



**PURCHASING ITEM  
FOR  
COUNCIL AGENDA**

**1. Agenda Item Number:**

**25**

**2. Council Meeting Date:**  
September 15, 2016

**TO: MAYOR AND COUNCIL**

**3. Date Prepared:** August 31, 2016

**THROUGH: CITY MANAGER**

**4. Requesting Department:** Administrative Services

**5. SUBJECT:** CY 2017 Amendment to Agreement for Vision Service Plan

**6. RECOMMENDATION:** Staff recommends City Council approve CY 2017 Amendment to the Agreement with Vision Service Plan Insurance Company, for the vision insurance benefit, in an amount not to exceed \$410,000, for one year, January 1, 2017, through December 31, 2017.

**7. BACKGROUND/DISCUSSION:** The City provides a vision insurance plan as an offering of the employee benefits package. The benefit is paid by the employee. The following schedule provides the premiums and cost share effective for plan year 2017. The 2017 rates remain the same as the 2016 rates.

VSP	FULL RATE MONTHLY PREMIUM	CITY PAYS	EMPLOYEE PAYS
Employee Only	\$ 9.80	\$ 0.00	\$ 9.80
Family	\$ 21.26	\$ 0.00	\$ 21.26

**8. EVALUATION PROCESS:** 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 including eye exams, frames, lenses, and contact lenses. This Agreement has been in effect since January 1, 2004.

Staff recommends extension of this agreement for the term of January 1, 2017 through December 31, 2017.

**9. FINANCIAL IMPLICATIONS:**

Cost: Not to Exceed \$410,000

The benefit is paid from the employees' earnings that opt for this coverage. The funds are collected in the Payroll Clearing liability account to pay the total amount due to the Insurance Company.

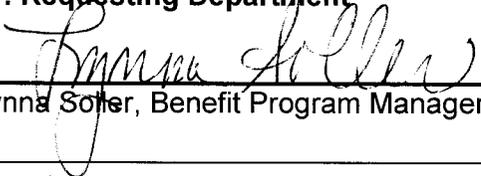
<u>Acct. No.:</u>	<u>Fund Name:</u>	<u>Program Name:</u>	<u>Amount:</u>
901.0000.2455.0.0.0	Payroll Clearing	Employee Benefits	\$410,000

**10. PROPOSED MOTION:** Move City Council approve CY 2017 Amendment to the Agreement with Vision Service Plan Insurance Company, for the vision insurance benefit, in an amount not to exceed \$410,000, for one year, January 1, 2017, through December 31, 2017.

**Attachments:** Amendment

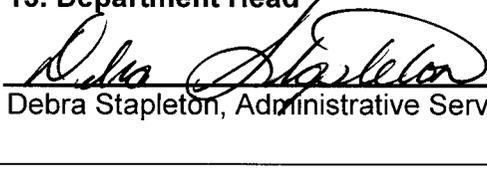
APPROVALS

11. Requesting Department



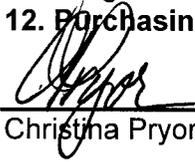
Lynna Solter, Benefit Program Manager

13. Department Head



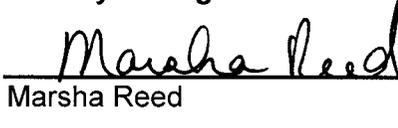
Debra Stapleton, Administrative Services Director

12. Purchasing Manager



Christina Pryor

14. City Manager



Marsha Reed

**CALENDAR YEAR 2017  
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 2017 Amendment"), is made and entered this 22nd day of July, 2016 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 2015, subject to the same terms and conditions except as amended by the parties in 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015 most recently through the *Calendar Year 2016 Amendment to the Vision Service Plan Contract Between the City of Chandler and Vision Service Plan Insurance Company for Group Vision Care Policy* ("*Calendar Year 2016 Amendment*", and incorporated herein by this reference; and

WHEREAS, the City and Company want to amend this Contract beginning January 1, 2017 to extend the term of the Agreement to include the period beginning January 1, 2017 through December 31, 2017; and agree Company will extend the terms of this policy at the same rates agreed upon in the Calendar Year 2016 Amendment for thirty-six months (January 1, 2017 through December 31, 2019), if the City chooses to renew the Contract annually.

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. The Parties agree that Company shall continue to provide the terms of its policy the rates as amended by the Calendar Year 2016 Amendment for thirty six months beginning January 1, 2017, so long as City continues to renew this Contract each year for Calendar Years 2017, 2018 and 2019.
2. The Policy Term of the Vision Services Plan Contract is extended to include **January 1, 2017 through 11:59 p.m., December 31, 2017**, which shall be the last day of the Policy Term referred to in Section 2.01 of the Amended Contract.
3. Except for the provisions amended by Items 1 and 2 above, the Contract, as amended by the *Calendar Year 2016 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 2017 Amendment to the Vision Services Plan Contract Between the City of Chandler and Vision Service Plan Insurance Company* to be duly executed this 22nd day of July, 2016.

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: *Karl K. ...*  
Title: President

ATTEST: (If corporation)

\_\_\_\_\_  
Secretary