1	ORDINANCE NO
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3	AN ORDINANCE TO DISPENSE WITH THE REQUIREMENT OF
4	COMPETITIVE BIDDING AS IMPRACTICAL AND UNFEASIBLE; TO
5	AWARD A CONTRACT TO SAFETY NATIONAL TO PROVIDE
	WORKERS' COMPENSATION STOP-LOSS COVERAGE TO THE CITY
6	
7	FOR A ONE (1) YEAR PERIOD FROM JULY 1, 2016, TO JUNE 30, 2017;
8	TO DECLARE AN EMERGENCY; AND, FOR OTHER PURPOSES.
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10	WHEREAS, the City is required to have a Stop-Loss Coverage to cap the cost of individual claims
11	because it is a self-insured entity in terms of Worker's Compensation Insurance; and,
12	WHEREAS, the City has operated the last four (4) years with Safety National as the company that
13	provides such coverage; however, a question has arisen as to whether this contract is subject to a new
14	competitive selection process; and,
15	WHEREAS, the current coverage ended on June 30, 2016, but Safety National has agreed to continue
16	coverage for a thirty (30)-day period to allow the City to ratify this new coverage, and to provide a sole-
17	source ordinance for coverage throughout the twelve (12)-month period ending on June 30, 2017, and at
18	the same time providing the City with sufficient time to conclude whether another selection process is
19	required; and,
20	WHEREAS, informal quotations were obtained by the consulting insurance broker that the City has
21	and Safety National is the lowest cost unless the City wishes to change the policy decision about the amount
22	of underlying self-insurance liability it wishes to cover;
23	NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY
24	OF LITTLE ROCK, ARKANSAS:
25	Section 1. The Board of Directors has determined that it is necessary to answer questions as to
26	whether a new competitive process is required for this type of coverage, but that there is insufficient time
27	to do so and still meet statutory requirements to have such coverage in place, so it is impractical and
28	unfeasible to bid this particular twelve month contract.
29	Section 2. The City Manager is authorized to enter into an agreement with Safety National to provide
30	Worker's Compensation Stop-Loss coverage to the City for the period from July 1, 2016, to June 30, 2017,
31	in the amount of Two Hundred Twenty Thousand, Five Hundred Thirty-Five Dollars (\$220,535.00), an
32	amount which may increase based upon actual usage as determined by an audit at the end of the coverage
33	year.

1 **Section 3.** Funding for this agreement is provided in the budget line item for Worker's Compensation. 2 **Section 4.** Severability. In the event any title, subtitle, section, subsection, subdivision, paragraph, 3 subparagraph, item, sentence, clause, phrase, or work of this ordinance is declared or adjudged to be invalid 4 or unconstitutional, such declaration or adjudication shall not affect the remaining portions of the ordinance 5 which shall remain in full force and effect as if the portion so declared or adjudged invalid or 6 unconstitutional was not originally a part of this ordinance. 7 Section 5. Repealer. All ordinances, resolutions, or parts of the same that are inconsistent with the 8 provisions of this ordinance are hereby repealed to the extent of such inconsistency. 9 Section 5. Emergency Clause. The compliance with state law as to maintenance of Stop-Loss 10 coverage is a mandatory component of the City's ability to remain a self-insured entity for purposes of 11 Worker's Compensation coverage, and there is no present time to address issues about the renewal of a 12 contract for such coverage and still meet this statutory mandate; an emergency is, therefore, declared to 13 exist since such coverage is essential to the public health, safety, and welfare, as the City has budgeted to 14 meet its fiscal obligations in 2016; an emergency is declared to exist and this ordinance shall be in full 15 force and effect from and after the date of its passage. 16 **PASSED: July 19, 2016** 17 ATTEST: **APPROVED:** 18 19 Susan Langley, City Clerk Mark Stodola, Mayor 20 21 APPROVED AS TO LEGAL FORM: 22 23 24 Thomas M. Carpenter, City Attorney 25 // 26 // 27 // 28 // 29 // 30 // 31 // 32 // 33 // 34 // 35 //