



City of Chula Vista

Staff Report

File#: 16-0268, **Item#:** 4

RESOLUTION NO. 2016-102 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING AND RATIFYING THE TERMS OF AN EXISTING AGREEMENT BETWEEN THE CITY OF CHULA VISTA AND PAYCHEX BENEFIT TECHNOLOGIES, INC., DBA BENETRAC, TO PROVIDE ELECTRONIC ENROLLMENT AND ADMINISTRATIVE SYSTEM FOR CITY OF CHULA VISTA EMPLOYEE BENEFITS, THEREBY CONTINUING SAID AGREEMENT

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

The City had an outdated and inadequate system for benefits enrollment and administration. A Request for Proposal (RFP) for a new benefit online enrollment system was issued in March 2014. The contract was awarded to Paychex Benefit Technologies, Inc., dba BeneTrac. On July 14, 2015, the City Manager, within his procurement authority, signed the agreement between Paychex Benefit Technologies, Inc. and the City of Chula Vista ("Agreement") for said services. In order to continue to receive services under the Agreement, City Council approval of the Agreement and ratification of its terms is now required. Staff recommends approval of the Resolution in this matter to continue the Agreement.

ENVIRONMENTAL REVIEW

Environmental Notice

The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Environmental Determination

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because it will not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

BOARD/COMMISSION RECOMMENDATION

Not Applicable

DISCUSSION

File#: 16-0268, Item#: 4

The City had an outdated and inadequate system for benefits enrollment and administration. As a result, a Request for Proposal (RFP) for benefit online enrollment system was issued in March 2014. The contract was awarded to Paychex Benefit Technologies, Inc., dba BeneTrac.

On July 14, 2015, the City Manager, within his procurement authority, signed an agreement between Paychex Benefit Technologies, Inc. and the City of Chula Vista. (A copy of which is attached to this Staff report.) However, to continue the Agreement and receive services under the Agreement, City Council approval of the Agreement and ratification of its terms is now required. The contract term is renewable unless the City chooses not to extend. Monthly fees are based on employee count and may be adjusted upon annual renewal of the agreement. Staff recommends approval of the Resolution.

DECISION-MAKER CONFLICT

Not Applicable - Not Site-Specific

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the 500-foot rule found in California Code of Regulations Title 2, section 18702.2(a)(11), is not applicable to this decision for purposes of determining a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any member of the City Council of the City of Chula Vista, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community.

Automation of benefit enrollment and benefit administrative functions has considerably reduced manual processing. It has enabled and encouraged employee self-service thus improving employee retention and satisfaction. Online enrollment is also used to inform employees of program changes and updates. This ensures compliance with federal and state requirements. Enrollment automation is a necessary tool to achieve Operational Excellence.

CURRENT YEAR FISCAL IMPACT

No additional appropriation is needed. The cost of the contract on the first year of implementation of \$46,339.04 was included in the FY 2015-2016 adopted budget.

ONGOING FISCAL IMPACT

Estimated cost for FY 2016-17 is \$48,375. Appropriation for this item has been included in the proposed FY 2016-2017 budget.

File#: 16-0268, **Item#:** 4

ATTACHMENTS

Paychex Benefit Technologies, Inc. Agreement

Staff Contact: Edith Quicho, (619) 585-5620