



City of Columbus

Office of City Clerk
90 West Broad Street
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columbuscitycouncil.org

Legislation Text

File #: 2997-2013, **Version:** 1

BACKGROUND: As a result of a Request For Proposal process in accordance with Section 329.14 of the Columbus City Codes, two short-term disability insurance bid responses were reviewed by the City's Evaluation Committee, comprised of five members.

Each proposal was evaluated on the following criteria as required by section 329.14: competency to perform, quality and feasibility of the offerors technical proposal, ability to perform the required service competently, past performance, and the cost structure of the proposal. Dearborn National is recommended as the short term disability insurance administrator. The short term disability insurance administration rate of \$2.75 per employee per month is effective February 1, 2012 until January 31, 2012, renewable annually with a two year renewal option. Dearborn National offers the ability to duplicate negotiated benefits.

To maintain insurance programs in accordance with the negotiated labor contracts, additional funding of the short term disability insurance program is necessary to insure continuation of employee insurance coverage. Cost estimates were based on 2012-13 trust fund expenditures using a three year average of actual city utilization, expected changes due to union negotiations, as well as input from insurance carriers.

Contract compliance number is 36-2598882

FISCAL IMPACT: To enter into contract with Dearborn National to establish the maximum obligation liability, and to authorize the expenditure of \$2,840,000.00 for short term disability administrative and claims services from February 1, 2014 through January 31, 2015. Funding is available in the 2014 budget for this contract. This ordinance is an emergency measure to ensure continued insurance coverage as negotiated by union contracts.

To authorize the Human Resources Director to enter into contract with Dearborn National to provide all eligible employees short term disability insurance coverage from February 1, 2014 through January 31, 2015, and to authorize the expenditure of \$2,840,000.00 from the Employee Benefits Fund, or so much thereof as may be necessary to pay the costs of said contract; and to declare an emergency. (\$2,840,000.00)

WHEREAS, it is in the best interest of the City of Columbus to enter into contract with Fort Dearborn Life Insurance Company to provide all eligible employees short term disability insurance administration from February 1, 2014 through January 31, 2015; and

WHEREAS, it is necessary to authorize the expenditure of up to \$2,840,000.00, or so much thereof as may be necessary to pay contract costs for short term disability insurance services;

WHEREAS, an emergency exists in the usual daily operation of the City of Columbus in that it is immediately necessary to pay the contract costs to avoid disruption in disability coverage for the preservation of the public health, peace, property, safety, and welfare;

Now, Therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Human Resources Director is hereby authorized to enter into contract with Fort Dearborn Life Insurance Company to provide short term disability insurance to all eligible employees from February 1, 2014 through

January 31, 2015.

SECTION 2. That the expenditure of up to \$2,840,000.00, or so much thereof as may be necessary for coverage from the Employee Benefits Fund 502, Department of Human Resources is hereby authorized and directed.

See attachment: 2997-2013 STD appropriation attachment

SECTION 3. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after passage, if the Mayor neither approves nor vetoes the same.