

July 27, 2016

**AUTHORIZE A NEW AGREEMENT WITH PAYFLEX SYSTEMS USA, INC FOR COBRA  
ADMINISTRATION SERVICES**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Authorize a new agreement with Payflex Systems USA, Inc to provide COBRA and Direct Benefits Billing Administrative Services to the Talent Office at an estimated annual cost set forth in the Compensation Section of this report. Vendor was selected on a competitive basis pursuant to Board Rule 7-2. A written agreement for Vendor's services is currently being negotiated. No services shall be provided by Vendor and no payment shall be made to Vendor prior to the execution of their written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Specification Number : 16-0627-CPOR-1778

Contract Administrator : Hubbard, Ms. Carisa Ann / 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  
Jonson, Mr. Erwin Joel  
(773) 553-2811

Project

Manager:

11010 - Talent Office  
42 West Madison Street  
Chicago, IL 60602  
Lyons, Mr. Matthew A  
(773) 553-2520

**TERM:**

The term of this agreement shall commence on August 1, 2016 and shall end July 31, 2017. This agreement shall have three (3) options to renew for periods of twelve (12) months each.

**EARLY TERMINATION RIGHT:**

The Board shall have the right to terminate this agreement with 30 days written notice.

**SCOPE OF SERVICES:**

Vendor will provide comprehensive COBRA and Direct Benefits Billing administrative services.

**DELIVERABLES:**

Vendor will provide regular COBRA and Direct Benefits Billing 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 provide CPS staff access to an online portal where reporting information can be accessed on demand.

**OUTCOMES:**

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

**COMPENSATION:**

Vendor shall be paid as follows: on the fee schedule as specified in the written agreement; total compensation not to exceed \$125,000 for the one (1) year term.

**REIMBURSABLE EXPENSES:**

None

**AUTHORIZATION:**

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

**AFFIRMATIVE ACTION:**

Pursuant to the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts, MBE/WBE provisions of the Program do not apply.

**LSC REVIEW:**

Local School Council approval is not applicable to this report.

**FINANCIAL:**

Fund 115, Talent Office, Unit 11010  
\$125,000, FY17  
Not to exceed \$125,000 for the one (1) year term.

**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.

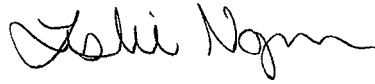
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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



LESLIE NORGRN  
Acting Chief Procurement Officer

Approved:



FORREST CLAYPOOL  
Chief Executive Officer

Approved as to Legal Form: *grm*



RONALD L. MARMER  
General Counsel