

## Council Meeting Staff Report

October 29, 2019

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<b>Agenda No.:</b>	A.
<b>Indexes (Council Goals):</b>	* 2019 Council Goal - Investing in Infrastructure
<b>Presenters:</b>	Harry Burgess
<b>Legislative File:</b>	AGR0635-19

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### Title

Contract for General Services, Agreement No. AGR 20-05 with Vision Service Plan in the Amount of \$400,000, plus Applicable Gross Receipts Tax, for the Purpose of providing vision insurance benefits for Los Alamos County employees over a four year term.

### Recommended Action

**I move that Council approve General Services Agreement No. AGR20-05 with Vision Service Plan, in the form attached which has been approved by the County Attorney, for the Purpose of providing Vision Insurance Benefits to Los Alamos County employees.**

### County Manager's Recommendation

The County Manager recommends that Council approve this Contract for General Services as requested.

### Body

On June 9, 2019, the County issued Request for Proposal ("RFP") 20-05 for Vision Insurance Benefits for Los Alamos County employees. The County received five (5) responses to the RFP. Using the criteria established in the RFP, the response by Vision Service Plan ("VSP") was found to be the most advantageous to the County in providing services and benefits that are similar to what is currently available to employees. Moreover, County employees will not experience any disruption of services because Vision Service Plan is the incumbent provider.

The County has consistently approached the process of RFP's for employee benefits with two major objectives:

- \* Maintain the current level of benefits while providing enhancements wherever possible and economically feasible, and;
- \* Provide a duplication of existing services with no increase in cost, if possible, or a reasonable increase if necessary.

These objectives were achieved through a thorough evaluation of all responses received and with the assistance of Gibson & Frank LLC, the County's current benefits consultant.

The vision services covered for calendar years 2020 through 2023 will be substantially the same as in 2019. However, through the RFP process, the County was able to obtain a slight reduction in rate of approximately .40%. This rate is guaranteed through the end of calendar year 2023.

Funding of this benefit is achieved by collecting bi-weekly premiums from both the County and Employees. The County pays 80% of the premiums for a full-time eligible employee, 60% for a three-quarter-time eligible employee, and 40% for a half-time eligible employee.

The vision insurance plan has very high participation. Approximately 86% of 598 eligible regular and limited-term employees have elected to enroll. 160 employees have "employee only" coverage. 125

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have "employee plus one" coverage. 230 have "employee plus two or more" (family) coverage.

In recent years, the County has been able to offer vision insurance to its employees with covered services and premiums that have remained remarkably stable with slight reductions in 2010 and 2014.

#### **Alternatives**

Should Council choose not to approve Services Agreement AGR20-05 with Vision Service Plan, possible alternatives would include re-issuing an RFP for the same services or discontinuing vision coverage for Los Alamos County employees.

#### **Fiscal and Staff Impact/Planned Item**

Employee benefits are included in the County's biennial budget. The estimated total annual cost for vision insurance benefits, based on current enrollment, will be approximately \$100,000 per year, with an expected cost not to exceed \$400,000 for the initial term of this Agreement. County employees will pay approximately 20% of these costs and the County will pay approximately 80%. Provided that the County does not experience an extraordinary increase in enrollments, the current budgets/expected budgets for fiscal years 2020 and 2021 are adequate to pay for the County's portion of vision insurance benefits included in this contract.

#### **Attachments**

A - AGR20-05 Vision Service Plan Insurance Company\_FINAL with Exhibits A - D.pdf