

RESOLUTION NO. 2015- 218

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

WHEREAS, there exists a need for the placement of Prescription and 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. Prescription for the contract period July 1, 2015 through June 30, 2016	Allen Associates	Benecard	\$3,292.792.00*
2. Dental (Premier Plan) for the contract period August 1, 2015 through July 31, 2016	Allen Associates	Delta Dental	\$ 164,196.00**
3. Dental (PPO) for the contract period August 1, 2015 through July 31, 2016	Allen Associates	Delta Dental	\$ 37,279.00**
4. Dental (Deltacare/Flagship), for the contract period August 1, 2015 through July 31, 2016	Allen Associates	Delta Dental	\$ 114,284.00***
TOTAL			<u>\$3,608,551.00</u>

- *8.18% annual increase Benecard
- **0 % increase for Dental Premier and PPO Plans
- ***1.65% 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: May 19, 2015

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. Prescription for the contract period July 1, 2015 through June 30, 2016	Allen Associates	Benecard	\$3,292.792.00*
2. Dental (Premier Plan) for the contract period August 1, 2015 through July 31, 2016	Allen Associates	Delta Dental	\$ 164,196.00**
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TOTAL			<u>\$3,608,551.00</u>



- *8.18% annual increase Benecard
- **0 % increase for Dental Premier and PPO Plans
- ***1.65% 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,

A handwritten signature in blue ink, appearing to read "Robert Schenck", is written over a horizontal line. The signature is fluid and cursive.

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.)

**REQUEST FOR RESOLUTION FOR CONTRACT AWARDS
UNDER 40A:11-5 EXCEPTIONS
(PROFESSIONAL SERVICES, EUS, SOFTWARE MAINTENANCE, ETC)**

5/8/15

(DATE)

1. Service (detailed description): HEALTH BENEFIT COVERAGES - (PRESCRIPTION & DENTAL)

2. Amount to be Awarded: \$ 3,608,551.00

- Encumber Total Award
 Encumber by Supplemental Release

3. Amount Budgeted: \$ _____

4. Budgeted: By Ordinance No. _____
Or Grant: Title & Year _____

5. **Account Number to be Charged: 001-1-14-00-0000-0-5023047

6. Contract Period: SEE ATTACHED

7. Date To Be Awarded: May 26, 2015

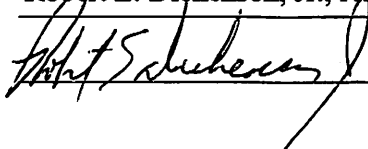
8. Recommended Vendor and Address: Allen Assoc., 630 S. Brewster Rd, Bldg. C
P. O. Box 790, Vineland, NJ 08361

9. Justification for Vendor Recommendation:(attach additional information for Council review)
As Broker of Record - Allen Associates continually solicit quotes for varying health benefit coverages needed by the City from numerous providers:
Dental Coverage: Delta Dental
Prescription: Benecard

- Non-Fair & Open (Pay-to-Play documents required)
 Fair & Open: How was RFP advertised? _____

10. Evaluation Performed by: Personnel Division

11. Approved by: Robert E. Dickenson, Jr., Assist. B.A



12. Attachments:

- Awarding Proposal
 Other: _____

- **Send copies to:**
Purchasing Division
Business Administration

**** If more than one account #, provide break down**

Reid Wanda

From: Giglio Michele
Sent: Friday, May 08, 2015 10:52 AM
To: Reid Wanda
Cc: Dickenson Bob
Subject: Prescription and Dental Renewal Rates

Hi Wanda,

Below are the total premium amounts and renewal periods for both prescription and dental. Please prepare resolutions for Council's approval.

PRESCRIPTION :	7/1/15 – 6/30/16 -	TOTAL PREMIUM AMOUNT =	<u>\$3,292,792</u>
DENTAL :	8/1/15 – 7/31/16 -	PREMIER PLAN =	\$164,196
		PPO PLAN =	\$37,279
		FLAGSHIP =	<u>\$114,284</u>
		TOTAL DENTAL PREMIUM AMOUNT =	<u>\$315,759</u>

Let me know if you need any additional information.

Thanks!

Michele Giglio
Clerk 3
City of Vineland
Personnel Department
856-794-4134, ext. 4136
mgiglio@vinelandcity.org



May 4, 2015

City of Vineland
640 E. Wood Street
Vineland, NJ 08360

Attn: Robert Dickinson
Acting Business Administrator

Re: Delta Dental Plan Group # 1187-01,02, #1483-01,#1484-01, #1516-01,#1527-01, #1528-01, #3332-01,02,03, #1187-6001, #1187-9001
Renewal Amendments

Dear Bob:

We are pleased to enclose the Renewal Amendment for the Group Dental Contract with Delta Dental Plan of NJ which begins on August 1, 2015. A one-year rate guarantee for the Premier plan is being offered at a 0% increase over your current rates as well as a two-year rate guarantee at a 3.3% increase over the current rates.

As you know, your DeltaCare plan has a separate renewal and begins on August 1, 2015 and runs through July 31, 2016. *The guaranteed renewal rates reflect a 1.65% increase over your current rates and are shown on the attached amendment.*

In order to accept the renewals, please sign the enclosed amendments where indicated, make a copy for your file and return the original to our office for processing.

Also enclosed are a financial comparison and a rate history for your review. The rate history reflects a 4.66% increase over the past twenty-five years, which is below the industry trend.

Thank you, we appreciate your business and look forward to servicing your Dental Plan during the coming years.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard S. Allen", with a stylized flourish at the end.

Richard S. Allen

RSA/ag
Encs.

630 S. BREWSTER RD • BUILDING C • PO BOX 790 • VINELAND, NJ 08361
600 WEST GERMANTOWN PIKE • SUITE 400 • PLYMOUTH MEETING, PA 19462
524 PACIFIC AVENUE • ATLANTIC CITY, NJ 08401

City of Vineland

2015 Dental Renewal DeltaCare/Flagship

Delta Dental	2014 Contract Year			Delta Dental	2015 Contract Year		
	Current Rates				Renewal Rates		
				One Year Contract Rates			
	<u>lives</u>	<u>8/1/14-7/31/15</u>	<u>premium</u>	<u>lives</u>	<u>8/1/15-7/31/16</u>	<u>premium</u>	
Super Composite	196	\$ 47.80	\$ 112,426	196	\$ 48.59	\$ 114,284	
	<u>196</u>		<u>\$ 112,426</u>	<u>196</u>		<u>\$ 114,284</u>	
TOTAL DENTAL PREMIUM			\$ 112,426	TOTAL DENTAL PREMIUM			\$ 114,284
8/1/14-7/31/15				8/1/15-7/31/16			
Increase					\$ 3,716	1.65%	

City of Vineland 2015 Renewal Dental Plans

Delta Dental	2014 Contract Year				Delta Dental	2015 Contract Year			
	Current Rates					Renewal Rates			
Premier Plan					Premier Plan				
100% P & D Deductible: \$75/person; \$225/family					100% P & D Deductible: \$75/person; \$225/family				
70% Basic \$1000 Annual Max.					70% Basic \$1000 Annual Max.				
50% Major					50% Major				
<u>lives</u> <u>7/1/14-6/30/15</u> <u>premium</u>					<u>lives</u> <u>8/1/15-7/31/16</u> <u>premium</u>				
Super-Composite 266 \$ 51.44 \$ 164,196					Super-Composite 266 \$ 51.44 \$ 164,196				
266 \$ 164,196					266 \$ 164,196				
					0.00%				
PPO Plan					PPO Plan				
100% P & D Deductible: \$50/person; \$150/family					100% P & D Deductible: \$50/person; \$150/family				
80% Basic \$1000 Annual Max.					80% Basic \$1000 Annual Max.				
50% Major \$1,200 Lifetime Ortho Max.					50% Major \$1,200 Lifetime Ortho Max.				
<u>lives</u> <u>7/1/14-6/30/15</u> <u>premium</u>					<u>lives</u> <u>8/1/15-7/31/16</u> <u>premium</u>				
Super-Composite 70 \$ 44.38 \$ 37,279					Super-Composite 70 \$ 44.38 \$ 37,279				
70 \$ 37,279					70 \$ 37,279				
					0.00%				
TOTAL DENTAL PREMIUM 7/1/14-6/30/15 \$ 201,476					TOTAL DENTAL PREMIUM 8/1/15-7/31/16 \$ 201,476				
					Increase \$ - 0.00%				
					Delta Dental 2015 Contract Year				
					Two Year Contract Rates				
Premier Plan					Premier Plan				
100% P & D Deductible: \$75/person; \$225/family					100% P & D Deductible: \$75/person; \$225/family				
70% Basic \$1000 Annual Max.					70% Basic \$1000 Annual Max.				
50% Major					50% Major				
<u>lives</u> <u>8/1/15-7/31/17</u> <u>premium</u>					<u>lives</u> <u>8/1/15-7/31/17</u> <u>premium</u>				
266 \$ 53.14 \$ 169,623					266 \$ 53.14 \$ 169,623				
266 \$ 169,623					266 \$ 169,623				
					3.30%				
PPO					PPO				
100% P & D Deductible: \$50/person; \$150/family					100% P & D Deductible: \$50/person; \$150/family				
80% Basic \$1000 Annual Max.					80% Basic \$1000 Annual Max.				
50% Major \$1,200 Lifetime Ortho Max.					50% Major \$1,200 Lifetime Ortho Max.				
<u>lives</u> <u>8/1/15-7/31/17</u> <u>premium</u>					<u>lives</u> <u>8/1/15-7/31/17</u> <u>premium</u>				
70 \$ 45.84 \$ 38,506					70 \$ 45.84 \$ 38,506				
70 \$ 38,506					70 \$ 38,506				
					3.29%				
TOTAL DENTAL PREMIUM 8/1/15-7/31/17 \$ 208,128					TOTAL DENTAL PREMIUM 8/1/15-7/31/17 \$ 208,128				
					Increase from Current Rates \$ 6,653 3.30%				



May 1, 2015

City of Vineland
640 E. Wood Street
Vineland, NJ 08360

Attn: Robert Dickinson
Acting Business Administrator

Re: RX Alliance/PEBT
Renewal Effective 7/1/15

Dear Bob:

We are pleased to enclose the final renewal documentation for your prescription program with The RX Alliance/PEBT which becomes effective July 1, 2015 through June 30, 2016. While the RX Alliance has been very consistent with the renewals for the past four years at 6.5%, the renewal this year reflects a 9.89% increase over your current rates. This is due to changes within the pharmaceutical industry concerning specialty pharmacy medications and several new Hepatitis C medications. These changes have caused all prescription plan carriers to adjust the underwriting formulas for the renewals this year.

However, the RX Alliance is pleased to provide the following cost containment features:

- Benecard's Retail Pharmacy Network excluding Walgreens Retail Pharmacies
- Implement Mandatory Mail Order for Specialty Pharmacy Medications

Making these changes effective July 1, 2015 will reduce your renewal rates by 1.6%. This will bring your final renewal rates to 8.18%, which is still below industry standards.

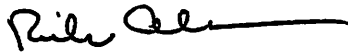
Please note that the number of other retail chain and private pharmacies is very comprehensive compared to the small number of Walgreens pharmacies. In addition, the mandatory mail order for specialty pharmacy medications is actually an enhancement over the existing arrangements and provides better service to the members. The transition will include a one-time courtesy fill to allow time for the prescription to be transferred to the mail order pharmacy. Please see the attached renewal letter from Benecard with more detailed information about the mandatory mail order for specialty pharmacy medications. We have also enclosed letters from Benecard for distribution to your staff to better explain the details. As always, members should contact Allen Associates for any assistance needed with any of the new features.

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The RX Alliance has continued to do an excellent job at maintaining program costs through Benecard's management strategies to minimize expenses. We remain competitive because of this and the strength in numbers established with the member groups. We will be sending you an updated contract in the very near future for your signature. The renewal contract will also contain required updates compliant with Federal and State mandates, but does not change your plan design or benefits in any way.

Allen Associates considers the City of Vineland a valued client, and we appreciate your business. We look forward to serving you and your employees in the years to come.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard S. Allen", with a long horizontal flourish extending to the right.

Richard S. Allen

RSA:dm
Encs.

City of Vineland Prescription Rates for 2015

Benecard RX Alliance	2014 Contract Year			Benecard RX Alliance	2015 Contract Year		
	Current Rates				Renewal Rates		
Retail: \$15 Generic / \$25 Brand Mail Order: \$15 Generic / \$25 Brand				Retail: \$15 Generic / \$25 Brand Mail Order: \$15 Generic / \$25 Brand			
	<u>lives</u>	<u>7/1/14-6/30/15</u>	<u>premium</u>	<u>lives</u>	<u>7/1/15-6/30/16</u>	<u>premium</u>	
single	130	\$ 225.84	\$ 352,310	130	\$ 244.31	\$ 381,124	
parent/child(ren)	44	\$ 441.02	\$ 232,859	44	\$ 477.08	\$ 251,898	
husband/wife	118	\$ 355.93	\$ 503,997	118	\$ 385.03	\$ 545,202	
family	273	\$ 563.07	\$ 1,844,617	273	\$ 609.11	\$ 1,995,444	
	<u>565</u>		<u>\$ 2,933,783</u>	<u>565</u>		<u>\$ 3,173,669</u>	8.18%
Retail: \$10 Generic / \$20 Brand Mail Order: \$10 Generic / \$20 Brand				Retail: \$10 Generic / \$20 Brand Mail Order: \$10 Generic / \$20 Brand			
	<u>lives</u>	<u>7/1/14-6/30/15</u>	<u>premium</u>	<u>lives</u>	<u>7/1/15-6/30/16</u>	<u>premium</u>	
single	1	\$ 225.84	\$ 2,710	1	\$ 244.31	\$ 2,932	
parent/child(ren)	0	\$ 441.02	\$ -	0	\$ 477.08	\$ -	
husband/wife	3	\$ 355.93	\$ 12,813	3	\$ 385.03	\$ 13,861	
family	14	\$ 563.07	\$ 94,596	14	\$ 609.11	\$ 102,330	
	<u>18</u>		<u>\$ 110,119</u>	<u>18</u>		<u>\$ 119,123</u>	8.18%
TOTAL PRESCRIPTION PREMIUM			\$ 3,043,902	TOTAL PRESCRIPTION PREMIUM			\$ 3,292,792
Annual Increase						\$ 248,889	8.18%