



Chandler · Arizona  
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**PURCHASING ITEM  
FOR  
COUNCIL AGENDA**

1. Agenda Item Number:

23

2. Council Meeting Date:

September 15, 2016

**TO: MAYOR AND COUNCIL**

**3. Date Prepared:** August 31, 2016

**THROUGH: CITY MANAGER**

**4. Requesting Department:** Administrative Services

**5. SUBJECT:** CY 2017 Amendment to Agreement for Flexible Spending Account Administration

**6. RECOMMENDATION:** Staff recommends City Council approve CY 2017 Amendment to Agreement No. HR5-953-3517, with Flexible Benefit Administrators, Inc., for flexible spending account administration, in an amount not to exceed \$12,000, for one year, January 1, 2017, through December 31, 2017.

**7. BACKGROUND/DISCUSSION:** A Flexible Spending Account (FSA) enables employees to put aside a portion of their gross income on a pre-tax basis in a FSA in order to pay qualified healthcare and/or dependent care expenses. Flexible Benefit Administrators, Inc.'s rate for administrative services for this plan is \$2.98 per employee, per month, and has been guaranteed for a five year period.

**8. EVALUATION:** City Council approved Agreement No. HR5-953-3517, with Flexible Benefit Administrators, Inc., for flexible spending account administration for a one year period, January 1, 2016 through December 31, 2016. This is the first extension of the contract.

Staff recommends extension of the Agreement for the term of January 1, 2017, through December 31, 2017.

**9. FINANCIAL IMPLICATIONS:**

Flexible Benefit Administrators, Inc. has guaranteed its rates for the first term and all four optional one-year extensions.

Cost: Not to Exceed \$12,000

<u>Acct. No.:</u>	<u>Fund:</u>	<u>Program Name:</u>	<u>Amount:</u>
101.1290.5122	General Fund	Employee Benefits	\$12,000

**10. PROPOSED MOTION:** Move City Council approve CY 2017 Amendment to Agreement No. HR5-953-3517, with Flexible Benefit Administrators, Inc., for flexible spending account administration, in an amount not to exceed \$12,000, for one year, January 1, 2017, through December 31, 2017.

**ATTACHMENTS:** Amendment

**APPROVALS**

**11. Requesting Department**

*Lynna Soller*

Lynna Soller, Benefits Program Manager

**13. Department Head**

*Debra Stapleton*

Debra Stapleton, Administrative Services Director

**12. Purchasing and Materials Manager**

*Christina Pryor*

Christina Pryor

**14. City Manager**

*Marsha Reed*

Marsha Reed

**CALENDAR YEAR 2017  
AMENDMENT TO THE AGREEMENT AMONG  
THE FLEXIBLE SPENDING ACCOUNT SPONSORED BY  
THE CITY OF CHANDLER, THE CITY OF CHANDLER AS  
PLAN SPONSOR, AND FLEXIBLE BENEFIT  
ADMINISTRATORS, INC.  
FOR FLEXIBLE SPENDING ACCOUNT ADMINISTRATION**

This Amendment (“Calendar Year 2017 Amendment”), is made and entered this \_\_\_\_\_ day of \_\_\_\_\_, 2016, to the *City of Chandler Services Agreement for Flexible Spending Administration between the Flexible Spending Account Sponsored by the City of Chandler, the City of Chandler as Plan Sponsor, and Flexible Benefit Administrators, Inc.*, dated September 28, 2015 (“Agreement”).

WHEREAS, the City of Chandler “City” and Flexible Benefit Administrators, Inc., “Company” entered into the Agreement for a term from January 1, 2016 through December 31, 2016; and

WHEREAS, the City and the Company want to amend the Agreement to extend it for the term of January 1, 2017, through December 31, 2017.

NOW, THEREFORE, in consideration of the mutual covenants and provisions contained herein and other good and valuable consideration, the parties do agree as follows:

1. *The City of Chandler Services Agreement for Flexible Spending Administration between the Flexible Spending Account sponsored by the City of Chandler, the City of Chandler as Plan Sponsor, and Flexible Benefit Administrators, Inc.*, dated September 28, 2015, is incorporated herein by this reference.
2. The term of the Agreement is extended for the period January 1, 2017 through December 31, 2017.
3. Except for the provisions amended by Item 2 the Agreement shall remain in full force and effect.
4. Flexible Benefit Administrators, Inc. agrees to administer the program in compliance with the terms of the City of Chandler Flexible Spending Account Program and all amendments thereto adopted by the Chandler City Council.

IN WITNESS WHEREOF, the parties hereto have caused this *Calendar Year 2017 Amendment to the Agreement Between the City of Chandler and Flexible Benefit Administrators, Inc. for Flexible Spending Account Administration* to be duly executed this \_\_\_\_ day of \_\_\_\_\_, 2016.

CITY OF CHANDLER,  
an Arizona municipal corporation,  
as Plan Sponsor

By: \_\_\_\_\_  
Mayor

FLEXIBLE BENEFIT  
ADMINISTRATORS, INC.

By:   
Title: Vice President

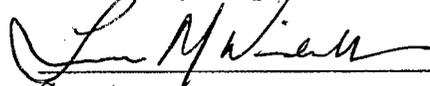
CITY OF CHANDLER, as Covered Entity

By: \_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney *CA*

ATTEST: (If corporation)

  
\_\_\_\_\_  
Secretary

ATTEST:

\_\_\_\_\_  
City Clerk