

RESOLUTION NO. 2014-312

A RESOLUTION AUTHORIZING EXTRAORDINARY, UNSPECIFIABLE SERVICES AGREEMENTS FOR HEALTH BENEFIT COVERAGES FOR EMPLOYEES OF THE CITY OF VINELAND (DENTAL).

WHEREAS, there exists a need for the placement of Dental Coverages for employees of the City of Vineland; and

WHEREAS, the City of Vineland has a need to acquire such services as a Non-Fair and Open Contract pursuant to N.J.S.A. 19:44A-20.5; and

WHEREAS, the purchasing agent has determined and certified in writing that the value of said services will exceed \$17,500.00; and

WHEREAS, Allen Associates, Vineland, NJ, has submitted proposals indicating the services to be rendered by the providers stated below; and

WHEREAS, Allen Associates has completed and submitted a Business Entity Disclosure Certification for Non-Fair and Open Contract which certifies that Allen Associates has not made any reportable contributions to a political or candidate committee in the City of Vineland in the previous one year and that the contract will prohibit Allen Associates from making any reportable contributions through the term of the contract to a political or candidate committee in the City of Vineland; and

WHEREAS, the availability of funds for said contracts has been certified by the City Comptroller; and

WHEREAS, the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) requires that the resolution authorizing the award of contracts for "Extraordinary, Unspecifiable Services" without competitive bids and the contract itself must be available for public inspection; and

WHEREAS, the Assistant Business Administrator has certified that this meets the statute and regulations governing the award of said contracts;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VINELAND, as follows:

1. That the Mayor and Clerk are hereby authorized and directed to execute Non-Fair and Open Agreements and other related documents on behalf of the City of Vineland pursuant to N.J.S.A. 19:44A-20.5.
2. That the Business Disclosure Entity Certification, the Political Contribution Disclosure Form and the Determination of Value be placed on file with this Resolution.
3. THAT the Purchasing Agent be and the same is hereby authorized and directed to issue purchase order contracts for placement of Prescription and Dental coverages, as follows:

Coverage/Item	Broker	Provider	Estimated Cost (based on current enrollment)
1. Dental (Premier Plan) for the contract period August 1, 2014 through July 31, 2015	Allen Associates	Delta Dental	\$166,048.32*
2. Dental (PPO) for the contract period August 1, 2014 through July 31, 2015	Allen Associates	Delta Dental	\$ 39,055.68 *
3. Dental (Deltacare/Flagship), for the contract period August 1, 2014 through July 31, 2015	Allen Associates	Delta Dental	\$116,440.80**
TOTAL			<u>\$321,544.80</u>

* 0 % increase for Dental Premier and PPO Plans

**1.59% increase for Flagship Plan

4. These contracts are awarded in accordance with N.J.S.A. 40A:11-5(1)(m) of the Local Public Contracts Law which permits the award of a contract without public advertising for bids and bidding thereof if the subject matter thereof consists of insurance, including the purchase of insurance coverage and consultant services, which exception shall be in accordance with the requirements for extraordinary, unspecifiable services.
5. A notice of this action shall be printed once in the Daily Journal.

Adopted:

President of Council

ATTEST:

City Clerk



**STANDARD CERTIFICATION DECLARATION FOR AND
EXTRAORDINARY UNSPECIFIABLE SERVICE (EUS)**

To: Members of the Governing Body

From: Denise Monaco, Assistant Business Administrator

Date: August 5, 2014

Subject: This is a contract for **Health Benefit Coverages for Employees of the City of Vineland**

This is to request your approval of a resolution authorizing contracts to be executed as follows:

This is to request an award of a contract without the receipt of formal bids as an Extraordinary Unspecifiable Service (N.J.S.A. 40A:11-5(1)(a)(ii) and N.J.A.C. 5:34-2.3(b)). I do hereby certify to the following:

1. Provide a clear description of the nature of the work to be done:
Purchase of Dental coverages, in accordance with N.J.S.A. 40A:11-6.1(b).
2. Describe in detail why the contract meets the provisions of the statute and rules:
Insurance is exempted by virtue of N.J.S.A. 40A:11-5(1)(a)(ii) and 40A:11-5(1)(m).
3. The service(s) is of such a specialized and qualitative nature that the performance of the service(s) cannot be reasonably described by written specifications because:
Professional evaluation of various insurance products demand specific training and experiences in industry.
4. Describe the informal solicitation of quotations:
Quotations are continually solicited by the broker for varying Health Benefits coverages needed by the City from numerous providers:

<u>Coverage/Item</u>	<u>Broker</u>	<u>Provider</u>	<u>Estimated Cost (based on current enrollment)</u>
1. Dental (Premier Plan) for the contract period August 1, 2014 through July 31, 2015	Allen Associates	Delta Dental	\$166,048.32 *
2. Dental (PPO) for the contract period August 1, 2014 through July 31, 2015	Allen Associates	Delta Dental	\$ 37,811.76 *
3. Dental (Deltacare/Flagship), for the contract period August 1, 2014 through July 31, 2015	Allen Associates	Delta Dental	\$116,440.80**
TOTAL			<u>\$320,300.88</u>

* % increase for Dental Premier and PPO Plans

**1.59% increase for Flagship Plan

5. I have reviewed the rules of the Division of Local Government Services pursuant to N.J.A.C. 5:34-2.1 et seq. And certify that the proposed contract may be considered an extraordinary unspecifiable service in accordance with the requirements thereof.

Respectfully,

Handwritten signature of Denise Monaco in cursive script.

Assistant Business Administrator

(Original to be retained by City Clerk with the affirmed copy of the resolution; signed duplicate to be kept by Business Administrator.)

City of Vineland

2014 Dental Renewal DeltaCare/Flagship

Delta Dental	2013 Contract Year			Delta Dental	2014 Contract Year		
	Current Rates				Renewal Rates		
	<u>lives</u>	<u>8/1/13-7/31/14</u>	<u>premium</u>		One Year Contract Rates		
	<u>lives</u>	<u>8/1/14-7/31/15</u>	<u>premium</u>	<u>lives</u>	<u>8/1/14-7/31/15</u>	<u>premium</u>	
Super Composite	196	\$ 47.05	\$ 110,662	196	\$ 47.80	\$ 112,426	
	<u>196</u>		<u>\$ 110,662</u>	<u>196</u>		<u>\$ 112,426</u>	
TOTAL DENTAL PREMIUM			\$ 110,662	TOTAL DENTAL PREMIUM			\$ 112,426
8/1/13-7/31/14				8/1/14-7/31/15			
Increase						\$ 3,528	1.59%

City of Vineland

2014 Renewal Dental Plans

Delta Dental	2013 Contract Year			Delta Dental	2014 Contract Year		
	Current Rates				Renewal Rates		
Premier Plan							
50% P & D				50% P & D			
50% Basic \$1000 Annual Max.				50% Basic \$1000 Annual Max.			
50% Major \$500 Lifetime Ortho Max.				50% Major \$500 Lifetime Ortho Max.			
50% Ortho				50% Ortho			
-----				-----			
	<u>lives</u>	<u>7/1/13-6/30/14</u>	<u>premium</u>		<u>lives</u>	<u>8/1/14-7/31/15</u>	<u>premium</u>
Super-Composite	265	\$ 51.44	\$ -	265	\$ 51.44	\$ -	
	-----		\$ -		-----		
	265		\$ 163,579	265		\$ 163,579	
							0.00%
PPO (Preferred)							
60% P & D				60% P & D			
60% Basic \$1000 Annual Max.				60% Basic \$1000 Annual Max.			
50% Major \$500 Lifetime Ortho Max.				50% Major \$500 Lifetime Ortho Max.			
50% Ortho				50% Ortho			
-----				-----			
	<u>lives</u>	<u>7/1/13-6/30/14</u>	<u>premium</u>		<u>lives</u>	<u>8/1/14-7/31/15</u>	<u>premium</u>
Super-Composite	69	\$ 44.38	\$ 36,747	69	\$ 44.38	\$ 36,747	
	-----		\$ 36,747		-----	\$ 36,747	
	69		\$ 36,747	69		\$ 36,747	
							0.00%
TOTAL DENTAL PREMIUM			\$ 200,326	TOTAL DENTAL PREMIUM			\$ 200,326
<small>7/1/13-6/30/14</small>				<small>8/1/14-7/31/15</small>			
			Increase				\$ -
							0.00%
Premier Plan							
50% P & D				50% P & D			
50% Basic \$1000 Annual Max.				50% Basic \$1000 Annual Max.			
50% Major \$500 Lifetime Ortho Max.				50% Major \$500 Lifetime Ortho Max.			
50% Ortho				50% Ortho			
-----				-----			
	<u>lives</u>	<u>8/1/14-7/31/16</u>	<u>premium</u>		<u>lives</u>	<u>8/1/14-7/31/16</u>	<u>premium</u>
	265	\$ 53.14	\$ 168,985	265	\$ 53.14	\$ 168,985	
	-----		\$ 168,985		-----	\$ 168,985	
	265						3.30%
PPO (Preferred)							
60% P & D				60% P & D			
60% Basic \$1000 Annual Max.				60% Basic \$1000 Annual Max.			
50% Major \$500 Lifetime Ortho Max.				50% Major \$500 Lifetime Ortho Max.			
50% Ortho				50% Ortho			
-----				-----			
	<u>lives</u>	<u>8/1/14-7/31/16</u>	<u>premium</u>		<u>lives</u>	<u>8/1/14-7/31/16</u>	<u>premium</u>
	69	\$ 45.84	\$ 37,956	69	\$ 45.84	\$ 37,956	
	-----		\$ 37,956		-----	\$ 37,956	
	69						3.29%
TOTAL DENTAL PREMIUM			\$ 206,941	TOTAL DENTAL PREMIUM			\$ 206,941
<small>8/1/14-7/31/16</small>				<small>8/1/14-7/31/16</small>			
			Increase from Current Rates				\$ 6,615
							3.30%



Vineland City
Group No. 1187, 1483, 1484, 1516, 1527, 3332

Renewal Period: August 1, 2014 - July 31, 2015
 Experience Period: April 1, 2013 - March 31, 2014

Average Enrollment: 334

1.	Incurred Liability	
	A. Paid Claims	\$158,397
	B. Change in Reserve	\$2,030
	C. Incurred Claims (A+B)	\$160,427
2.	Expected Claims Expense	\$169,776
3.	Blended Incurred Claims (66% Credible)	\$163,606
4.	Trend (16 Months @ 4.28% Annual)	5.75%
5.	Projected Incurred Claims (3X4)	\$173,013
6.	Retention (Includes Delta's Standard Broker Commission Schedule)	\$31,132
7.	Needed Renewal Premium (5+6)	\$204,145
8.	Current Rate Level Premium	\$200,326
9.	Renewal Rate Adjustment (7/8)	1.91%
10.	Presented Renewal Rate Adjustment (One Year)	0.00%
11.	Presented Renewal Rate Adjustment (Two Year)	3.30%

	Current Rates	One Year Renewal Rates	Two Year Renewal Rates	Enrollment
<u>#1187-01, 02, #1483-01, #1484-01, #1516-01, #1527-01, #1528-01, #3332-01, 02, 03</u>				
Super Composite	\$ 51.44	\$ 51.44	\$ 53.14	265
<u>#1187-6001</u>				
Super Composite	\$ 44.38	\$ 44.38	\$ 45.84	69
Annual Premium	\$ 200,326	\$ 200,326	\$ 206,941	334
\$ Change		\$ -	\$ 6,615	

City of Vineland

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Dental Rate History

<u>Date</u>	<u>Plan</u>	<u>S</u>	<u>HW</u>	<u>P/C</u>	<u>F</u>	<u>Inc/Dec%</u>	<u>Inc/Dec%</u>	<u>Comment</u>	<u>Provider</u>	<u>Type</u>
<u>1990</u>										
1/1/1990	UCR					\$16.36		Group# 0001	Delta	Dental
1/1/1990	HMO					\$16.36		Group# 9001	Delta	Dental
<u>1991</u>										
1/1/1991	UCR					\$19.02	16.26%	Group# 0001	Delta	Dental
1/1/1991	HMO					\$19.02	16.26%	Group# 9001	Delta	Dental
1/1/1991							16.26%	Overall %	Delta	Dental
<u>1992</u>										
1/1/1992	UCR					\$20.91	9.94%	Group# 0001	Delta	Dental
1/1/1992	PPO					\$18.03		Additional plan, Gr# 6001	Delta	Dental
1/1/1992	HMO					\$20.91	9.94%	Group# 9001		
1/1/1992							9.94%	Overall %	Delta	Dental
<u>1993</u>										
1/1/1993	UCR					\$21.42	2.44%	Group # 0001	Delta	Dental
1/1/1993	PPO					\$18.47	2.44%	Group # 6001	Delta	Dental
1/1/1993	HMO					\$21.42	2.44%	Group # 9001	Delta	Dental
1/1/1993							2.44%	Overall %	Delta	Dental
<u>1994</u>										
1/1/1994	UCR					\$24.20	12.98%	Group # 0001	Delta	Dental
1/1/1994	PPO					\$20.87	12.99%	Group # 6001	Delta	Dental
1/1/1994	HMO					\$24.20	12.98%	Group # 9001	Delta	Dental
1/1/1994							12.98%	Overall %	Delta	Dental
<u>1995</u>										
1/1/1995	UCR					\$26.38	9.01%	Group # 0001	Delta	Dental
1/1/1995	PPO					\$22.75	9.01%	Group # 6001	Delta	Dental
1/1/1995	HMO					\$26.38	9.01%	Group # 9001	Delta	Dental
1/1/1995							9.01%	Overall %	Delta	Dental

City of Vineland

Dental Rate History

<u>Date</u>	<u>Plan</u>	<u>S</u>	<u>H/W</u>	<u>P/C</u>	<u>F</u>	<u>Inc/Dec%</u>	<u>Inc/Dec%</u>	<u>Comment</u>	<u>Provider</u>	<u>Type</u>
1996										
1/1/1996	UCR					\$27.18	3.03%	Group # 0001-18 month rate	Delta	Dental
1/1/1996	PPO					\$23.44	3.03%	Group # 6001-18 month rate	Delta	Dental
1/1/1996	HMO					\$27.18	3.03%	Group # 9001-18 month rate	Delta	Dental
1/1/1996							3.03%	Overall %	Delta	Dental
1997										
7/1/1997	UCR					\$25.96	-4.49%	Group # 0001	Delta	Dental
7/1/1997	PPO					\$22.39	-4.48%	Group # 6001	Delta	Dental
7/1/1997	HMO					\$25.96	-4.49%	Group # 9001	Delta	Dental
7/1/1997							-4.49%	Overall %	Delta	Dental
1998										
8/1/1998	UCR					\$30.50	17.49%	Group # 0001	Delta	Dental
8/1/1998	PPO					\$26.31	17.51%	Group # 6001	Delta	Dental
8/1/1998	HMO					\$30.50	17.49%	Group # 9001	Delta	Dental
8/1/1998							17.49%	Overall %	Delta	Dental
1999										
8/1/1999	UCR					\$34.90	14.43%	Group # 0001	Delta	Dental
8/1/1999	PPO					\$30.10	14.41%	Group # 6001	Delta	Dental
8/1/1999	HMO					\$34.90	14.43%	Group # 9001	Delta	Dental
8/1/1999							14.43%	Overall %	Delta	Dental
2000										
8/1/2000	UCR					\$38.04	9.00%	Group # 0001	Delta	Dental
8/1/2000	PPO					\$32.81	9.00%	Group # 6001	Delta	Dental
8/1/2000	HMO					\$27.00	-22.64%	Group # 9001	Delta	Dental
8/1/2000							-4.75%	Overall %	Delta	Dental

City of Vineland

Dental Rate History

<u>Date</u>	<u>Plan</u>	<u>S</u>	<u>H/W</u>	<u>P/C</u>	<u>F</u>	<u>Inc/Dec%</u>	<u>Inc/Dec%</u>	<u>Comment</u>	<u>Provider</u>	<u>Type</u>
<u>2001</u>										
8/1/2001	UCR					\$39.75	4.50%	Group # 0001	Delta	Dental
8/1/2001	PPO					\$34.29	4.50%	Group # 6001	Delta	Dental
8/1/2001	HMO					\$28.21	4.50%	Group # 9001	Delta	Dental
8/1/2001							4.50%	Overall %	Delta	Dental
<u>2002</u>										
8/1/2002	UCR					\$41.34	4.00%	Group # 0001	Delta	Dental
8/1/2002	PPO					\$35.66	4.00%	Group # 6001	Delta	Dental
8/1/2002	HMO					\$29.79	5.60%	Group # 9001	Delta	Dental
8/1/2002							4.56%	Overall %	Delta	Dental
<u>2003</u>										
8/1/2003	UCR					\$45.20	9.30%	Group # 0001 & 0002	Delta	Dental
8/1/2003	PPO					\$39.00	9.40%	Group # 6001	Delta	Dental
8/1/2003	HMO					\$31.98	7.40%	Group # 9001	Delta	Dental
8/1/2003							8.64%	Overall %	Delta	Dental
<u>2004</u>										
8/1/2004	UCR					\$48.76	7.88%	Group # 0001 & 0002	Delta	Dental
8/1/2004	PPO					\$42.07	7.88%	Group # 6001	Delta	Dental
8/1/2004	HMO					\$33.93	6.10%	Group # 9001	Delta	Dental
8/1/2004							7.25%	Overall %	Delta	Dental
<u>2005</u>										
8/1/2005	UCR					\$51.44	5.50%	Group # 0001,02 - 2 year	Delta	Dental
8/1/2005	PPO					\$44.38	5.50%	Group # 6001 - 2 year	Delta	Dental
8/1/2005	HMO					\$34.55	1.80%	Group # 9001 - 1 year	Delta	Dental
8/1/2005							4.22%	Overall %	Delta	Dental

City of Vineland

Dental Rate History

<u>Date</u>	<u>Plan</u>	<u>S</u>	<u>H/W</u>	<u>P/C</u>	<u>F</u>	<u>Inc/Dec%</u>	<u>Inc/Dec%</u>	<u>Comment</u>	<u>Provider</u>	<u>Type</u>
<u>2006</u>										
	UCR					\$51.44	0.00%	Middle of 2 yr agreement	Delta	Dental
	PPO					\$44.38	0.00%	Middle of 2 yr agreement	Delta	Dental
8/1/2006	HMO					\$35.82	3.70%	Group # 9001 - 1 year	Delta	Dental
8/1/2006							0.83%	Overall %	Delta	Dental
<u>2007</u>										
8/1/2007	UCR					\$51.44	0.00%	Group # 0001,02 - 2 year	Delta	Dental
8/1/2007	PPO					\$44.38	0.00%	Group # 6001 - 2 year	Delta	Dental
8/1/2007	HMO					\$37.19	3.82%	Group # 9001 - 1 year	Delta	Dental
8/1/2007							0.89%	Overall %	Delta	Dental
<u>2008</u>										
	UCR					\$51.44	0.00%	Middle of 2 yr agreement	Delta	Dental
	PPO					\$44.38	0.00%	Middle of 2 yr agreement	Delta	Dental
8/1/2008	HMO					\$38.66	4.00%	Group # 9001 - 1 year	Delta	Dental
8/1/2008							0.95%	Overall %	Delta	Dental
<u>2009</u>										
8/1/2009	UCR					\$51.44	0.00%	Group # 0001,02 - 1 year	Delta	Dental
8/1/2009	PPO					\$44.38	0.00%	Group # 6001 - 1 year	Delta	Dental
8/1/2009	HMO					\$40.18	3.90%	Group # 9001 - 1 year	Delta	Dental
8/1/2009							0.97%	Overall %	Delta	Dental
<u>2010</u>										
8/1/2010	UCR					\$51.44	0.00%	Group # 0001,02 - 2 year	Delta	Dental
8/1/2010	PPO					\$44.38	0.00%	Group # 6001 - 2 year	Delta	Dental
8/1/2010	HMO					\$41.77	4.00%	Group # 9001 - 1 year	Delta	Dental
8/1/2010							1.01%	Overall %	Delta	Dental

City of Vineland

Dental Rate History

<u>Date</u>	<u>Plan</u>	<u>S</u>	<u>H/W</u>	<u>P/C</u>	<u>F</u>	<u>Inc/Dec%</u>	<u>Inc/Dec%</u>	<u>Comment</u>	<u>Provider</u>	<u>Type</u>	
2011											
	UCR					\$51.44		0.00%	Middle of 2 year agreement	Delta	Dental
	PPO					\$44.38		0.00%	Middle of 2 year agreement	Delta	Dental
8/1/2011	HMO					\$43.44		3.99%	Group # 9001 - 1 year	Delta	Dental
8/1/2011							1.05%	Overall %	Delta	Dental	
2012											
8/1/2012	UCR					\$51.44		0.00%	2 year contract	Delta	Dental
8/1/2012	PPO					\$44.38		0.00%	2 year contract	Delta	Dental
8/1/2012	HMO					\$45.17		4.00%	Group # 9001 - 1 year	Delta	Dental
8/1/2012							1.30%	Overall %	Delta	Dental	
2013											
8/1/2013	UCR					\$51.44		0.00%	Middle of 2 year agreement	Delta	Dental
8/1/2013	PPO					\$44.38		0.00%	Middle of 2 year agreement	Delta	Dental
8/1/2013	HMO					\$47.05		4.16%	Group # 9001 - 1 year	Delta	Dental
8/1/2013							1.38%	Overall %	Delta	Dental	
2014											
8/1/2014	UCR					\$51.44		0.00%	1 year contract	Delta	Dental
8/1/2014	PPO					\$44.38		0.00%	1 year contract	Delta	Dental
8/1/2014	HMO					\$47.80		1.59%	Group # 9001 - 1 year	Delta	Dental
8/1/2014							1.59%	Overall %	Delta	Dental	

Average increase over the past 24 years: 4.81%