



# City of Newark

City Hall  
920 Broad Street  
Newark, New Jersey 07102

## Legislation Text

File #: 12-0995, Version: 2

**Dept/ Agency:** Administration/Division of Personnel

**Action:** ( X ) Ratifying ( X ) Authorizing ( ) Amending

**Type of Service:** Contract for Insurance

**Purpose:** Enter into a contract for carrier provided Medicare Plan for all eligible retirees and their eligible dependents

**Entity Name:** Aetna Life Insurance Company

**Entity Address:** 1425 Union Meeting Road, P.O. Box 1445, Blue Bell, PA 19422

**Contract Amount:** Estimated premium \$4,144,305.60

**Funding Source:** 2012 Budget

**Contract Period:** January 1, 2012 through December 31, 2012

**Contract Basis:** ( ) Bid ( ) State Vendor ( ) Prof. Ser. ( X ) EUS/Insurance

( ) Fair & Open ( x ) No Reportable Contributions ( ) RFP ( ) RFQ

( ) Private Sale ( ) Grant ( ) Sub-recipient ( ) n/a

**Additional Information:**

Prior Resolution 7R-m110410

**WHEREAS**, the City of Newark, New Jersey (“the City”) is obligated to provide its eligible retirees and their eligible dependents represented, by the various bargaining units, and eligible unclassified personnel, who are eligible to receive retiree entitlement, with a carrier provided Medicare Plan; and

**WHEREAS**, through the adoption of appropriate resolution , 7R1-m110410, the City entered into a contract with Aetna Life Insurance Company (“Aetna”), for the purpose of providing a carrier covered Medicare Plan for eligible retirees and their eligible dependents; and

**WHEREAS**, the City is satisfied with the services it has received and desires to enter into a new contract with Aetna for the Medicare Plan effective January 1, 2012 through December 31, 2012; and

**WHEREAS**, Aetna has submitted a proposal indicating they will provide a Medicare Plan at a monthly rate of \$197.80 per participant, for an estimated annual cost of \$4,144,305.60 (the actual cost is contingent upon actual enrollment) for the period of January 1, 2012 to December 31, 2012; and

**WHEREAS**, the City’s consultants Brown and Brown have reviewed the proposal and recommend that the City enter into a contract with Aetna for the services as proposed; and

**WHEREAS**, this 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 shall be in accordance with the requirements of extraordinary unspecified service N.J.S.A. 40A:11-5(1)(a)(ii); and

**WHEREAS**, Local Public Contracts Law N.J.S.A. 40A:11-1, et seq. requires a Resolution of the Governing Body authorizing the award of contracts for Insurance 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 ME0-07-0001 (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 an contract with Aetna, 1425 Union Meeting Road, P.O. Box 1445, Blue Bell, PA 19422, for the purpose of providing a Medicare Plan for all eligible retirees and their eligible dependents for the period commencing January 1, 2012 and terminating on December 31, 2012. (a copy of which is attached hereto and made a part hereof).

2. This contract is hereby ratified from January 1, 2012 to the date of adoption of this authorizing resolution.

3. The estimated cost of providing the aforesaid services for the period of January 1, 2012 to December 31, 2012 is \$4,144,305.60 which considers anticipated enrollment for 2012. 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 N.J.S.A. 40A:11-5(1)(a)(ii) extraordinary unspecifiable services, and is in compliance with Executive Order ME0-07-0001, 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 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.

8. Attached hereto are partial certifications of funds from the Municipal Comptroller which states that there are available sufficient and legally appropriated funds for the purposes set forth herein. It shall be the responsibility of the Personnel Director to seek full certification of available funds for the balance from the Municipal Comptroller. A certification of available funds shall be filed in the Office of the City Clerk by the Personnel Director.

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

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

### **STATEMENT**

This Resolution authorizes the Mayor and/or his designees, the Business Administrator and the Personnel Director, to enter into and execute the contract with Aetna, for the purpose of carrier providing a Medicare Plan for all eligible retirees and their eligible dependents, for the period commencing January 1, 2012 and terminating on December 31, 2012. The 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 in accordance with the requirements of N.J.S.A. 40A:11-5(1)(a)(ii) Extraordinary Unspecified Services, and is in compliance with Executive Order MEO-07-0001, effective March 31, 2007.