



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 13-1010, **Version:** 4

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, Pennsylvania 19422

Contract Amount: Estimated annual premium \$4,057,641.60 (the actual cost is contingent upon actual enrollment)

Funding Source: City of Newark 2013 Budget

Contract Period: January 1, 2013 through December 31, 2013

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

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

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

Additional Information:

Resolution: 7R1-w 062012

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-, dated June 20, 2012, 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 contract with Aetna to provide the Medicare Plan effective January 1, 2013 through December 31, 2013; and

WHEREAS, Aetna has submitted a proposal indicating they will provide a Medicare Plan at a monthly rate of \$183.77 per participant, for an estimated annual cost of \$4,057,641.60 (the actual cost is contingent upon actual enrollment) for the period of January 1, 2013 to December 31, 2013; 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 in accordance with the requirements of N.J.S.A. 40A:11-5(1)(a)(ii) Extraordinary Unspecifiable Service; 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 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 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 a contract with Aetna, 1425 Union Meeting Road, P.O. Box 1445, Blue Bell, Pennsylvania 19422, for the purpose of providing a Medicare Plan for all eligible retirees and their eligible dependents for the period commencing January 1, 2013 and terminating on December 31, 2013, pursuant to N.J.S.A. 40A:11-15(6) (a copy of which is attached hereto and made a part hereof).

2. The contract is 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 to December 31, 2013 is \$4,057,641.60 which considers anticipated enrollment for 2013. 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 there are available sufficient and legally appropriate funds for the purposes set forth herein through December 31, 2013:

Certifying Amount	Fund Code	Agency	Organization	Object
\$1,556,204.00	011	00	2001	0220
\$55,000.00	037	50	7503	0220
\$12,484.00	038	00	8004	0220
\$60,000.00	011	10	0111	0220

9. 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).

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

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

STATEMENT

This Resolution ratifies and 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 providing a Medicare Plan for all 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 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

Unspecifiable Services , and is in compliance with Executive Order MEO-07-0001, effective March 31, 2007.