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SEP 27 2012



Chandler · Arizona
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MEMORANDUM

DATE: September 24, 2012

TO: Mayor and Council

THRU: Rich Dlugas, City Manager RD
Debra Stapleton, Director of Human Resources Division ^{DS}

FROM: Valerie F. Hernandez, Benefit Programs Supervisor ^{VFH}

SUBJECT: Recommendation for Approval of Vision Service Plan Insurance Company Agreement

RECOMMENDATION: Approve and authorize the Mayor and Council to approve the two year extension to the agreement between the City of Chandler and Vision Service Plan Insurance Company for benefit plan years 2013 and 2014, effective January 1, 2013.

BACKGROUND: City staff reviews the employee benefits package each year with the assistance of an employee benefits consulting firm. Vision Services Plan Insurance Company provides affordable vision services to include eye exams, frames, lenses and contact lenses. The following schedule provides the current premiums and cost share and will continue to be in effect for plan year 2013.

Vision		Full Rate Monthly Premium	City Pays	Employee Pays
VSP	Employee only	\$7.88	\$00.00	\$7.88
	Family	\$16.86	\$00.00	\$16.86

PROPOSED MOTION: Move to approve and authorize the Mayor and Council to approve the two year extension to the agreement between the City of Chandler and Vision Service Plan Insurance Company for benefit plan years 2013 and 2014, effective January 1, 2013.

**CALENDAR YEAR 2013
AMENDMENT TO
THE VISION SERVICES PLAN CONTRACT
BETWEEN THE CITY OF CHANDLER AND
VISION SERVICE PLAN INSURANCE COMPANY
FOR GROUP VISION CARE POLICY**

This Amendment ("Calendar Year 2013 Amendment"), is made and entered this 30th day of August, 2012 to the *Vision Service Plan Contract Between the City of Chandler and the Vision Service Plan Insurance Company*, with an effective date of January 1, 2004 ("Contract").

WHEREAS, the City of Chandler and Vision Service Plan Insurance Company ("Company") entered into a Contract effective January 1, 2004, and have subsequently extended that Contract, annually since 2004 through calendar year 2011, subject to the same terms and conditions except: 1) as amended by the *Calendar Year 2007 Amendment to the Vision Services Plan Contract Between the City of Chandler and Vision Service Plan Insurance Company for Group Vision Care Policy* (the "2007 Calendar Year Amendment"); 2) as amended by the *Calendar Year 2008 Amendment to the Vision Services Plan Contract Between the City of Chandler and Vision Service Plan Insurance Company for Group Vision Care Policy* (the "Calendar Year 2008 Amendment"); 3) as amended by the *Calendar Year 2010 Amendment to the Vision Services Contract Between the City of Chandler and Vision Service Plan Insurance Company for Group Vision Care Policy* ("the Calendar Year 2010 Amendment"); 4) as amended by the *Calendar Year 2011 Amendment to the Vision Service Plan Contract Between the City of Chandler and Vision Service Plan Insurance Company for Group Vision Care Policy*; and 5) as amended by the *Calendar Year 2012 Amendment to the Vision Service Plan Contract Between the City of Chandler and Vision Service Plan Insurance Company for Group Vision Care Policy*; and

WHEREAS, the City and Company want to amend this Contract beginning January 1, 2012 to extend the term of the Agreement to include the period beginning January 1, 2013 through December 31, 2014.

NOW, THEREFORE, in consideration of the mutual covenants and provisions contained herein and other good and valuable consideration, the parties do agree as follows:

1. Exhibit B of the Contract, referred in § 4.02 of the Contract and titled "Schedule of Premiums, Enhanced Plan B," which was amended by Calendar Year 2008 Amendment, reading as follows, shall remain in full force:

VSP shall be entitled to receive premiums for each month on behalf of each Enrollee and his/her Eligible Dependents, if any, in the amounts specified below:

\$7.88 per month for each eligible Enrollee without Eligible Dependents \$16.86 per month for each eligible Enrollee (includes coverage for Eligible Dependents)

NOTICE: The premium under this Policy is subject to change, upon renewal (after the end of the Initial Policy Term or any subsequent Policy Term) or upon change of the Schedule of Benefits or a material change in any other terms or conditions of the Policy.

2. The Parties agree that Company shall continue to provide these services at the rates set forth in number 1 above for 48 months beginning January 1, 2012, so long as City continues to renew this Contract each year.

3. The Policy Term of the Vision Services Plan Contract is extended to include **January 1, 2013 through 11:59 p.m., December 31, 2014**, which shall be the last day of the Policy Term referred to in Section 2.01 of the Amended Contract, provided however, that City upon thirty days' notice shall be entitled to terminate this Contract as of December 31, 2013 in the event that Chandler City Council does not budget funds to pay for services under this Contract for the period from January 1, 2014 through December 31, 2014.

4. Except for the provisions amended by Item 3 above, the Contract, as amended by the *Calendar Year 2012 Amendment to the Vision Services Plan Contract Between the City of Chandler and Vision Service Plan Insurance Company for Group Vision Care Policy* shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this *Calendar Year 2013 Amendment to the Vision Services Plan Contract Between the City of Chandler and Vision Service Plan Insurance Company* to be duly executed this 30th day of August, 2012.

CITY OF CHANDLER,
an Arizona municipal corporation

By: _____
Mayor

APPROVED AS TO FORM:

City Attorney

CH for

VISION SERVICE PLAN
INSURANCE COMPANY

By: *J M M*
Title: Secretary

ATTEST: (If corporation)

Secretary