



## Recommendation for Action

**File #:** 21-2059, **Agenda Item #:** 35.

6/10/2021

### **Posting Language**

Authorize negotiation and execution of a multi-term contract with Avesis Third Party Administrators, Inc., or one of the other qualified offerors to Request for Proposal 5800 LMI3000, to provide City employees and retirees with an employee paid vision plan, for up to 66 months for a total contract amount not to exceed \$6,840,000.

(Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were no subcontracting opportunities therefore, no subcontracting goals were established).

### **Lead Department**

Purchasing Office.

### **Client Department(s)**

Human Resources Department.

### **Fiscal Note**

Funding is contingent upon the approval of the Fiscal Year 2021-2022 Operating Budget of the Employees Benefits Fund. Funding for the remaining contract term is contingent upon available funding in future budgets.

### **Purchasing Language:**

The Purchasing Office issued a Request for Proposals (RFP) 5800 LMI3000 for these services. The solicitation issued on February 1, 2021 and it closed on March 11, 2021. Of the 10 offers received; the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link:

[Solicitation Documents](#)

[https://www.austintexas.gov/financeonline/account\\_services/solicitation/solicitation\\_details.cfm?sid=135028](https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=135028).

### **For More Information:**

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or [AgendaOffice@austintexas.gov](mailto:AgendaOffice@austintexas.gov) <<mailto:AgendaOffice@austintexas.gov>>

NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: Leyla Mammadova, at 512-978-1519 or

[Leyla.Mammadova@austintexas.gov](mailto:Leyla.Mammadova@austintexas.gov) <<mailto:Leyla.Mammadova@austintexas.gov>>.

**Additional Backup Information:**

The contract is for a vision insurance plan available to City of Austin employees, retirees, and eligible dependents to provide coverage for eye exams, lenses, frames, contact lenses, and a discount on refractive surgery. The vision plan premiums will be paid entirely by employees and retirees as a pass through within the Employee Benefits Fund of the Human Resources Department.

An evaluation team with expertise in this area evaluated the offers and scored Avesis Third Party Administrators, Inc. as the best to provide these services based on general requirements and requested services of the scope of work; price; business organization, experience, qualifications and references; exceptions, compliance, terms and conditions, Health Insurance Portability and Accountability Act; local preference, and service-disabled veteran business enterprise.

This request allows for the development of a contract with a qualified offeror that Council selects. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that Council may select another qualified offeror and authorize contract negotiations with this provider.

The contract will replace a contract expiring on December 31, 2021. The recommended contractor is not the current provider for these services. The vision plan policy provisions for this contract will be consistent with the existing benefits package provided by the current contract for all these services.

The new contract lowers the current vision insurance rates by an overall average of 9.3% over the five-year contract period.

To provide benefits beginning on January 1, 2022, the new contractor needs to work with the City to develop materials before the open enrollment period scheduled for October 2021. If the City is unable to secure a contract, the City will not be able to offer, a vision insurance plan on January 1, 2022.

**Contract Detail:**

<b><u>Contract Term</u></b>	<b><u>Length of Term</u></b>	<b><u>Contract Authorization</u></b>
Initial Term	2 yrs.	\$2,736,000
Optional Extension 1	1 yr.	\$1,368,000
Optional Extension 2	1 yr.	\$1,368,000
Optional Extension 3	1 yr.	\$1,368,000
<b>TOTAL</b>	<b>5 yrs.</b>	<b>\$6,840,000</b>

**Note:** Contract Authorization amounts are based on the City's estimated annual usage.

**Strategic Outcome(s):**

Government That Works for All.