

**AUTHORIZE THE FIRST RENEWAL AGREEMENT WITH PAYFLEX SYSTEMS USA, INC FOR COBRA ADMINISTRATIVE SERVICES**

**THE ACTING TALENT OFFICER REPORTS THE FOLLOWING DECISION:**

Authorize the first renewal agreement with Payflex Systems USA, Inc ("Vendor") to provide COBRA Benefits Administrative Services to the Talent Office at an estimated annual cost set forth in the Compensation Section of this report. A written document exercising this option is currently being negotiated. No payment shall be made to Vendor during the option period prior to execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Contract Administrator : Kamberos, Ms. Sophia / 773-553-2280

**VENDOR:**

- 1) Vendor # 96731  
PAYFLEX SYSTEMS USA, INC  
10802 FARNAM DRIVE., STE 100  
OMAHA, NE 68154  
Shay Butler  
630 892-7550

Ownership: Aetna Life Insurance-100%

**USER INFORMATION :**

Contact:

11010 - Talent Office

42 West Madison Street

Chicago, IL 60602

Kirkling, Miss Karla Rae

**ORIGINAL AGREEMENT:**

The original Agreement (authorized by Board Report 13-0626-PR50 in the amount of \$250,000 is for a term commencing August 1, 2013 and ending July 31, 2015 with the Board having one (1) option to renew for one (1) year term. The original agreement was awarded on a competitive basis pursuant to Board Rule 7-2.

**OPTION PERIOD:**

The term of this agreement is being renewed for one (1) year commencing August 1, 2015 and ending July 31, 2016.

**OPTION PERIODS REMAINING:**

There are no option periods remaining.

**SCOPE OF SERVICES:**

Vendor will continue to provide comprehensive COBRA administrative services as follows:

- Send via first class mail all required COBRA notices to eligible members and qualified beneficiaries including, but not limited to, initial notification letters, qualifying events notices, election forms, cancellation notices, rate notices, and billing statements
- Process elections
- Receive, record, and maintain all applicable forms
- Maintain COBRA member eligibility
- Billing, collection, and reconciliation
- Compliance support and resolution
- Exchange member level data among CPS and health plan carriers
- Remit COBRA premiums to CPS with reconciliation reporting
- Establish a toll-free number with 24/7 interactive voice response (IVR)
  
- Offer online client portal to CPS staff for COBRA reporting and program administration capabilities
- Maintain HIPAA, EDI and Privacy compliance on behalf of Chicago Public Schools plans
- Maintain disaster recovery procedures for eligibility, billing and accounts receivable records which include but are not limited to; daily data backups maintained at an off-site facility; and documentation to support regulatory compliance
- Maintain eligibility for employees on leave

**DELIVERABLES:**

Vendor will continue to provide regular COBRA activity reports including, but not limited to, reports detailing quantity and types of all notices distributed, enrolled/eligibility reports, reconciliation reports for all premiums collected, and other ad-hoc reports as requested. Vendor will continue to provide CPS staff access to an online portal where reporting info can be accessed on demand.

**OUTCOMES:**

Vendor's services will continue to result in best-practice administration and higher COBRA service levels for the Board, qualified beneficiaries, and employees utilizing these services.

**COMPENSATION:**

Vendor shall be paid during this option period as follows: not-to-exceed of \$250,000 based on per eligible employee per month.

**AUTHORIZATION:**

Authorize the General Counsel to include other relevant terms and conditions in the written option document. Authorize the President and Secretary to execute the option document. Authorize Chief Talent Officer to execute all ancillary documents required to administer or effectuate this option agreement.

**AFFIRMATIVE ACTION:**

The MBE/WBE goals for this agreement include 25% total MBE and 15% total WBE participation.

However, the Office of Business Diversity recommends that a full waiver of the goals required by the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts, be granted due to the scope of service being not further divisible.

**LSC REVIEW:**

Local School Council approval is not applicable to this report.

**FINANCIAL:**

Fund 115  
Talent Office, 11010  
\$250,000, FY16

**CFDA#:** Not Applicable

**GENERAL CONDITIONS:**

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



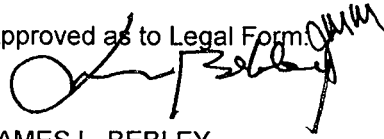
SÉBASTIEN de LONGEAUX  
Chief Procurement Officer

Approved for Consideration:



SHERRY ULERY  
Acting Talent Officer

Approved as to Legal Form:



JAMES L. BEBLEY  
General Counsel