



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 12-1168, Version: 1

Dept/ Agency: Administration/Division of Personnel

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

Type of Service: Contract for Prescription Benefits Coverage

Purpose: Providing a prescription plan for City subscribers

Entity Name: *Horizon Healthcare of New Jersey dba* Horizon Blue Cross Blue Shield of New Jersey

Entity Address: Three Penn Plaza East, Newark, NJ 07105

Contract Amount: Estimated cost of \$22,725,358.26

Funding Source: City of Newark 2012 Budget

Contract Period: January 1, 2012 to December 31, 2012

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

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

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

Additional Information:

Prior Resolution 7R1k(AS)030211

WHEREAS, through the adoption of appropriate Resolution, 7R1-K(AS) 030211, as the result of collective bargaining negotiations, the City of Newark, New Jersey (City), is required to provide prescription plan services, with co-payments as individually negotiated with each of the City's bargaining units, to all eligible active employees and eligible retirees, and to their eligible dependents represented by the various bargaining units with which the City negotiates who are eligible to receive the prescription plan services provided by Horizon Blue Cross Blue Shield of New Jersey ("Horizon"); and

WHEREAS, in compliance with N.J.S.A.52:15C-10 and Notice of State Comptroller dated May 7, 2008 on September 21, 2011 the City of Newark submitted a request to the Office of the State Comptroller to solicit a contract for a prescription plan because the contract is expected to be valued over ten million dollars; and

WHEREAS, on October 19, 2011 the State Comptroller approved the City's request; and

WHEREAS, Horizon has submitted a proposal indicating they will provide prescription services with the contract period of January 1, 2012 through December 31, 2012 for a monthly rate of:

<u>Rates (10% discount not noted)</u>	<u>Single</u>	<u>Parent/Child</u>	<u>Family</u>
\$1.50/\$1.50 and \$1.5/\$5	\$ 229.28	\$298.07	\$504.41
\$5/\$10 and 20%	\$ 202.91	\$263.79	\$446.40

; 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 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 ratify and execute contract with Horizon Healthcare of New Jersey d/b/a Horizon Blue Cross Blue Shield of New Jersey, 3 Penn Plaza East, Newark, NJ 07105, for the provision of prescription plan services for all eligible active employees and eligible retirees, and to their eligible dependents for the period commencing January 1, 2012 and terminating on December 31, 2012, 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 prescription plan services is hereby ratified from January 1, 2012 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 is 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.

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, 2012 through December 31, 2012 is \$22,725,358.26.

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 2012 Municipal Budget, designated for Horizon Blue Cross Blue Shield of New Jersey, for the purposes set forth herein:

- a. \$5,418,067.00 from Fund 011, Agency 200, Organization 2001, Object 60240;
- b. \$127,912.00 from Fund 037, Agency 750, Organization 7503, Object 60240;
- c. \$27,862.00 from Fund 038, Agency 800, Organization 8004, Object 60240;
- d. \$178,089.00 from Fund 011, Agency 010, Organization 0111, Object 60240.

9. Additional funds are contingent upon appropriations as required by N.J.A.C. 5:30-5.5(c) and pursuant to N.J.A.C. 5:30-5.5(d)(2).

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 10 days of its passage.

13. If required by State Law, the City Clerk shall provide the appropriate notice of award of the 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 designees, the Business Administrator and the Personnel Director to ratify and execute a contract with Horizon Healthcare of New Jersey d/b/a Horizon Blue Cross Blue Shield of New Jersey, for the provision of prescription plan services for all eligible active employees and eligible retirees, and to 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 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 unspecified service and is in compliance with Executive Order MEO-07-0001, effective March 31, 2007.

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