



City of Columbus

Office of City Clerk
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Legislation Text

File #: 0115-2005, **Version:** 1

BACKGROUND: As a result of a Request For Proposal process in accordance with Section 329.14 of the Columbus City Codes, five 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. Aetna is recommended as the short term disability plan administrator. Aetna provides the most flexible administrative approach, a guaranteed three year administrative rate. The short term disability administrative rate of \$2.87 per employee per month is effective until January 31, 2006, renewable annually. Aetna offers the ability to duplicate negotiated benefits.

Contract compliance number is 06-6033492

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 2003-04 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.

FISCAL IMPACT: To enter into a contract with Aetna to establish the maximum obligation liability, and to authorize the expenditure of \$2,796,122.00 for short term disability administrative and claims services from February 1, 2005 through January 31, 2006. Funding is available in the 2005 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 a contract with Aetna to provide all eligible employees short term disability insurance coverage from February 1, 2005 through January 31, 2006, and to authorize the expenditure of \$2,796,122.00 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. (2,796,122.00)

WHEREAS, it is in the best interest of the City of Columbus to enter into a contract with Aetna to provide all eligible employees short term disability insurance from February 1, 2005 through January 31, 2006; and

WHEREAS, it is necessary to authorize the expenditure of up to \$2,796,122.00, or so much thereof as may be necessary to pay contract costs for short term disability insurance services; and

WHEREAS, an emergency exists in the usual daily operation of the City of Columbus in that it is immediately necessary to enter into a contract and to pay the associated contract costs 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 a contract with Aetna to provide short term disability insurance to all eligible employees from February 1, 2005 through January 31, 2006.

SECTION 2. That the expenditure of up to \$2,796,122.00, 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. Division Number 46-01, OL1 3, OL3 3363, OCA 461042, Subfund 211, Amount \$2,796,122.00, Type claims/ Administrative fee.

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.