



## Legislation Text

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**File #:** 3090-2016, **Version:** 1

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**BACKGROUND:** As a result of a Request For Proposal process in accordance with Chapter 329 of the Columbus City Code, three 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: 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. Dearborn National offers the ability to duplicate negotiated benefits. The short term disability insurance administration rate of \$2.75 per employee per month is effective February 1, 2017 until January 31, 2018. The contract is for a three-year period, subject to annual appropriation; this ordinance represents the first year.

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 2015-16 trust fund expenditures using a two year average of actual city utilization, expected changes due to union negotiations, as well as input from insurance carriers.

Emergency action is requested to ensure the short term disability program for city employees is able to commence as soon as contractually possible, thereby maintaining continuity of service.

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 \$3,240,000 for short term disability administrative and claims services from February 1, 2017 through January 31, 2018. Funding is available in the 2017 budget for this contract. This ordinance is an emergency measure to ensure continued insurance coverage as negotiated by union contracts. Contingent on the passage of ordinance 3081-2016.

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, 2017 through January 31, 2018, and to authorize the expenditure of \$3,240,000.00 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. (\$3,240,000.00)

**WHEREAS,** it is in the best interest of the City of Columbus to enter into contract with Dearborn National to provide all eligible employees short term disability insurance administration from February 1, 2017 through January 31, 2018; and

**WHEREAS,** it is necessary to authorize the expenditure of up to \$3,240,000, 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 Department of Human Resources in that it is immediately necessary to enter into contract with Dearborn National to ensure the short term disability program for city employees is able to commence as soon as contractually possible,

**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 Dearborn National to provide short term disability insurance to all eligible employees from February 1, 2017 through January 31, 2018.

**SECTION 2.** That the expenditure of \$3,240,000 or so much thereof as may be necessary for coverage is hereby authorized to be expended as follows:

Department: 4602 | Fund: 5502 | Subfund: 550208 | Program: RM005 | Amount: \$140,000

Department: 4602 | Fund: 5502 | Subfund: 550208 | Program: RM006 | Amount: \$3,100,000

**SECTION 3.** That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

**SECTION 4.** 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.