



Legislation Text

File #: 18-0290, Version: 1

Dept/ Agency: Administration/Office of the Business Administrator

Action: Ratifying Authorizing Amending

Type of Service: Contract for Insurance Consulting Service in accordance with requirements of Extraordinary Unspecifiable Service (EUS)

Purpose: Contract for Health Insurance Broker

Entity Name: Frenkel Benefits, LLC.

Entity Address: 210 Hudson Street, Suite 601, Jersey City, New Jersey 07311

Contract Amount: Amount not to exceed \$150,000.00

Funding Source: 2018 Budget/ Office of the Business Administrator

Account Code Line: 011-200-2001-60210-B2018

Contract Period: January 5, 2018 through January 4, 2019

Contract Basis: Bid State Vendor Prof. Ser. EUS

Fair & Open No Reportable Contributions RFP RFQ

Private Sale Grant Sub-recipient n/a

Additional Information:

Exception to Public Bidding: *N.J.S.A. 40A:11-5 (m)* Insurance which includes brokerage services which shall be in accordance with the requirements of *N.J.S.A. 40A:11-5(1) (a) (ii)*, "Extraordinary Unspecifiable Service"

Deferred 7R1-a 042418

Deferred 7R1-a 051018

WHEREAS, the City of Newark ("City") is in need of Insurance Consultant/Broker Services for various Employee Benefits, including more specifically, Retiree benefits; and

WHEREAS, on August 23, 2016, as required by ordinance, the City solicited the services, through competitive contracting, by issuing a Request for Proposals (RFP) for Health Insurance Broker Services and on October 25, 2016, the City received various proposals in response to the RFP for Health Insurance Broker Services; and

WHEREAS, the Mayor and the Business Administrator recommended that the City of Newark ("City") enter into a contract with Frenkel Benefits, LLC, 210 Hudson Street, Suite 601, Jersey City, New Jersey 07311 to provide health insurance consulting/brokerage services for the City, for the period beginning January 1, 2017 through December 31, 2017, with an option to extend the contract after December 31, 2017 for additional one year terms, in the aggregate not to exceed three (3) years; and

WHEREAS, the Municipal Council failed to authorize the award of a contract on January 5, 2017 and again on January 10, 2017; and

WHEREAS, as a result, the City proceeded to provide health benefits to its employees and retirees through the State Health Benefits Plan ("SHBP") which included Retiree Prescription plans;

and

WHEREAS, the State later disallowed the City from reimbursing retirees the co-pay difference between the State Plan and the negotiated/bargained plan from which they retired, thereby creating an emergency situation; and

WHEREAS, the State subsequently allowed the City to take its retirees out of the SHBP, if it introduced a Medicare approved plan, thereby creating the emergency where the City needed to put a prescription Medicare plan in place; and

WHEREAS, the failure to adopt resulted in the Mayor and Business Administrator seeking an award of an emergency contract to Frenkel Benefits, LLC, 210 Hudson Street, Suite 601, Jersey City, New Jersey 07311 to provide, on an emergency basis, health insurance consulting/brokerage services for retiree benefits for the City for the period commencing October 1, 2017 through January 4, 2018 for an amount of \$37,500.00; and

WHEREAS, the services performed have been efficient and professional and the Mayor and the Business Administrator desire to engage Frenkel Benefits, LLC to continue to provide health insurance consulting/brokerage services for the City, and more specifically for the retiree plan, for the period commencing January 5, 2018, through January 4, 2019 for an amount not to exceed \$150,000.00; and

WHEREAS, the Mayor and the Business Administrator request that the Municipal Council waive the requirements of City Ordinance 2:4-22E, which requires Competitive Contracting to procure Insurance Brokerage Services; and

WHEREAS, the contract may otherwise be awarded as an exception to public bidding in compliance with New Jersey Local Public Contracts Law *N.J.S.A. 40A:11-5* (m) Insurance which includes brokerage services which shall be in accordance with the requirements of *N.J.S.A. 40A:11-5* (1) (a) (ii), "Extraordinary Unspecifiable Service"; and

WHEREAS, the Business Administrator and Personnel Director have determined and certified, in writing, that the value of this contract will exceed \$17,500.00; 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

WHEREAS, Frenkel Benefits, LLC has completed and submitted a Business Entity Disclosure Certification which certifies that Frenkel Benefits, 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 Frenkel Benefits, LLC from making any reportable contributions through the term of the contract; 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 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 threshold.

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 or the Personnel Director, are authorized to execute a contract with Frenkel Benefits, LLC, 210 Hudson Street, Suite 601, Jersey City, New Jersey 07311, to provide health insurance consulting/brokerage services, including, more specifically for retiree benefits for the City of Newark, for the period of one year commencing January 5, 2018 through January 4, 2019, for an amount not to exceed \$150,000.00.
2. The Municipal Council waives the competitive contracting requirements set forth in City Ordinance 2:4-22E for this contract.
3. The contract is ratified from January 5, 2018 through the date of adoption of this authorizing resolution.
4. A Certification of Extraordinary Unspecifiable Service and Determination of Value are attached and shall be filed with the Office of the City Clerk.
5. Pursuant to *N.J.A.C. 5:30-5(a)*, Temporary Budget, attached is the Chief Finance Officer's Certification, which states partial funds in the amount of \$25,000.00 are available in the 2018 Temporary Budget, Fund 011-200-2001-60210, B2018, the balance to be provided in the 2018 Adopted Budget. The Certification shall be filed, along with the original resolution and the executed contract in the Office of the City Clerk.
6. There shall be no amendments or changes to the contract without approval of the Municipal Council.
7. A copy of this executed contract herein authorized shall be filed in the Office of the City Clerk by the Business Administrator and shall be made available for public inspection.
8. 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.

STATEMENT

This resolution ratifies and authorizes the Mayor and/or his designees, the Business Administrator or the Personnel Director, pursuant to *N.J.S.A. 40A:11-5 (m)* and *N.J.S.A. 40A:11-5(1) (a) (ii)*, to execute and enter into a contract with Frenkel Benefits, LLC, 210 Hudson Street, Suite 601, Jersey City, New Jersey 07311, to provide health insurance consulting/brokerage services including, more specifically for retiree benefits for the City of Newark, in the amount of \$150,000.00 for the period of one year commencing January 5, 2018 through January 4, 2019.