

RESOLUTION NO. 2002- 167

AUTHORIZING CONTRACT 2002-082E WITH SPECTERA TO PROVIDE VISION BENEFITS FOR A PERIOD OF ONE YEAR WITH THREE ONE-YEAR OPTIONS IN AN AMOUNT NOT TO EXCEED \$121,000.00 FOR THE BASE YEAR (GENERAL FUND-VARIOUS DEPARTMENT BUDGETS)

WHEREAS, the proposal of Spectera located at 5875 Smith Road, Brook Park, Ohio to provide vision benefits to the Authority's employees for a one year period with the Authority's option for three additional one-year periods was received on August 22, 2002; and

WHEREAS, negotiations with Spectera have resulted in an estimated cost of one hundred twenty-one thousand and 00/100 dollars (\$121,000.00) based on the rates submitted and anticipated utilization; and

WHEREAS, the General Manager deems the negotiated offer of Spectera to be the most advantageous to the Authority, price and all other factors considered and recommends acceptance thereof by the Board of Trustees.

NOW THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the proposal submitted by Spectera, as modified by negotiations, be and the same is hereby accepted as the most advantageous offer, price and other factors considered, to provide vision benefits to the Authority's employees for a one year period with the Authority's option for three additional one-year terms.

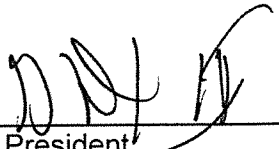
Section 2. That the General Manager of the Authority be and he is hereby authorized to enter into a contract with Spectera for the provisions of vision benefits for a period of one year commencing January 1, 2003 and ending December 31, 2003, with options to extend the contract for three additional one-year terms.

Section 3. That said contract shall be payable from the General Fund, Various Department Budgets, in an amount not to exceed one hundred twenty-one thousand and 00/100 dollars (\$121,000.00) for the base year at the rates established based on the Authority's anticipated utilization.

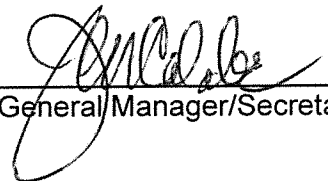
Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon appropriations for future years; compliance by the contractor to the Specification and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2002-120; bonding and insurance requirements and all applicable laws relating to the contractual obligations of the Authority.

Section 5. That this resolution shall become effective immediately upon its adoption.

Adopted: October 15, 2002



President

Attest: 

CEO, General Manager/Secretary-Treasurer



TITLE/DESCRIPTION: AUTHORIZING CONTRACT 2002-082E WITH SPECTERA TO PROVIDE VISION BENEFITS FOR A PERIOD OF ONE YEAR WITH THREE ONE-YEAR OPTIONS IN AN AMOUNT NOT TO EXCEED \$121,000.00 (GENERAL FUND- VARIOUS DEPARTMENT BUDGETS)	Resolution No.: 2002- 167
	Date: October 15, 2002
	Initiator: Human Resource Department
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

1.0 **PURPOSE:** This action will allow the Authority to enter into a contract for employee vision benefits for a period of one year with three one-year options.

2.0 **DESCRIPTION/JUSTIFICATION:** The Authority provides vision benefits for all of its employees. This action will enable the Authority to continue to provide these benefits for a one year period with three one-year options. Due to the volatile insurance market, the Authority anticipated high renewal rates on all of its programs for 2003. In order to minimize the cost impact of this expected increase, the Authority decided not to exercise the last option year of its current contract and re-solicit for more competitive rates.

3.0 **PROCUREMENT BACKGROUND:** Healthcare providers were encouraged to submit a proposal for any or all coverages. A total of 49 solicitation packages were requested and 21 proposals were received on August 22, 2002 for medical, dental, vision, life and prescription drug benefits. After evaluation by a panel of Authority employees in accordance with established Procurement Policies and Procedures, and negotiations, the proposal of Spectera was determined to be most advantageous to the Authority for vision benefits. Spectera offers competitive fees and an extensive selection for our employees.

Projected costs are based on current enrollment and rates established for each specific plan for plan year 2003 as detailed in Attachment A. A cost analysis has been performed and the Procurement Department has determined that the negotiated rates are fair and reasonable to the Authority.

4.0 **DBE/AFFIRMATIVE ACTION BACKGROUND:** All Affirmative Action requirements have been met. A 3% DBE goal was established for this procurement, based on the administrative costs of \$11,372.50. Spectera has committed to achieve the goal through the utilization of the following DBE firm(s):

DBE(s) Name/Address	DBE Category	Scope of Work	Amount	Percent
Renco Printing, Inc. Brook Park, OH	Caucasian Female	Supplying paper, type setting, and printing material	\$1,507.00	13%
Total DBE Participation			\$1,507.00	13%

- 5.0 POLICY IMPACT: This procurement must be completed in order to permit the Authority to enroll employees in its vision benefits program in accordance with the Authority's personnel policies and contractual agreements with its labor unions.
- 6.0 ECONOMIC IMPACT: This contract shall be funded through the General Fund, Various Department budgets, in an amount not to exceed one hundred twenty-one thousand and 00/100 dollars (\$121,000.00) for the base year. This is a 1% increase in total projected costs for plan year 2003.
- 7.0 ALTERNATIVES: Rejection of this offer would delay procurement of employee vision benefits and risk not having such benefits available to the Authority's employees.
- 8.0 RECOMMENDATION: It is recommended that the offer of Spectera be accepted and the resolution passed authorizing the General Manager to enter into a contract.
- 9.0 ATTACHMENTS: Attachment A.

Recommended and certified as appropriate
to the availability of funds, legal form
and conformance with the Procurement
requirements.

Joseph A. Galabone
CEO, General Manager/Secretary-Treasurer
RM TS -

ATTACHMENT A					
RECOMMENDED PROVIDERS AND RATES FOR PLAN YEAR 2003					
Employee Benefit Plans	Current Enrollment	Plan Type	Funding	2003 Rates	
				(Single)	(Family)
[MEDICAL]					
Medical Mutual	1445	PPO	Self-Funded	\$272.02	\$720.85
QualChoice	300	HMO	Self-Funded	\$213.62	\$566.07
Kaiser	758	HMO	Fully-Insured	\$236.11	\$613.87
[PRESCRIPTION DRUG]					
Caremark <i>(Employees enrolled in Medical Mutual or QualChoice are automatically enrolled with Caremark prescription drug coverage.)</i>	1745	PBM	Self-Funded	<i>Rate of \$58.60 is included with Medical Mutual and QualChoice rates.</i>	<i>Rate of \$155.28 is included with Medical Mutual and QualChoice rates.</i>
[DENTAL]					
Medical Mutual	2253	Traditional	Self-Funded	\$17.58	\$54.51
CIGNA - DMO	298	DMO	Full-Insured	\$18.24	\$46.61
[VISION]					
Spectera	2326	Managed Vision	Fully-Insured	\$1.42	\$5.30
[TERM LIFE INSURANCE]					
Medical Life Insurance	3517 active & retiree	Insurance	Fully-Insured	<i>\$.165 per thousand dollars of coverage for eligible active employees per month. \$3.15 for retirees per month.</i>	
[TERM AD&D INSURANCE]					
Medical Life Insurance	2453	Insurance	Fully-Insured	<i>\$.038 per thousand dollars of coverage for eligible active employees.</i>	
[FLEXIBLE SPENDING ACCT]					
Medical Mutual				<i>\$4.50 per enrolled non-bargaining employee per month</i>	
TOTAL 2002 BUDGET		\$17,217,072.00			
TOTAL 2003 BUDGET		\$18,823,015.42			
% INCREASE		9.33			