



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF APRIL 17, 2014

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authorization to enter into an agreement for Contract 13-RFP-26 Vision Plan Administrator, with Vision Service Plan (VSP), for a three-year period, effective July 1, 2014 to June 30, 2017, Account 101-25000-601250

Dear Sir:

Authorization is requested to enter into an agreement with Vision Service Plan (VSP) to provide a vision plan for employees for a three-year period.

On December 11, 2013, Request for Proposal 13-RFP-26 Vision Plan Administrator was advertised. Eighty-three (83) firms were notified and thirteen (13) firms requested proposal documents. The District received five (5) responsive proposals on January 10, 2014 from Humana Dental Insurance Company (Humana), Metropolitan Life Insurance Company (Met Life), National Vision Administrators, LLC (two proposals) and Vision Service Plan of Illinois (VSP). A proposal from Davis Vision was deemed non-responsive and rejected for failure to include a completed and signed Cost Proposal Signature Page.

The proposals were evaluated by consultants from Deloitte Consulting and staff of the Human Resources and the Procurement and Materials Management Departments. The criteria for these evaluations were outlined in Request for Proposal 13-RFP-26 and included: organizational stability and experience; ability to administer the current plan design; network size and quality; claims administration performance; member service performance; administrative performance; and financial considerations. Following the preliminary evaluation of proposals, excluding cost, the four (4) proposers were deemed to be finalists and were interviewed on February 25, 2014. A solicitation was sent to each finalist on March 3, 2014 for an unqualified "best and final" offer. The "best and final" offers were returned to the Director of Procurement and Materials Management on March 7, 2014.

Based on the evaluation of the proposals using the criteria described above and the pricing provided in the "best and final" offer, it is recommended that a contract for self-insured vision benefits be awarded to VSP. VSP received the highest technical score and, as the current provider, would provide no disruption in services for employees. VSP offers District employees the most extensive network overall. VSP's approach to vision care is more comprehensive, focusing on eye care and its connection to overall health. VSP's Eye Health Management Program allows providers to identify chronic conditions such as diabetes and hypertension and engage employees in preventive care. To support this connection to overall health, the VSP network focuses on private practice optometrists and ophthalmologists where participants are provided a comprehensive eye exam. VSP does recognize that some participants prefer the convenience of a retail chain. As such, VSP recently partnered with Costco Optical and Visionworks retail locations to expand the number of access points available to employees. These retail locations do provide access to a comprehensive eye exam and participate in the Eye Health Management Program. In addition to its network strength, VSP offers the highest average discounts for both frames and eye exams of those vendors submitting a proposal.

The Affirmative Action Section has reviewed the agreement and has concluded that VSP is in compliance with the District's Affirmative Action Policy.

In view of the foregoing, it is requested that the Director of Procurement and Materials Management be authorized to enter into an agreement with Vision Service Plan to administer a vision plan on a self-insured basis for a three-year period.

The total estimated expenditure for vision benefits is \$170,000.00 annually. The vision coverage is subject to the same employee contribution rate as the medical benefits, currently 16% for non-represented employees and 13% or 14% for represented employees, depending on the bargaining unit. The remainder is paid by the District. Funds are available in Account 101-25000-601250 for year 2014. Funds for 2015, 2016 and 2017 are contingent on the Board of Commissioners' approval of the District's budget for those years.

Recommended, Denice E. Korcal, Director of Human Resources

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management

Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for April 17, 2014