

RESOLUTION NO. 2016- 195

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, 2016 through June 30, 2017	Allen Associates	Benecard	\$3,668,713.00*
2. Dental (Premier Plan) for the contract period August 1, 2016 through July 31, 2017	Allen Associates	Delta Dental	\$ 163,579.00**
3. Dental (PPO) for the contract period August 1, 2016 through July 31, 2017	Allen Associates	Delta Dental	\$ 36,747.00**
4. Dental (Deltacare/Flagship), for the contract period August 1, 2016 through July 31, 2017	Allen Associates	Delta Dental	\$ 116,189.00***
TOTAL			<u>\$3,985,228.00</u>

- *14.8% annual increase Benecard
- **0 % increase for Dental Premier and PPO Plans
- ***1.67% 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: Robert E. Dickenson, Jr., Assistant Business Administrator

Date: June 1, 2016

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 Prescription and 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, 2016 through June 30, 2017	Allen Associates	Benecard	\$3,668,713.00*
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- ***1.67% 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 unspicifiable service in accordance with the requirements thereof.

Respectfully,


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)**

June 1, 2016

(DATE)

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

2. Amount to be Awarded: \$ 3,985,228.00

- 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: June 14, 2016

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: Rosie Gonzalez

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



April 27, 2016

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

Attn: Robert Dickenson
Assistant Business Administrator

Re: Delta Dental Plan, Renewal Effective July 1, 2016
Group # 1187, et al ; Flagship Group # 9001

Dear Bob:

We are pleased to enclose the renewal information for your dental plan that becomes effective July 1, 2016 through June 30, 2017. As you know, Allen Associates formed the Dental Alliance, underwritten by Delta Dental Plan of NJ, in July of 2015 and your group became a member at that time. The guaranteed renewal rates this year reflect a 0% increase for one year and the rates are shown on the enclosed rate sheets. For a one year contract, please sign where indicated and return the rate sheet to our office for processing. A two year contract is also available for a 3.3% increase over the entire term. Should you elect the two year term, please let us know and we will request a two year amendment for your signature.

Your Flagship plan is always a one year renewal and the rates are enclosed separately. Please sign where indicated and return to our office for processing.

Delta Dental Plan of NJ is the leading dental carrier in New Jersey for public sector business and has always done an excellent job at providing your program benefits and rates and, through the Alliance, we are able to provide the security in pooling the risk among the member public entities. This will help manage expenses, remain competitive, and level future renewals.

Allen Associates has also enclosed a financial comparison as well as a rate history for your review.

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,

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



April 27, 2016

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

Attn: Robert Dickenson
Assistant Business Administrator

Re: RX Alliance/PEBT
Renewal Effective 7/1/16

Dear Bob:

We are pleased to enclose the renewal documentation for your prescription program with The RX Alliance/PEBT which becomes effective July 1, 2016 through June 30, 2017. The RX Alliance renewal this year reflects a 14.8% increase over your current rates. As we discussed previously, 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.

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.

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 dark ink, appearing to read 'Rich Allen', is written over a light gray horizontal line.

Richard Allen

RA:ag
Encs.

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City of Vineland
Prescription Rates for 2016

Benecard RX Alliance	2015 Contract Year			Benecard RX Alliance	2016 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>7/1/15-6/30/16</u>	<u>premium</u>	<u>lives</u>	<u>7/1/16-6/30/17</u>	<u>premium</u>	
single	136	\$ 244.31	\$ 398,714	136	\$ 280.47	\$ 457,727	
parent/child(ren)	41	\$ 477.08	\$ 234,723	41	\$ 547.69	\$ 269,463	
husband/wife	120	\$ 385.03	\$ 554,443	120	\$ 442.01	\$ 636,494	
family	259	\$ 609.11	\$ 1,893,114	259	\$ 699.26	\$ 2,173,300	
	556		\$ 3,080,994	556		\$ 3,536,985	14.80%
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>7/1/15-6/30/16</u>	<u>premium</u>	<u>lives</u>	<u>7/1/16-6/30/17</u>	<u>premium</u>	
single	2	\$ 244.31	\$ 5,863	2	\$ 280.47	\$ 6,731	
parent/child(ren)	0	\$ 477.08	\$ -	0	\$ 547.69	\$ -	
husband/wife	3	\$ 385.03	\$ 13,861	3	\$ 442.01	\$ 15,912	
family	13	\$ 609.11	\$ 95,021	13	\$ 699.26	\$ 109,085	
	18		\$ 114,746	18		\$ 131,728	14.80%
TOTAL PRESCRIPTION PREMIUM			\$ 3,195,740	TOTAL PRESCRIPTION PREMIUM			\$ 3,668,713
Annual Increase						\$ 472,973	14.80%

City of Vineland
2016 Renewal Dental Plans

Delta Dental	2015 Contract Year			Delta Dental	2016 Contract Year		
	Current Rates				Renewal Rates		
	Premier Plan				Premier Plan		
	100% P & D 70% Basic 50% Major	Deductible: \$75/person; \$225/family \$1000 Annual Max.			100% P & D 70% Basic 50% Major	Deductible: \$75/person; \$225/family \$1000 Annual Max.	
	<u>lives</u>	<u>8/1/15-7/31/16</u>	<u>premium</u>		<u>lives</u>	<u>8/1/16-7/31/17</u>	<u>premium</u>
Super-Composite	265	\$ 51.44	\$ -		265	\$ 51.44	\$ 163,579
	<u>265</u>		<u>\$ 163,579</u>		<u>265</u>		<u>\$ 163,579</u>
							0.00%
	PPO Plan				PPO Plan		
	100% P & D 80% Basic 50% Major	Deductible: \$50/person; \$150/family \$1000 Annual Max. \$1,200 Lifetime Ortho Max.			100% P & D 80% Basic 50% Major	Deductible: \$50/person; \$150/family \$1000 Annual Max. \$1,200 Lifetime Ortho Max.	
	<u>lives</u>	<u>8/1/15-7/31/16</u>	<u>premium</u>		<u>lives</u>	<u>8/1/16-7/31/17</u>	<u>premium</u>
Super-Composite	69	\$ 44.38	\$ 36,747		69	\$ 44.38	\$ 36,747
	<u>69</u>		<u>\$ 36,747</u>		<u>69</u>		<u>\$ 36,747</u>
							0.00%
TOTAL DENTAL PREMIUM			\$ 200,326	TOTAL DENTAL PREMIUM			\$ 200,326
				Increase			\$ -
							0.00%

*PPO Plus Premier Plan represents same benefit levels with optional PPO network included along side of premier network.

City of Vineland

2016 Dental Renewal DeltaCare/Flagship

Delta Dental	2015 Contract Year			Delta Dental	2016 Contract Year		
	Current Rates				Renewal Rates		
	<u>lives</u>	<u>8/1/15-7/31/16</u>	<u>premium</u>		<u>One Year Contract Rates</u>		
	<u>lives</u>	<u>8/1/16-7/31/17</u>	<u>premium</u>	<u>lives</u>	<u>8/1/16-7/31/17</u>	<u>premium</u>	
Super Composite	196	\$ 48.59	\$ 114,284	196	\$ 49.40	\$ 116,189	
	<u>196</u>		<u>\$ 114,284</u>	<u>196</u>		<u>\$ 116,189</u>	
TOTAL DENTAL PREMIUM			\$ 114,284	TOTAL DENTAL PREMIUM		\$ 116,189	
	<u>8/1/15-7/31/16</u>			<u>8/1/16-7/31/17</u>			
				Increase	\$ 3,810		1.67%