



# City of Newark

City Hall  
920 Broad Street  
Newark, New Jersey 07102

## Legislation Text

File #: 18-0321, Version: 1

**Dept/ Agency:** Administration/Division of Central Purchasing  
**Action:**  Ratifying  Authorizing  Amending  
**Type of Service:** Extension of Emergency Contract #E-2017-28  
**Purpose:** Continued RX Coverage for Retirees  
**Entity Name:** Magnacare  
**Entity Address:** 1600 Stewart Ave. Ste. 200, Westbury, New York 10014  
**Contract Amount:** Amount not to Exceed \$600,000.00 at no additional costs  
**Funding Source:** City Budget, Department of Administration NW011-Dept. 200, Div. 2001 Account 60210 B2018  
**Contract Period:** Emergency Contract Extended from January 5, 2018 through August 1, 2018  
**Contract Basis:**  Bid  State Vendor  Prof. Ser.  EUS  
 Fair & Open  No Reportable Contributions  RFP  RFQ  
 Private Sale  Grant  Sub-recipient  N/A  
**Additional Information:**  
Extension of Emergency Contract #E-2017-28

**WHEREAS**, the Department of Administration requested the declaration of an Emergency Contract with Magnacare, 1600 Stewart Ave. Suite 200, Westbury, NY 10014 for RX coverage for retirees/Retiree Medical Coverage for the period of October 1, 2017 to January 4, 2018, at a cost not to exceed Six Hundred Thousand Dollars and Zero Cents (\$600,000.00) and with Frenkel, not to exceed Thirty-Seven Thousand Five Hundred Dollars and Zero Cents (\$37,500.00); and

**WHEREAS**, N.J.S.A. 40A:11-6 provides that emergency contracts may be entered into when an emergency affecting the public health, safety or welfare requires the immediate delivery of goods or the performance of services; and

**WHEREAS**, N.J.A.C. 5:34-6.1(a)3 provides that the emergency purchasing procedure may be used when the need for such goods or services has arisen notwithstanding a good faith effort on the part of a municipality to plan for the purchase of any goods or services required by the municipality; and

**WHEREAS**, on February 9, 2018, pursuant to N.J.S.A. 40A:11-6 and N.J.A.C. 5:34-6.1(a)3, the Supervising Procurement Specialist, QPA, approved the aforementioned request and the Department of Administration entered into Emergency Contract #E-2017-28 with Magnacare, 1600 Stewart Ave. Suite 200, Westbury, New York 10014 for RX coverage for retirees/Retiree Medical Coverage for the period of October 1, 2017 to January 4, 2018, at a cost not to exceed \$600,000.00. A copy of said Emergency Contract # E-2017-28 is attached hereto and made a part hereof; and

**WHEREAS**, Magnacare is acting as a medical TPA for retirees who did not qualify for the State Health Benefit Plan because they did not have the requisite twenty-five (25) years in the pension plan; and

**WHEREAS**, the City of Newark's Department of Administration continues to be in immediate and emergent need of RX coverage for retirees/Retiree Medical Coverage for the period between when the initial Emergency Contract #E-2017-28 terminated on January 4, 2018 and when a permanent contract is authorized and takes effect; and

**WHEREAS**, the Director of the Department of Administration requests an extension of emergency contract with Magnacare, 1600 Stewart Ave. Suite 200, Westbury, NY 10014 to prevent the discontinuation of essential RX coverage for retirees/Retiree Medical Coverage pending the procurement of a permanent contract; and

**WHEREAS**, it is a matter of public health and welfare that the above-described emergency contract be extended because the City of Newark still needs to ensure adequate medical coverage for retirees, their families and dependents; and

**WHEREAS**, pursuant to N.J.S.A. 40A:11-6, notwithstanding a good faith effort by the contracting unit to provide medical coverage, the need has arisen for a continued emergency contract for RX coverage for retirees/Retiree Medical Coverage; and

**WHEREAS**, City Ordinance 6PSF-e April 6, 2011, Article 2:5-13.2 ((E) (1) (b), (c) limits the period of Emergency Contracts to ninety (90) days and no extensions of emergency contracts shall be permitted without authorization by the Municipal Council by resolution; and

**WHEREAS**, the Department of Administration desires to extend Emergency Contract # E-2017-28 for an additional period from January 5, 2018 through August 1, 2018, or until the emergency is abated, at a cost not to exceed the original \$600,000.00 to the City of Newark with no additional costs to the City of Newark.

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

1. The Mayor, and/or his designee, the Supervising Procurement Specialist, QPA, and/or the Director of the Department of Administration, are hereby authorized to execute an extension of Emergency Contract #E-2017-28 with Magnacare, 1600 Stewart Ave. Suite 200, Westbury, New York 10014 for RX coverage for retirees/Retiree Medical Coverage for the period of January 5, 2018, through August 1, 2018, at a cost not to exceed \$600,000.00 to the City of Newark.
2. This aforementioned extension will allow the continuation RX coverage for retirees/Retiree Medical Coverage for the period of January 5, 2018 through August 1, 2018 or until a replacement contract has been authorized
3. The extension of Emergency Contract #E-2017-28 is ratified from January 5, 2018, until a replacement contract has been authorized and/or to the date of adoption of this authorizing resolution.
4. The Supervising Procurement Specialist, QPA, for the City of Newark has filed a copy of contract #E-2017-28, attached hereto, with the Office of the City Clerk.

5. Pursuant to N.J.A.C. 5:30-5.5, Temporary Budget, attached hereto is a partial certification of funds from the Director of Finance which states that funds in the amount of Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) are available in the 2018 Temporary Budget and the line appropriation which shall be charged is: Business Unit NW011; Dept. ID 200; Division 2001; Account # 60210, Budget Ref: B 2018. The remainder of the funding for this contract will be subject to appropriation in the 2018 Adopted Budget and included in a line item for the award of this contract and said funds will be certified prior to services being provided by the contractor. There will be no expenditure of funds authorized until a certification of funds is obtained and a copy filed with the City Clerk.
  
6. If required by State Law, the City Clerk shall provide the appropriate notice of the award of this contract to the State Comptroller no later than 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 designee, the Supervising Procurement Specialist, QPA, and/or the Director of the Department of Administration to extend Emergency Contract #E-2017-28 with Magnacare, 1600 Stewart Ave. Suite 200, Westbury, New York 10014 for the provision of RX coverage for retirees/Retiree Medical Coverage, from January 5, 2018 through August 1, 2018 or until such time as the emergency condition is abated for the original amount of \$600,000.00, at no additional cost to the City of Newark.