enter into and execute a contract with Horizon Healthcare Services, Inc. d/b/a Horizon Blue Cross Blue Shield of New Jersey, Three Penn Plaza East, Newark, New Jersey 07105, for the provision of managed care health insurance services, with in network benefits only, for all eligible active employees, eligible retirees, and their eligible dependents, for the period commencing January 1, 2013 and terminating on December 31, 2013. The contract is awarded without competitive bidding as an exception to Local Public Contracts Law, pursuant to *N.J.S.A. 40A:11-5(m)*, and in accordance with the requirements of Extraordinary Unspecifiable Services *N.J.S.A. 40A:11-5(1)(a)(ii)*, and is in compliance with Executive Order MEO-07-0001, effective March 31, 2007.