



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 12-2334, Version: 1

Dept/ Agency: Administration/Division of Personnel

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

Type of Service: Contract with Insurance Company

Purpose: To provide Voluntary Health Benefits

Entity Name: American Family Life Assurance Company of Columbus (AFLAC)

Entity Address: 1932 Wynnton Road, Columbus, GA 31999

Contract Amount: N/A

Funding Source: Participating Employee Contribution

Contract Period: Upon Adoption for a term not to exceed three (3) years

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

() Fair & Open (X) No Reportable Contributions/Statutorily Barred () RFP () RFQ

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

Additional Information:

No Action Taken 7R1-m 102313

WHEREAS, the City of Newark, as a result of collective bargaining agreements, is required to provide various voluntary health benefits to its eligible employee and eligible unclassified personnel;

WHEREAS, American Family Life Assurance Company of Columbus (AFLAC) and its authorized representatives have represented that it can provide the desired services (A copy of the Proposal is attached); and

WHEREAS, the City of Newark desires to enter into contract with AFLAC to provide its eligible employees represented by the various bargaining units with which the City negotiates and eligible unclassified personnel three voluntary benefit options, Personal Accident Indemnity Plan with riders, Personal Cancer Indemnity Plan with riders, Voluntary Indemnity Plan (Hospital Confinement Plan); and

WHEREAS, the City of Newark feels that it is in the best interest of its employees to accept proposal from AFLAC; and

WHEREAS, the City of Newark has determined to permit the authorized representative of AFLAC to solicit employees to purchase voluntary benefit options payable by the employee through payroll deductions; 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 an 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 Extraordinary Unspecified Service 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 AFLAC, 1932 Wynnton Road., Columbus, GA 31999, for the provision of three voluntary benefit options for all eligible active employees and their eligible dependents, for the period commencing upon adoption of this resolution for a term not to exceed three (3) years.

2. The City will not incur any cost to engage AFLAC to provide these services.

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

4. The City of Newark will permit employee payment of premiums through authorized payroll deductions.

5. A certification of funds is not required with this agreement because the City of Newark will not be required to expend funds as a result of the voluntary plan options; the City will be in receipt of funds for the voluntary plans which will not be required to be deposited to the general funds accounts.

6. The City of Newark will not be required to pay premiums for the voluntary plan options either in whole or part in accordance with the attached specifications and conditions.

7. This Contract is awarded pursuant to the provisions of the Local Public Contracts Law (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 Service and is in compliance with Executive Order MEO-07-0001, effective March 31, 2007.

8. 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.

9. There shall be no amendments or changes of 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.

11. A notice of this action shall be published in the Newark Star Ledger in compliance with Local Public Contracts Law.

STATEMENT

This Resolution authorizes the Mayor and/or his designees, the Business Administrator and the Personnel Director, to enter into and execute a contract with American Family Life Assurance Company of Columbus (AFLAC), 1932 Wynnton Road, Columbus, GA 31999, for the provision of the aforementioned voluntary services for all eligible active employees and their eligible dependents, for the period commencing upon adoption of this resolution for a term not to exceed three (3) years.