

Management Committee

Meeting date: August 22, 2018

For the Metropolitan Council meeting of September 12, 2018

Subject: Contract with VSP for Voluntary Vision Insurance

District(s), Member(s): All

Policy/Legal Reference: Council Policy 3-3 Expenditures – Procurement of Goods and Services over \$500,000

Staff Prepared/Presented: Terri Bopp, HR Manager, Benefits, 651-602-1370; Marcy Cordes, Chief Labor Relations Officer, 651-602-1582

Division/Department: R/A Human Resources-Benefits

Proposed Action

That the Metropolitan Council authorizes the Regional Administrator to negotiate and award a contract with VSP in an amount not to exceed \$900,000 to provide voluntary vision insurance for all eligible Council employees for a period of three years, January 1, 2019 through December 31, 2021. The voluntary vision premiums are paid in entirety by employees, there are no Council contributions.

Background

The current contract with VSP expires December 31, 2018 at the end of a three-year contract that was extended two years. A formal Request for Proposal was issued April 18, 2018. Proposals were due June 5, 2018. Proposals were submitted by the following companies: Blue Cross-Blue Shield; MetLife; Standard; Superior Vision; VSP. All proposals were evaluated individually by each panel member without collaboration with any other panel member. Proposals were evaluated on the following criteria: quality of the proposal, qualifications of the proposer, experience of the proposer, and price of the proposal. A consensus meeting was held July 19, 2018 where consensus was reached.

Rationale

The evaluation panel reached consensus that the proposal submitted by VSP represents the best value to the Council. Their proposal included the option of two plans – a Base Plan and a Buy-up Plan so employees can choose frequency of frame/lens allowance. Their proposed premium rates are lower than current premiums. Other proposers were not able to provide choice between plans without a decrease in benefit from current vision plan design.

Thrive Lens Analysis

Authorization to enter into a contract with VSP for voluntary vision insurance supports the Thrive outcome of Stewardship by providing employees quality vision insurance at low premiums over the course of the next three years.

Funding

Funding is available through employee premium payroll deductions.

Known Support / Opposition

Vision insurance is a valued benefit to Council employees as evidenced by current enrollment of 1713 employees.