



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 13-1328, Version: 1

Dept/ Agency: Administration/Division of Personnel

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

Type of Service: Contract for Dental Insurance Benefits

Purpose: Contract for Dental Insurance Coverage - Horizon Open Panel Dental Plan for all eligible active employees and eligible retirees and to their eligible dependents.

Entity Name: Horizon Blue Cross Blue Shield of New Jersey (Horizon Healthcare Dental)

Entity Address: 3 Penn Plaza, Newark, New Jersey 07102

Contract Amount: Estimated cost of \$2,420,132.14

Funding Source: City of Newark Budget

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

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

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

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

Additional Information:

7RI-ab (AS) 062012

No Action Taken 7R1-k 102313

WHEREAS, through the adoption of appropriate Resolution, 7RI-ab (AS), June 20, 2012, as the result of collective bargaining negotiations, the City of Newark (the City), New Jersey, is required to provide open panel dental services to eligible active employees, eligible retirees and to their eligible dependents represented by the various bargaining units with which the City negotiates and eligible unclassified employees and to their eligible dependents who are eligible to receive the open panel dental services provided by Horizon Blue Cross Blue Shield of New Jersey (Horizon Healthcare Dental); and

WHEREAS, Horizon has submitted a proposal indicating they will provide open panel dental services with the contract period of January 1, 2013 through December 31, 2013 for a monthly rate of \$68.47 for an annual maximum of \$1,000 and \$71.05 for an annual maximum of \$1,500; 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), an 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 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 execute a contract with Horizon Blue Cross Blue Shield of New Jersey, 3 Penn Plaza East, Newark, New Jersey 07105 for the provision of open panel dental services for all eligible active employees, eligible retirees and to 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).

2. The contract between City of Newark and Horizon Blue Cross Blue Shield of New Jersey for the provision of open panel dental plan services is hereby ratified from January 1, 2013 through the date of adoption of this authorizing resolution.

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

4. 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 MEO-07-0001, effective March 31, 2007.

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

6. 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.

7. The estimated cost of providing the aforesaid services for the period January 1, 2013 through December 31, 2013 is \$2,420,132.14.

8. Attached hereto are partial Certifications of the Municipal Comptroller which states that there are available sufficient and legally appropriated funds in the amounts and under the codes provided within the 2013 Municipal Budget, designated for Horizon Blue Cross Blue Shield of New Jersey (Horizon Healthcare Dental), for the purposes set forth herein:

- a. \$720,511.00 from Fund 011, Agency 200, Organization 2001, Object 60250;
- b. \$11,400.00 from Fund 037, Agency 750, Organization 7503, Object 60250;
- c. \$1,450.00 from Fund 038, Agency 800, Organization 8004, Object 60250;

d. \$26,400.00 from Fund 011, Agency 010, Organization 0111, Object 60250;

9. Additional funds are contingent upon appropriations as required by N.J.A.C. 5:30-5.5(b)(2). 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. It is the responsibility of the Director of Personnel to ascertain the availability of sufficient funds before ordering the services.

10. There shall be no amendments or changes of 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.

12. 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.

13. If required by the State 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 execute a contract with Horizon Blue Cross Blue Shield of New Jersey, for the provision of open panel dental services for all eligible active employees and eligible retirees, and to 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 N.J.S.A. 40A:11-5(1)(a)(ii) an Extraordinary Unspecifiable Services, and is in compliance with Executive Order MEO-07-0001, effective March 31, 2007.