



# Monterey County

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## Board Report

Legistar File Number: 17-0770

July 25, 2017

**Introduced:** 7/11/2017

**Version:** 1

**Current Status:** Agenda Ready

**Matter Type:** General Agenda Item

Approve and authorize the Contracts/Purchasing Officer to sign Amendment No. 3 to the Agreement A-12162 between the County of Monterey and Vision Services Plan for Third-Party Administration of the County Self-Insured Vision Program, extending the term of the original agreement for two additional years through December 31, 2019.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

Approve and authorize the Contracts/Purchasing Officer to sign Amendment No. 3 to the Agreement A-12162 between the County of Monterey and Vision Services Plan for Third-Party Administration of the County Self-Insured Vision Program, extending the term of the original agreement for two additional years through December 31, 2019.

### SUMMARY/DISCUSSION:

On December 13, 2011, the Board of Supervisors approved Agreement A-12162 between the County of Monterey and Vision Services Plan (VSP) for Third-Party Administration (TPA) of the County Self-Insured Vision Program. The initial term of Agreement A-12162 (Agreement) was retroactive to October 1, 2011, and ran through December 31, 2015. The Contracts/Purchasing Officer was also authorized by the Board to sign future amendment options to the Agreement. The County elected to exercise those amendment options and has renewed the Agreement for two additional one-year periods, thereby extending the term through December 31, 2017.

The Human Resources Department-Benefits Division (HRD) is now requesting that the term of this Agreement be extended for two additional years, through December 31, 2019, to allow continuation of the Agreement until the County can issue Requests for Proposals (RFP) for TPA services for both its dental and vision programs concurrently. As the vendors have agreed to guarantee the rates for each program through December 31, 2019, it is expedient and efficient for the County to align the solicitation of the two RFPs. HRD anticipates issuing the RFPs for future services at the start of FY 2019-20 and returning to the Board of Supervisors for approval to award the new five-year contracts for TPA Services for both the County Self-Insured Vision Program and Dental Program in September 2019.

Approval of the recommended action will enable HRD to continue provision of TPA Services for the County's self-insured Vision Program, which is available to all County employees, as well as enrollment services for Consolidated Omnibus Budget Reconciliation Act (COBRA) participants, at the current rate of participation. The monthly fee of \$1.44 per person for all enrolled participants approximates \$6,950 or \$83,500 annually. Average enrollment in the

Program includes 4,500 employees, 31 COBRA participants, and 293 retirees.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel has reviewed and recommended the Amendment No. 3 as to form and legality, and fiscal provisions, respectively.

FINANCING:

There is no financial impact to the General Fund related to the approval of Amendment No. 3 to the Agreement. Costs for the self-insured Vision program are paid by County departments for employee-only coverage, and by the employees for their dependent coverage. Retirees and COBRA participants pay 100 percent of the premiums. Sufficient appropriations are available in the FY 2017-18 Adopted Budget for Benefits Internal Service Fund 477 for costs associated with the administration of Vision program.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommended action addresses the Board of Supervisors' Administration Strategic Initiative. The proposed action will provide for continuation of a quality Vision program for County employees in support of the County's commitment to meeting the Board's initiative in attracting, recruiting, and retaining a diverse, talented work force that supports the mission of Monterey County.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared By: Paulette Clark, Benefits Program Manager

Approved By: Irma Ramirez-Bough, Director of Human Resources

Attachments:

- Amendment No. 3 to Agreement A-12162 between County and Vision Services Plan (VSP)
- Amendment No. 2 to Agreement A-12162
- Amendment No. 1 to Agreement A-12162
- Agreement A-12162 between County and VSP, Oct 1, 2011