

## AGENDA



Thursday, August 30, 2007

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 60**

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**Subject:** Authorize award, negotiation, and execution of a 16-month requirements service contract with SUPERIOR VISION SERVICES, INC., Rancho Cordova, CA for a group vision insurance program in an estimated amount not to exceed \$883,578, with two 12-month extension options in an estimated amount not to exceed \$971,935 for the first extension option, and \$1,069,129 for the second extension option, for a total estimated contract amount not to exceed \$2,924,642.

**Amount and Source of Funding:** Future funding is contingent upon available funding in future budgets.

**Fiscal Note:** There is no unanticipated fiscal impact. A fiscal note is not required.

**For More Information:** Rosemary Ledesma, Supervising Sr. Buyer/974-2011 or Russell Nash, Benefits Manager/974-3288.

**Purchasing Language:** Best evaluated proposal of nine proposals received.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

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A request for proposal was issued on March 26, 2007 seeking proposals from insurance companies for "provider based" or "retailed based" vision plans. There were nine proposals submitted, offering both provider and retailed based vision plans. In 2008 the City will make available to employees and retirees a new stand alone vision plan program providing coverage for eye exams, lenses, frames, contact lenses, and a discount on refractive surgery. This contract is for a fully-insured employee/retiree paid vision plan.

This vision coverage will supplement and enhance the vision benefits currently available to employees and retirees through the HMO and PPO medical plans. The estimated contract amounts were based on 50% of the active employee and retiree medical enrollment participating in the vision plan the first year, and enrollment increasing 10% for the two annual contract extensions. Vision plan premiums will be paid entirely by employees and retirees.

The initial contract period for this vision insurance will be September 1, 2007 through December 31, 2008. The vision insurance program will be implemented on January 1, 2008 with payment for services following on a monthly basis.

Representatives from the Human Resources Department evaluated the proposals. The evaluation panel recommended Superior Vision Services, Inc. (Superior) as the best proposer based on company experience, personnel qualifications and prior experience, responsiveness to scope of work and contractual requirements, program design, provider network, and cost. The panel conducted separate evaluations for the "provider based" and "retail based" vision plan proposals. Superior is offering a retail-based vision program that best benefits the participants since services and materials are provided through Optometrists and Ophthalmologists, in addition to retail locations such as Wal-Mart, Target, Costco, Lens Crafters, etc. Superior has 192 independent vision providers and 63 retail chain stores in the 10 counties in the Central Texas area.

The monthly rates are fixed and guaranteed throughout the life of the contract as follows:

\$6.76 Employee Only  
\$13.38 Employee and Spouse  
\$13.12 Employee and Children  
\$19.96 Employee and Family

MBE/WBE solicited: 2/1

MBE/WBE Bid: 0/0

RFP NO. RML0006

PROPOSAL ANALYSIS

- a. Adequate competition.
- b. Fifty-one notices were sent, including two MBEs and one WBE. Nine proposals were received, with no response from the MBEs/WBE.
- c. This is the first purchase of its type; therefore, there is no pricing history available.

APPROVAL JUSTIFICATION

- a. Best evaluated proposal.
- b. The Purchasing Office concurs with the Human Resources Department's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.