

CITY OF SAN ANTONIO  
HUMAN RESOURCES DEPARTMENT  
INTERDEPARTMENTAL CORRESPONDENCE

**TO:** Mayor and Council

**THROUGH:** J. Rolando Bono, Interim City Manager

**FROM:** Sharon De La Garza, Human Resources Director

**COPIES:** Frances A. Gonzalez, Assistant City Manager; City Attorney's Office; Finance Department; File

**SUBJECT:** Cole Managed Vision Contract Extension

**DATE:** October 7, 2004

**SUMMARY AND RECOMMENDATION**

This Ordinance authorizes the Interim City Manager or his designee to exercise the final one (1) year extension option and amendment of the current contract with Cole Managed Vision to provide a vision program for City employees and their eligible family members. This contract extension will begin January 1, 2005 and terminate on December 31, 2005 for an estimated cost (pass-through) of \$454,150.

Staff recommends approval of this Ordinance.

**BACKGROUND INFORMATION**

The City's current vision program has been administered by Cole Managed Vision since January 1, 2000. The original three (3) year contract included a provision for two (2) one (1) year renewal options. This proposed contract extension would be the second optional extension authorized by the original contract.

The vision program provides diagnostic vision services, eyeglasses, and/or contact lenses to non-uniformed employees and eligible family members who elect to participate in the plan. The vision program is an optional benefit paid for by the employee through payroll premium deductions. The monthly premium rates remained the same for the initial three year contract period and the 1<sup>st</sup> extension year. Cole has increased the monthly premium for 2005 by 9% based on an increase in utilization and claims which resulted in a 118% loss ratio at the close of 2003.

Coverage Tier	2004 Monthly Premium	2005 Monthly Premium
Employee Only	\$7.00	\$7.62
Employee + 1 dependent	\$12.50	\$13.62
Employee + 2 or more dependents	\$18.50	\$20.18

Prior to recommending the extension of this contract, a review of Cole Managed Vision's performance was conducted by Human Resources, Asset Management and Finance. This review included:

- Contract Performance: Consistently satisfied performance measures
- Monthly employee premium: Maintained affordable premiums for participants
- Customer Complaints: Minimal complaints received from participants in past four years

### **POLICY ANALYSIS**

Renewal of this contract will allow for a continued employee vision program, which is an integral part of the City's Self-Funded Health Benefits Program.

### **FINANCIAL IMPACT**

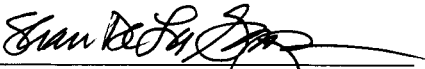
This ordinance will authorize the first nine (9) months of this contract in FY 2004-2005 and the remaining three (3) months in FY 2005 – 2006 contingent upon subsequent funding. The vision program is an optional benefit paid for by the employee, therefore the estimated annual cost of \$454,150 is a direct pass-through to the vendor. The monthly premiums will be deducted from payroll on a biweekly basis for enrolled participants.

### **COORDINATION**

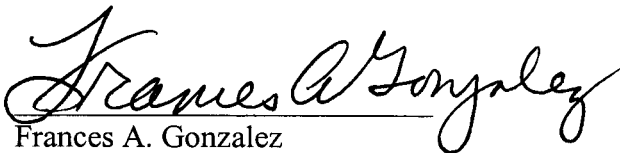
This proposed ordinance has been reviewed and coordinated with the following departments: Asset Management, Finance and the City Attorney's Office.

### **SUPPLEMENTAL COMMENTS**

The required Ethics Disclosure Statement is attached.



Sharon De La Garza  
Human Resources Director



Frances A. Gonzalez  
Assistant City Manager

Approved:



J. Rolando Bono  
Interim City Manager

Attachments

**City of San Antonio**  
**Discretionary Contracts Disclosure\***

*For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2  
Attach additional sheets if space provided is not sufficient.  
State "Not Applicable" for questions that do not apply.*

\* This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.

**Disclosure of Parties, Owners, and Closely Related Persons**

For the purpose of assisting the City in the enforcement of provisions contained in the City Charter and the Code of Ethics, an individual or business entity seeking a discretionary contract from the City is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any **individual** who would be a party to the discretionary contract.

Not Applicable

(2) the identity of any **business entity**<sup>1</sup> that would be a party to the discretionary contract.

Combined Insurance Company of America

and the name of:

(A) any individual or business entity that would be a **subcontractor** on the discretionary contract.

Cole Vision Services, Inc., the administrator acting on behalf of Combined Insurance Company of America

and the name of:

(B) any individual or business entity that is known to be a **partner**, or a **parent** or **subsidiary** business entity of any individual or business entity who would be a party to the discretionary contract.

Not Applicable

<sup>1</sup> A business entity means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock

(3) the identity of any lobbyist or public relations firm employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

Not Applicable


#### Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any current or former member of City Council, any candidate for City Council, or to any political action committee that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
None		

#### Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which reasonably understood, raise a question<sup>2</sup> as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

<b>Signature:</b>  Stephen L. Holden	<b>Title:</b> Vice President  <b>Company:</b> Cole Vision Services, Inc.	<b>Date:</b>  September 13, 2004

<sup>2</sup> For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if COSA Form 1050-33-2, Discretionary Ks Disc Form, 06/01/01, Rev. 09/12/02

**RENEWAL AND EXTENSION OF**  
**VISION CARE SERVICES CONTRACT**

This Renewal and Extension of the VISION CARE SERVICES CONTRACT is entered into by and between the **CITY OF SAN ANTONIO** (hereinafter referred to as "**CITY**"), a Texas Municipal Corporation, acting by and through its City Manager, pursuant to Ordinance No. \_\_\_\_\_, passed and approved on \_\_\_\_\_, 2004 and **COLE VISION SERVICES, INC.**, having its principal place of business at 1925 Enterprise Parkway, Twinsburg, Ohio, 44087, (hereinafter referred to as "**VENDOR**"), acting by and through Stephen L. Holden, Vice President.

**I.**

The **CITY** hereby exercises its option to renew and extend the term of the VISION CARE SERVICES CONTRACT (hereinafter "**CONTRACT**") for an additional one-year period, such option having been granted to the **CITY** in Section VI, "**TERM**" and in compliance with Section XXI, "**ENTIRE AGREEMENT**" of the **CONTRACT** originally entered into by the **CITY** and **VENDOR**, said **CONTRACT** having been approved by San Antonio Ordinance No. 92435, passed and approved on August 24, 2000.

**II.**

Section VI. "**TERM**" of the **CONTRACT** is hereby amended to read as follows:

6.1 The term of this **CONTRACT** shall commence at 12:00 a.m., Central Standard Time, on January 1, 2005, and shall terminate at 11:59 p.m., Central Standard Time, on December 31, 2005. However, the **CITY** may terminate this **CONTRACT** at any time if funds are restricted, withdrawn, not approved or service is unsatisfactory; it being understood that funds for each calendar year covered by any resulting contract will be requested and, if approved, will be provided as part of the **CITY'S** budget for each fiscal year.

**III.**

Section II. "**DESCRIPTION OF SERVICES**", Subsection 2.14 of the **CONTRACT** is hereby amended to read as follows:

2.14 The **VENDOR'S** premium fee schedule for the number of enrolled **CITY** plan participants in each category shall be as follows:

- |                                     |                    |
|-------------------------------------|--------------------|
| • Employee only                     | \$ 7.62 per month  |
| • Employee + one Dependent          | \$ 13.62 per month |
| • Employee + two or more Dependents | \$ 20.18 per month |

IV.

All other terms, conditions, covenants, and provisions of the CONTRACT remain in effect save and except for Sections II and VI, which the undersigned parties agree are hereby amended.

V.

All said terms, conditions, covenants and provisions herein or as previously agreed to shall comply with all federal, state and local laws and regulations.


EXECUTED this 4<sup>th</sup> day of October, 2004.

(EFFECTIVE DATE: January 1, 2005)

CITY OF SAN ANTONIO

COLE VISION SERVICES, INC.

\_\_\_\_\_  
J. Rolando Bono  
Interim City Manager

\_\_\_\_\_  
  
Stephen L. Holden  
Vice President

APPROVED:

\_\_\_\_\_  
Kathleen Finck  
Assistant City Attorney