



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 12/20/2016

Agenda Placement: 6CC

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors

**FROM:** Heather Ruiz - Director  
Human Resources

**REPORT BY:** Olivia Soria, Benefits Administrator - 253-4945

**SUBJECT:** Amendment No. 2 to Agreement No. 8034 with PayFlex to Increase the Monthly Administration Fees

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### **RECOMMENDATION**

Director of Human Resources requests approval of and authorization for the Chairman to sign Amendment No. 2 to Agreement No. 8034 with PayFlex Systems USA, Inc., increasing the monthly administrative fees from \$4.50 to \$4.63 for flexible spending account benefits, and from \$3.50 to \$3.60 for commuter benefits, effective January 1, 2017.

### **EXECUTIVE SUMMARY**

PayFlex Systems USA, Inc., was awarded a contract to provide flexible spending account benefits to County employees effective January 1, 2014. On September 9, 2014, the County and PayFlex amended the agreement to provide commuter benefits in order to comply with the Bay Area Commuter Benefits Program. The proposed amendment increases the monthly administrative fees from \$4.50 to \$4.63 for flexible spending account benefits, and from \$3.50 to \$3.60 for commuter benefits, effective January 1, 2017. The contractor is not a local vendor.

### **FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Employee Benefits
Is it Mandatory or Discretionary?	Mandatory

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Is the general fund affected? No

Future fiscal impact: Funding is provided in the Employee Benefits budget. The administration fees for flexible spending account benefits and commuter benefits are on-going and are budgeted accordingly, but are offset by forfeitures.

Consequences if not approved: The County would not be able to provide flexible spending account benefits and commuter benefits to employees.

Additional Information:

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

### **BACKGROUND AND DISCUSSION**

PayFlex Systems USA, Inc., was awarded a contract to provide flexible spending account benefits to County employees effective January 1, 2014. These benefits allow employees to use pre-tax money for eligible medical or dependent care expenses. On September 9, 2014, the County and PayFlex amended the agreement to provide commuter benefits in order to comply with the Bay Area Commuter Benefits Program. This benefit works similarly to flexible spending account benefits in that it allows employees to use pre-tax money for eligible transit or parking expenses in order to go to work.

Today's requested action is for the approval of Amendment No. 2 to Agreement No. 8034 with PayFlex Systems USA, Inc., increasing the monthly administrative fees from \$4.50 to \$4.63 for flexible spending account benefits, and from \$3.50 to \$3.60 for commuter benefits, effective January 1, 2017.

### **SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Molly Rattigan