



19-0580

**TITLE:** Consider/Discuss/Act on a Resolution Authorizing the City Manager to Enter into Contracts/Agreements with Avesis Third Party Administrators, Inc. for insured Vision Benefits for City Employees

**COUNCIL GOAL:** Operational Excellence  
(2C: Identify opportunities for internal efficiencies and continuous improvement to affect a high-performing organizational culture)

**MEETING DATE:** July 16, 2019

**DEPARTMENT:** Human Resources & Risk Management

**CONTACT:** Ike Obi, Director

**RECOMMENDED CITY COUNCIL ACTION:**

- Approval of Resolution

**ITEM SUMMARY:**

- This Resolution authorizes the award of contract to Avesis Third Party Administrators, Inc. to provide a fully insured vision benefits for employees.

**BACKGROUND INFORMATION:**

- Effective December 31, 2019, the current vision benefit contract will expire. The City requested proposals for insured vision benefits, with the goal of procuring a cost-effective program from a carrier that can also offer a multiyear rate guarantee and good access to much of current network providers.
- The City issued a request for proposal (19-35RFP) for insured vision benefits.
  - Advertised in the McKinney Courier Gazette
  - Posted on McKinney TV
  - 65 matching eBid Supplier Notifications
- The City received 13 proposals, which were reviewed by an evaluation team made up of five employees, four of whom were from different departments (Police, Public Works, Finance, and Development Services) and currently serve

on the Employee Benefits Advisory & Communication Committee, and a Human Resources Manager.

- The committee reviewed and ranked the proposals based on the following criteria:
  - 30 Points: Cost of Services
  - 20 Points: Network Access
  - 20 Points: Claims and Account Management
  - 30 Points: Plan Design and Benefits
- After the initial evaluation of proposals, two finalists were selected for interviews and a second round of scoring and negotiations. The evaluation team evaluated the finalists based on the original criteria with the added criteria of references.
- Through this process, it was determined that Avesis will provide the best value for employees' vision care.
- Avesis's proposal meets our primary objectives of providing an insured vision benefits program that keeps costs low, offers good access to network providers, while keeping future premium increases low by offering a multiyear rate guarantee. Attachments A, B and C provide comparisons of the key elements of the respondents' proposals and show that Avesis' proposal provides the best value for City employees.

#### **FINANCIAL SUMMARY:**

- The estimated annual cost for vision services is approximately \$97,500. There is no cost to the City, as the full cost of the vision benefits is paid for by employees.
- The contract offers a five-year rate guarantee.

#### **BOARD OR COMMISSION RECOMMENDATION: N/A**

#### **SUPPORTING MATERIALS:**

[Resolution](#)

[RFP Initial Responses](#)

[Finalist Costs and Schedule of Benefits](#)

[Scoring Summary](#)

[Top 20 Providers Disruption](#)