



Legislation Text

File #: 17-1503, Version: 1

Dept/ Agency: Administration/Office of the Business Administrator

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

Type of Service: Exception to Public Bidding - Insurance, including consultant services and in accordance with the requirements of extraordinary unspecifiable services

Purpose: Services of a company to provide healthcare reimbursement solutions to the City for its approximately 2,300 retirees and their eligible dependents

Entity Name: EB Employee Solutions, LLC.

Entity Address: 245 Main Street, Suite 605, White Plains, New York 10601

Contract Amount: Amount not to exceed \$200,000.00

Funding Source: 2017 City Budget/Department of Administration

Contract Period: Upon adoption for one (1) year, with two (2) one year options to renew

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

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

() Private Sale () Grant () Sub-recipient (X) Insurance Exception

Additional Information:

N.J.S.A. 40A:11-5(1)(m), exception shall be in accordance with the requirements of EUS.

WHEREAS, through Resolution 7R1-m (AS) adopted on January 19, 2017, the Mayor and the Municipal Council of the City of Newark determined it was in the best interest of the City of Newark to cease procuring health benefits covering all eligible employees, retirees and their dependents directly from the private health insurance sector, and commenced a transition to the State of New Jersey's Healthcare benefits plan which is the same or a substantially similar plan to the City's then current healthcare plan; and

WHEREAS, an unintended consequence of the transition resulted in an increased cost of co-payments for prescription drugs for eligible retirees and their dependents; and

WHEREAS, the City of Newark desires to engage the services of a company to provide healthcare reimbursement solutions to the City for its approximately 2,300 retirees and their eligible dependents; and

WHEREAS, the City of Newark enacted Ordinance 2:4-22E, requiring the use of competitive contracting for the procurement of Insurance and related administrative services; and

WHEREAS, due to exigent circumstances and the need to immediately arrange for reimbursement of co-payments to the City's retiree population, the Municipal Council waives compliance with the City Ordinance requiring competitive contracting for these services, which is also an exception to public bidding; and

WHEREAS, EB Employee Solutions, LLC has submitted a proposal indicating they will provide services of a company to provide healthcare reimbursement solutions to the City for its

approximately 2,300 retirees and their eligible dependents, including their program known as the Difference Card; and

WHEREAS, the Mayor and Business Administrator recommend entering into a contract with EB Employee Solutions, LLC to provide healthcare reimbursement solutions to the City for an amount not to exceed \$200,000.00 which represents a \$10,000.00 set-up fee and \$6.50 charge per retiree a month to commence upon adoption of this resolution for one year with two one year options to renew at the discretion of the City; and

WHEREAS, this Contract is awarded without competitive bidding as an exception to public bidding, pursuant to *N.J.S.A. 40A:11-5(1)(m)*, Insurance, including brokerage and related services and shall be in accordance with the requirements of 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 actions contemplated by this Resolution shall result in the award of a non-fair and open contract in accordance with *N.J.S.A. 19:44A-20.5* and the Business Administrator has determined and certified in writing that the value of this contract will exceed \$17,500.00; and

WHEREAS, EB Employee Solutions, LLC has completed and submitted a Business Entity Disclosure Certification which certifies that EB Employee Solutions, LLC has not made any reportable contributions to a political or candidate committee in the City of Newark in the previous one year, and the contract will prohibit EB Employee Solutions, LLC from making any reportable contributions through the term of the contract; and

WHEREAS, the Municipal Council adopted the Contractor Pay-to-Play Reform Ordinance, 6PSF-a, August 1, 2012, which forbids the award of a contract to a business entity, as defined therein, which has made or solicited political contributions to Newark Municipal Candidates, office holders having ultimate responsibility for the award of a contract; candidate committees of the aforementioned candidates; and political or political party committees of the City of Newark or County of Essex; and continuing political committees or political action committees regularly engaged in the support of the City of Newark municipal or County of Essex elections; and certain other political party or candidate committees, in excess of certain thresholds.

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/or the Personnel Director for the City of Newark, are authorized to enter into and execute a contract with EB Employee Solutions, LLC, 245 Main Street, Suite 605, White Plains, New York 10601, to provide healthcare reimbursement solutions to the City for its approximately 2,300 retirees and their eligible dependents, including their program known as the Difference Card, in an amount not to exceed \$200,000.00 for the period commencing upon adoption of this resolution for a one year term with two one year options to renew at the discretion of the City of Newark.

2. This contract is awarded without competitive bidding as an exception to public bidding pursuant to the provisions of the Local Public Contracts Law, *N.J.S.A.40A:11-5(1)(m)*, Insurance and in accordance with the requirements of *N.J.S.A.40A:11-5(1)(a)(ii)*, extraordinary unspecifiable services, pursuant to the non-fair and open procedures of the State Pay-to-Play Law (*N.J.S.A. 19:44A-20.5*), and the Business Entity has certified that it has not made or solicited a contribution in violation of the Contractor Pay-to-Play Reform Ordinance 2:4-22C.

3. The requirements of Ordinance 2:4-22E are waived for the purposes stated herein.

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

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

6. The Determination of Value and Business Entity Disclosure Certification are attached and shall be filed in the Office of the City Clerk.

7. Attached is a Certification of Funds from the Comptroller of the City of Newark which states that there are available sufficient and legally appropriated funds for the purposes stated herein. Funds for this contract are provided for in Department of Administration 011-200-2001-6021-2017 of the 2017 City of Newark Budget.

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

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

10. 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.

11. 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 authorizes the Mayor and/or his designees, the Business Administrator and/or the Personnel Director, to enter into and execute a contract with EB Employee Solutions, LLC, 245 Main Street, Suite 605, White Plains, New York 10601, to provide healthcare reimbursement solutions to the City for its approximately 2,300 retirees and their eligible dependents in an amount not to exceed \$200,000.00 for the period commencing upon adoption of this resolution for a one year term with two one year options to renew at the discretion of the City of Newark.