



**MEMORANDUM**

**DATE:** September 11, 2014

**TO:** Mayor and Council

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

**FROM:** Rae Lynn Nielsen, Benefits & Labor Relations Administrator *RN*

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

RECOMMENDATION: Approve and authorize the Mayor and Council to approve a one year extension to the agreement between the City of Chandler and Vision Service Plan Insurance Company for benefit plan year 2015, effective January 1, 2015.

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 rates for 2015 will increase by 3%, which includes an assessment by the Affordable Care Act (ACA). The last increase was in 2008. The following schedule provides the premiums and cost share effective for plan year 2015.

VSP	FULL RATE MONTHLY PREMIUM	CITY PAYS	EMPLOYEE PAYS
Employee Only	\$ 8.11	\$ 0.00	\$ 8.11
Family	\$ 17.37	\$ 0.00	\$ 17.37

PROPOSED MOTION: Move to approve and authorize the Mayor and Council to approve the one year extension to the agreement between the City of Chandler and Vision Service Plan Insurance Company for benefit plan year 2015, effective January 1, 2015.

**CALENDAR YEAR 2015  
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 2015 Amendment"), is made and entered this 11 day of AUGUST, 2014 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 as amended by the parties in 2007, 2008, 2009, 2010, 2011, 2012 and most recently through the *Calendar Year 2013 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, 2015 to extend the term of the Agreement to include the period beginning January 1, 2015 through December 31, 2015.

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," is amended to read as follows:

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:

\$8.11 per month for each eligible Enrollee without Eligible Dependents \$17.37 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 Policy Term of the Vision Services Plan Contract is extended to include **January 1, 2015 through 11:59 p.m., December 31, 2015**, 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, 2015 in the event that Chandler City Council does not budget funds to pay for services under this Contract for the period from January 1, 2015 through December 31, 2015.

3. Except for the provisions amended by Items 1 and 2 above, the Contract, as amended by the *Calendar Year 2015 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 2015 Amendment to the Vision Services Plan Contract Between the City of Chandler and Vision Service Plan Insurance Company* to be duly executed this \_\_\_\_ day of \_\_\_\_\_, 2014.

CITY OF CHANDLER,  
an Arizona municipal corporation

By: \_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney *CH*

ATTEST:

\_\_\_\_\_  
City Clerk

VISION SERVICE PLAN  
INSURANCE COMPANY

By: *[Signature]*  
Title: *Market Director*

ATTEST: (If corporation)

\_\_\_\_\_  
Secretary