



## Legislation Text

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**File #:** Res. 2020-146R, **Version:** 1

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### **AGENDA CAPTION:**

Consider approval of Resolution 2020-146R, approving an agreement with Davis Vision for the provision of voluntary vision insurance for City employees in an estimated annual amount of \$80,000.00 to be paid by participating employees for an initial four-year term with an option to extend up to three additional two-year terms for a total possible term of ten years; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.

**Meeting date:** August 4, 2020

**Department:** Human Resources Department - Linda Spacek, Director (By Lynda Williams, Purchasing Manager)

### **Amount & Source of Funding**

**Funds Required:** Paid by employee contributions

**Account Number:** [Click or tap here to enter text.](#)

**Funds Available:** [Click or tap here to enter text.](#)

**Account Name:** [Click or tap here to enter text.](#)

### **Fiscal Note:**

**Prior Council Action:** [Click or tap here to enter text.](#)

**City Council Strategic Initiative:** [Please select from the dropdown menu below]

[Choose an item.](#)

[Choose an item.](#)

[Choose an item.](#)

**Comprehensive Plan Element (s):** [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ Economic Development - [Choose an item.](#)

☐ Environment & Resource Protection - [Choose an item.](#)

☐ Land Use - [Choose an item.](#)

☐ Neighborhoods & Housing - [Choose an item.](#)

☐ Parks, Public Spaces & Facilities - [Choose an item.](#)

- ☐ Transportation - Choose an item.
- ☐ Core Services
- ☐ Not Applicable

**Master Plan:** *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

**Background Information:**

The City currently offers employees and their families access to an employee paid group vision benefit plan as part of our total compensation program. This vision insurance is referred to as “voluntary coverage” because employees may voluntarily choose to enroll in the coverage and the cost of coverage is paid by enrolled employees through payroll deduction.

The City went out for Request for Proposal (RFP) for Voluntary Vision Insurance, RFP 220-125. Seven (7) proposals were received in response to the Voluntary Vision Insurance RFP. An evaluation team comprised of city staff and our benefit consultants from Holmes Murphy evaluated all proposals. Two firms were ranked as finalists and interviewed. The team concluded that Davis Vision was the highest-ranking firm. Firms were ranked according to degree of match with our current benefit plan (or better), provider access/disruption, premium cost, customer service, billing/administrative operations and employee out of pocket cost. Davis Vision’s proposal includes a 3% rate reduction and a four (4) year rate guarantee at the current benefit level with no minimum enrollment. Davis Vision is the current provider, so the only impact for employees will be a slightly lower cost.

City staff recommends awarding a four (4) year contract with the option to extend up to three (3) additional two (2) year periods, for a full contract term not to exceed a maximum combined total of ten (10) years. The annual contract amount is based upon enrollment and is estimated not to exceed \$80,000 based on current enrollment with projected enrollment increases not to exceed 5% per year. Over the life of the agreement, projected contributions are estimated not to exceed \$923,720.

The premiums are paid by employees through payroll deduction and are based on enrolled benefit level. Employees may make changes in coverage level annually during open enrollment and upon qualifying events. Additionally, the number of covered employees is subject to change throughout the year as employees terminate and are hired. Payments for this agreement are paid wholly by employee contributions.

**Council Committee, Board/Commission Action:**

Click or tap here to enter text.

**Alternatives:**

Click or tap here to enter text.

**Recommendation:**

Staff recommends award to Davis Vision for employee health vision plan.