

PERSONNEL, AUDITS, AND HIRING COMMITTEE REPORT relative to proposed Second Supplemental Agreement to the Professional Services Agreement, Contract No. C-135561, with EyeMed Vision Care, LLC (Eyemed) to extend the term by two years providing a seven-year term effective January 1, 2017 through December 31, 2023.

Recommendation for Council action:

APPROVE and AUTHORIZE the General Manager, Personnel Department to execute, the Second Supplemental Agreement to the Professional Services Agreement, Contract No. C-135561, with EyeMed to extend the term by two years providing a seven-year term effective January 1, 2017 through December 31, 2023, subject to approval as to form by the City Attorney.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that funding for the proposed Agreement is provided in the Human Resources Benefits Budget within the Civilian Flex Program Account for select vision plans.

Financial Policies Statement: The CAO reports that as budgeted funds are available to support the proposed Agreement expenditures, the recommendation of the August 7, 2023 CAO report, attached to the Council File, complies with the City's Financial Policies.

Community Impact Statement: None submitted.

TIME LIMIT FILE – JANUARY 1, 2024

(LAST DAY FOR COUNCIL ACTION – DECEMBER 15, 2023)

Summary:

On October 24, 2023, your Committee considered an August 7, 2023 CAO report relative proposed Second Supplemental Agreement to the Professional Services Agreement, Contract No. C-135561, with EyeMed to extend the term by two years providing a seven-year term effective January 1, 2017 through December 31, 2023. According to the CAO, the Personnel Department, at the direction of the Joint Labor Management Benefits Committee (JLMBC), requests approval to execute the proposed Second Supplemental Agreement to the Professional Services Agreement No. C-135561 with EyeMed to continue providing a vision insurance plan for eligible City employees.

The original Agreement provided a three-year term effective January 1, 2017 through December 31, 2019, with an option to extend the term up to an additional two years. The First Supplemental Agreement, executed in April 2023, exercised the option to extend the term an additional two years for a revised term effective January 1, 2017 through December 31, 2021. In November 2022, the Personnel Department reported to the

JLMBC that due to staffing shortages and numerous concurrent benefits-related procurement processes the Department was unable to complete a new competitive procurement process for the Services before the Agreement expired.

At the November 4, 2022 JLMBC meeting, the Personnel Department recommended, and the JLMBC approved, the extension of the Agreement by two additional years through December 31, 2023. Subsequently, at the April 6, 2023 JLMBC meeting, the JLMBC approved the selection of a new vision provider, Anthem Blue View Vision (Anthem), which would replace the Contractor commencing January 1, 2024. The Personnel Department is currently negotiating the replacement contract with Anthem. Approval of the proposed Agreement will extend the current term by two years resulting in a seven-year term effective January 1, 2017 through December 31, 2023.

The proposed Agreement includes a ratification clause to allow the Contractor to continue providing Services prior to execution of the proposed Agreement to ensure the continued provision of a vision insurance plan for City employees. Compensation for Services is based on the agreed upon premium rates for each type of plan and the number of employees enrolled in each of the plans. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendation contained in the CAO report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Personnel, Audits, and Hiring Committee

COUNCILMEMBER VOTE

McOSKER: YES

PADILLA: YES

SOTO-MARTINEZ: YES

ARL

12/5/23

-NOT OFFICIAL UNTIL COUNCIL ACTS-