



Legislation Text

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BACKGROUND: As a result of a Request For Proposal process in accordance with Section 329.14 of the Columbus City Codes, seven COBRA continuation insurance bid responses were reviewed by the City's Evaluation Committee which comprised of five members.

Each proposal was evaluated on the following criteria as requested 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 Life Insurance Company is recommended as the COBRA continuation insurance plan administrator. Aetna quoted a three year guaranteed administrative rate of \$14.10 per participant per month (PPPM) the first year; \$14.65 PPPM the second year; and \$15.23 PPPM the third year. The rate is effective until January 31, 2006, renewable annually. Aetna offers the ability to duplicate negotiated benefits.

To maintain insurance programs in accordance with the negotiated labor contracts, additional funding of the COBRA continuation 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.

Contract compliance number 06-6033492

FISCAL IMPACT: To enter into a contract with Aetna Life Insurance Company to establish the maximum obligation liability, and to authorize the expenditure of \$24,040 for COBRA administrative 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

To authorize the Human Resources Director to enter into a contract with Aetna Life Insurance Company to provide all eligible employees COBRA continuation insurance coverage from February 1, 2005 through January 31, 2006 and to authorize the expenditure of \$24,040 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. (\$24,040)

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

WHEREAS, it is necessary to authorize the expenditure of up to \$24,040 or so much thereof as may be necessary to pay contract costs for COBRA continuation insurance services; and

WHEREAS, an emergency exists in the usual daily operation of the City of Columbus in that it is necessary to enter into a contract and to pay the associated contract costs to ensure continued insurance 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 a contract with Aetna Life Insurance Company to provide COBRA continuation insurance to all eligible employees from February 1, 2005 through January 31, 2006.

SECTION 2. That the expenditure of up to \$24,040, or so much thereof as may be necessary for coverage from the Employee Benefits Funds 502, Department of Human Resources No. 46-01, Character 03, Minor Object 3362, Index No 461029, Subfund 208 is hereby authorized and directed.

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 votes the same.

