



City Clerk Document No. _____

City Council Meeting Date: September 23, 2021

**AMENDMENT TO CITY OF CHANDLER AGREEMENT
FLEXIBLE SPENDING ACCOUNT ADMINISTRATION
CITY OF CHANDLER AGREEMENT NO. HR0-918-4163**

THIS AMENDMENT NO. 1 (Amendment No. 1) is made and entered into by and between the City of Chandler, an Arizona municipal corporation (City), and Flexible Benefit Administrators, Inc., a Virginia Corporation (Contractor), (City and Contractor may individually be referred to as Party and collectively referred to as Parties) and made _____, 2021 (Effective Date).

RECITALS

WHEREAS, the Parties entered into an agreement on October 20, 2020 for health care and dependent care flexible spending account administration services (Agreement); and

WHEREAS, the initial term of the Agreement was January 1, 2021, through December 31, 2021, with the option for up to four one-year extensions; and

WHEREAS, the Parties wish to expand the services provided by Contractor under the Agreement to include COBRA administrative services; and

WHEREAS, the Parties wish to exercise the first option through this Amendment to extend the Agreement, as amended, for one year.

AGREEMENT

NOW THEREFORE, the Parties agree as follows:

1. The recitals are accurate and are incorporated and made a part of the Agreement by this reference.
2. The term of the Agreement is hereby extended for one year from January 1, 2022, through December 31, 2022.
3. Section II: Contractor's Services, of the Agreement is hereby amended to add COBRA administrative services in accordance with Exhibit A to this Amendment No. 1. Contractor will begin performing such services on November 1, 2021.

4. Section IV: Payment of Compensation and Fees, of the Agreement is hereby amended to add the fee schedule set forth in Exhibit B to this Amendment No. 1 for Contractor's performance of COBRA administrative services. Contractor's compensation and fees for the performance of flexible benefit administration services and COBRA administrative services under this Amendment No. 1 must not exceed \$24,000.
5. All other terms and conditions of the Agreement remain unchanged and in full force and effect. If a conflict or ambiguity arises between this Amendment No. 1 and the Agreement, the terms and conditions in this Amendment No. 1 prevail and control.

IN WITNESS WHEREOF, the Parties have entered into this Amendment on the Effective Date.

FOR THE CITY

By: _____

Its: Mayor

FOR THE CONTRACTOR

By: G. Landon Browning, III

Its: Vice President

APPROVED AS TO FORM:

By: _____

City Attorney *RAH*

ATTEST:

By: _____

City Clerk

Exhibit A to Amendment No. 1 COBRA Administrative Services Scope of Services

Contractor Responsibilities

Customer Service

Answer all calls live

Assign a dedicated Account Administrator during the implementation phase

Provide customer service representatives who are cross trained on all plan designs

Be available for contact via email and respond to inquiries within 24 business hours

Be available to City staff and participants Monday through Friday 8:30 a.m. – 5:00 p.m. ET

Account Administrator Responsibilities

Handle all inbound email communications and phone calls

Confirm premium payments

Review Qualifying Event Notices or New Hire Reports

Process enrollments and terminations with carriers

Remit payments to vendors or client groups

Comply with all mandatory mailing of notifications per regulatory guidelines

Implementation of COBRA Services Plan

Develop a custom implementation plan to meet the unique needs of the City's plan design

Handle all the communications, data requests and transition timelines

Coordinate the set-up details to customize the services

Communication Materials

Ensure each employee receives accurate and timely customized communications

Provide customized the Welcome Packet, Initial Rights Notification Packet, and other COBRA communications

Enrollments / Terminations

Process all COBRA enrollments and terminations one business day of receipt

Process urgent requests the same day and will be make a high priority

COBRA Compliance

Serve as a resource for answers to COBRA compliance questions

Maintaining relationship with the Department of Labor and additional compliance resources to receive immediate updates on changing regulations and laws

Support the City in COBRA compliancy

System Access

Employer COBRAPoint Access

FBA has partnered with COBRAPoint to utilize a web-based administration system. Provide City-designated contacts

24/7 access to review COBRA data and generate real-time reports through the secure site.
Provide the ability to enter new COBRA events that will trigger package notifications in our office.

Participant COBRAPoint Access

Provide eligible employees the ability to review COBRA elections, pay monthly premium and update demographic information

Provide access to this system in real-time available 24/7 with a secure log-in

Reporting

- Provide monthly activity reports for COBRA administration through the SFTP site with 24/7 online access
- Monthly reports will show:
 - Current COBRA participants
 - Premiums received
 - Pending elections
 - Terminated COBRA participants

COBRA Standard Reports

- Member Status Report
 - All account details for COBRA and pending-COBRA participants
- Generated Letters Detail Report
 - Monthly activity for new enrollments, terminations and all communications sent
- Premium Remittance Report
 - Monthly reporting of collected premiums by vendor and participant
- Ad-hoc reporting can be provided upon request

Exhibit B to Amendment No. 1
COBRA Administration Fee Schedule

Section 1 – COBRA Administration Fees

Description	Fee
Account Set Up and Take Over of Current COBRA Participants	No fee
Annual Renewal Rate	No fee
Monthly Administrative Fee	\$0.40 per enrolled employee, per month

Section 2 – Fees for Optional Services

Description	Fee
Open Enrollment Services <i>(Notification Packets to Pending & Enrolled COBRA Participants at Benefit Renewal)</i>	\$5.00 per open enrollment packet
Global Initial Rights Notification Mailing <i>(Initial Rights Notices sent to all currently enrolled employees to maintain COBRA compliancy at contracting with FBA)</i>	\$1.25 per notification (at contract start)
Employee Navigator Pass Through Fee <i>(If Employee Navigator files are utilized)</i>	\$0.04 per enrolled employee Initial Rights File & Qualifying Event File (Pass through fee will reflect on monthly administration invoicing)
File Processing Fee – Production File Corrections <i>Minimum charge - \$50.00</i>	Minimum charge of \$50.00 per hour (up to a maximum of \$75.00 per hour) to correct production data errors received from the group or approved file vendor, resulting in manipulation of data for any eligible employees

- Administrative fees and line-item adjustments are subject to change by Flexible Benefit Administrators, Inc.
- Our fees are based on a per active enrolled employee basis. Please note that pricing includes all reporting, accounting, premium billing, and data maintenance.
- All COBRA participants will have a 2% fee added to their premium rates (or 50% added for Disability Extension). Flexible Benefit Administrators, Inc. will retain these additional fees.