

TRANSMITTAL		0150-13220-0000
TO City Council		DATE 08/18/2026
FROM The Mayor		COUNCIL FILE NO.
		COUNCIL DISTRICT
Second Supplemental to the Professional Services Agreement with WageWorks, Inc. (C-135333) to provide administration services of Tax-Advantaged Spending Accounts for eligible City employees. Approved and transmitted for your consideration. The Council has 60 days from the date of the receipt to act, otherwise the Amendment will be deemed approved pursuant to Los Angeles Administrative Code Section 10.5(a). See the City Administrative Officer report attached.  MAYOR (Mitch Kamin for) MWS:KS:11270004t		

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

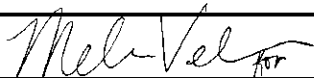
To: The Mayor	Date: 07-21-26	C.D. No. All	CAO File No.: 0150-13220-0000
Contracting Department/Bureau: Personnel Department		Contact: Sherry Cox (213) 473-9122	
Reference: Personnel Department transmittal dated December 12, 2025, referred for report on December 12, 2025.			
Purpose of Contract: To provide administration services of Tax-Advantaged Spending Accounts for City employees.			
Type of Contract: () New contract (X) Amendment (C-135333)	Original Contract Term: January 1, 2019 through December 31, 2021 First Supplemental: January 1, 2019 through December 31, 2023 Second Supplemental: January 1, 2019 through December 31, 2024		
Contract/Amendment Amount: Fees paid in accordance with participant fees.			
Proposed amount \$ + Prior award(s) \$ = Total contract amount is based on participant fees. There is no set minimum or maximum amount.			
Source of funds: Participant fees deposited to the Employee Benefits Trust Fund			
Name of Contractor: WageWorks, Inc.			
Address: 121 W. Scenic Pointe Dr., Draper, UT 84020			
	Yes	No	N/A
1. Council has approved the purpose	X		
2. Appropriated funds are available	X		
3. Charter Section 1022 findings completed	X		
4. Proposals have been requested	X		
5. Risk Management review completed	X		
6. Standard Provisions for City Contracts included	X		
7. Workforce that resides in the City: 0%			
Contractor has complied with:			
8. Business Inclusion Program		X	
9. Equal Benefits & First Source Hiring Ordinances	X		
10. Contractor Responsibility Ordinance	X		
11. Disclosure Ordinances	X		
12. Bidder Certification CEC Form 50	X		
13. Prohibited Contributors (Bidders) CEC Form 55	X		
14. CA Iran Contracting Act of 2010	X		

RECOMMENDATION

That the City Council approve, and authorize the General Manager of the Personnel Department to execute, the Second Supplemental to the Professional Services Agreement C-135333 with WageWorks, Inc. to extend the term by one-year resulting in a six-year term effective January 1, 2019 through December 31, 2024, subject to the approval of the City Attorney.

SUMMARY

The Personnel Department (Department), at the direction of the Joint Labor Management Benefits Committee (JLMBC), requests approval to execute the proposed Second Supplemental to the Professional Services Agreement C-135333 (Agreement) with WageWorks, Inc. (Contractor) to continue providing administrative services of the Tax-Advantaged Spending Accounts for eligible City employees (Services) until the transition to a new service provider could be completed in 2024. The original Agreements provided a three-year term effective January 1, 2019 through December 31, 2021, with an option for the City to extend the term an additional two years through December 31, 2023. The First Supplemental Agreement exercised the option to extend the term an additional two years for a revised term effective through December 31, 2023. The Department reports that it was unable to complete a new competitive procurement process for the Services prior to the Agreement

Kimberly Squire			 City Administrative Officer
KS	Analyst	11270004	

expiration due to the transition from PAYSR to Workday for payroll processes. The Department continued to utilize the Contractor to ensure the availability of Services as the Department completed its competitive procurement process in 2024. Following the completion of the competitive procurement process and the award of a new contract to Health Equity, Inc. and Fort Effect Corp dba Luum (C-204468), at the JLMBC meeting in December 2025, the JLMBC approved the retroactive extension of the Agreement by one-year effective through December 31, 2024. The Agreement includes a ratification clause to allow the Contractor to continue its Services prior to execution of the Agreement.

Compensation for Services is provided by participant fees with a monthly administration fee of \$3.00 per participant enrolled in any of the tax-advantaged spending accounts. A single participant fee will cover the enrollment cost for participation in one or more of the tax-advantaged spending accounts.

The scope of work for the proposed Agreement includes administration services relating to the following tax-advantaged spending accounts:

- Transit Spending Account (TSA);
- Parking Spending Account (PSA);
- Healthcare Flexible Spending Account (HCFSA); and,
- Dependent Care Flexible Spending Account (DCFSA).

The Contractor was selected through a competitive process initiated by the Department on December 13, 2017. The Contractor has complied with all applicable contracting requirements. In accordance with Charter Section 1022, the Department found that City employees do not have expertise to perform the scope of work of the Agreement. In accordance with Los Angeles Administrative Code Section 10.5(a)(7), City Council approval of the Agreement is required because the contract is with a service provider for the DCP and the cumulative term of the Agreement exceeds five years. Pursuant to Executive Directive No. 3 (Villaraigosa Series), the approval of the Mayor is required because the total compensation exceeds \$25,000.

FISCAL IMPACT STATEMENT

Funding is provided by participant fees. There is no additional impact to the General Fund.

FINANCIAL POLICIES STATEMENT

The recommendation of this report complies with the City's Financial Policies in that sufficient participant fees are collected to support the full cost of operations.

**BOARD OF CIVIL SERVICE
COMMISSIONERS**

Room 360, PERSONNEL BUILDING

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PRESIDENT
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**CITY OF LOS ANGELES
CALIFORNIA**



KAREN BASS
MAYOR

PERSONNEL DEPARTMENT

PERSONNEL BUILDING
700 EAST TEMPLE STREET
LOS ANGELES, CA 90012

MALAIKA BILLUPS
GENERAL MANAGER

December 12, 2025

Honorable Karen Bass
Mayor, City of Los Angeles
Room 303, City Hall
Los Angeles, CA 90012

Attention: Legislative Coordinator

**Subject: REQUEST FOR REVIEW AND APPROVAL OF THE SECOND
SUPPLEMENTAL TO THE PROFESSIONAL SERVICES AGREEMENT
WITH WAGeworks, INC.**

CONTRACTING DEPARTMENT INFORMATION

The Personnel Department, in accordance with Executive Directive No. 3, requests expedited review and approval of the Second Supplemental to the Professional Services Agreement ("Second Supplemental Agreement") with WageWorks, Inc. ("Contractor") to provide Tax-Advantaged Spending Accounts for City employees. The City offers a Healthcare Flexible Spending Account ("HCFSA"), a Dependent Care Flexible Spending Account ("DCFSA"), and a Commuter Benefit Program which consists of a Transit Spending Account ("TSA") and Parking Spending Account ("PSA") that provides tax savings on eligible expenses for City employees who elect to have these accounts.

The draft Second Supplemental Agreement has been approved by the Contractor and City Attorney.

A rush review is required to record the agreement between the City and the Contractor for services that were provided by the Contractor from January 1, 2024 to December 31, 2024. The submission of this Second Supplemental Agreement occurs more than one year after expiration of the First Supplemental Agreement due to negotiations between the Contractor and the Office of the City Attorney recently concluding in early December 2025.

CONTRACTOR INFORMATION

WageWorks, Inc.
121 W. Scenic Pointe Dr.
Draper, UT 84020

SCOPE OF SERVICES

Under the terms of the Agreement, the Contractor will provide the following service(s):

- Administration of the tax-advantaged spending accounts for City employees including providing a plan sponsor employee website, member website to review account information and check account balances and submit claims, and claims processing.
- Developing and implementing strategies to increase employee participation in the tax-advantaged spending accounts.
- Communicating with, and assisting members in, navigating benefit and service complexity.
- Providing support services that effectively integrate with the City's LAwell Civilian Benefits Program and engage its membership.

TERM

- 1) Initial Contract – January 1, 2019 to December 31, 2021 (3 years)
- 2) First Supplemental Agreement – January 1, 2022 to December 31, 2023 (Total 5 years)
- 3) Second Supplemental Agreement – January 1, 2024 to December 31, 2024 (Total 6 years)

COMPENSATION

The cost of this Second Supplemental Agreement is dependent upon employee participation and is fully funded by participant fees.

CONTRACTOR COMPLIANCE

	<u>Yes</u>	<u>No</u>	<u>N/A</u>		<u>Yes</u>	<u>No</u>	<u>N/A</u>
Council has approved the purpose			X	Contractor Responsibility Ordinance	X		
Charter Section 1022 findings completed	X			Disclosure Ordinances	X		
Standard Provisions for City Contracts included	X			Bidder Certification CEC Form 50	X		
Business Inclusion Program	X			Prohibited Contributors (Bidders) CEC Form 55	X		
Equal Benefits & First Source Hiring Ordinances	X			California Iran Contracting Act of 2010	X		

RECOMMENDATION

That the City Council authorize the General Manager of the Personnel Department, or designee, to execute the Second Supplemental Agreement to the Professional Services Agreement with WageWorks, Inc. to provide administrative services for the City's Tax-Advantaged Spending Accounts, commencing on January 1, 2019 and ending on

December 31, 2024. The cost of services is dependent on employee participation and covered by participant fees.

Please contact Richard Shirvani at per.contracts@lacity.org with any additional questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. Billups', with a stylized, flowing script.

Malaika Billups
General Manager

**SECOND SUPPLEMENTAL TO THE
PROFESSIONAL SERVICES AGREEMENT (CONTRACT NO. C-135333)
BETWEEN THE CITY OF LOS ANGELES
AND
WAGeworks, INC.**

This Second Supplemental Agreement to the Professional Services Agreement (“**Second Supplemental Agreement**”) (Contract No. C-135333) is made and entered into by and between the City of Los Angeles, a municipal corporation, acting through its Personnel Department (hereinafter referred to as “**City**”) and WageWorks, Inc., a Delaware corporation (hereinafter referred to as “**Contractor**”), with reference to the following:

RECITALS

1. On or about March 27, 2020, the City and Contractor entered into that certain Professional Services Agreement (Contract No. C-135333) (“**Original Agreement**”) for Contractor to provide two Tax-advantaged Flexible Spending Account Plans the City offers for tax savings on eligible expenses, consisting of a Healthcare Flexible Spending Account (“HCFSA”), a Dependent Care Flexible Spending Account (“DCFSA”), and a Commuter Benefit Program which consists of a Transit Spending Account (“TSA”) and Parking Spending Account (“PSA”) (collectively “the Tax-advantaged Spending Accounts”) for the term beginning January 1, 2019 and ending on December 31, 2021; and
2. On or about July 27, 2023 the City and Contractor entered into that certain First Supplemental Agreement (Contract No. C-135333 S1) (“**First Supplemental Agreement**”), as allowed under the terms of the Original Agreement, which extended the Original Agreement an additional two years, beginning January 1, 2022 and ending on December 31, 2023; and
3. The City had a continuing need for the Tax-advantaged Spending Accounts beyond the current five-year term of the Agreement; and
4. The Contractor agreed to extend the term of the Original Agreement, as amended and extended by the First Supplemental Agreement, for an additional one-year term, beginning January 1, 2024 to December 31, 2024, but subject to such additional terms as provided in this Second Supplemental Agreement; and
5. On _____ City Council approved the execution of this Second Supplemental Agreement for Tax-advantaged Spending Accounts; (Council File _____); and

NOW THEREFORE, the City and Contractor, in consideration of the promises and of the recitals, agreements, covenants, and representations set forth herein, hereby covenant, represent and agree as follows:

1. The terms and conditions of the Original Agreement, as amended by the First Supplemental Agreement, together with this Second Supplemental Agreement, shall be read and construed as one (1) document and references to “this Agreement” or “the Agreement” shall, from the commencement date hereof (but not for any purpose prior to the commencement date hereof) incorporate references to this Second Supplemental Agreement.
2. Section A.1.b of the Original Agreement, as amended by the First Supplemental Agreement, entitled “Representatives of the Parties and Service of Notices” is hereby deleted in its entirety and replace with the following:

“The representative of Contractor shall be:

Attention: General Counsel
WageWorks, Inc.
121 W. Scenic Pointe Drive
Draper, UT 84020
Phone: (385) 429-6369
Email: legal_dept@healthequity.com”

3. Section A of Article II, of the Original Agreement, as amended by the First Supplemental Agreement, entitled “Time of Performance” is hereby deleted in its entirety and replaced as follows:

“The term of this Agreement will commence on January 1, 2019 and will end on December 31, 2024, subject to the termination provisions herein (“Term”)”

4. In the event of any inconsistency between the provisions of this Second Supplemental Agreement and any exhibits and attachments attached hereto, said inconsistency shall be resolved by giving precedence to the documents in the following order, except as required by applicable ordinances and law:

- A. This Second Supplemental Agreement;
- B. The First Supplemental Agreement;
- C. The Original Agreement; and

- D. Standard Provisions for City Contracts (Rev. 10/17) v.3; and
- E. The other attachments/exhibits to the Original Agreement

- 5. All capitalized terms shall have the meaning ascribed to them under the Original Agreement, except as otherwise provided herein.
- 6. This Second Supplemental Agreement shall be deemed to commence on January 1, 2024, upon the occurrence of all of the following events:
 - A. This Second Supplemental Agreement has been signed on behalf of the Contractor by the person or persons authorized to bind the Contractor hereto;
 - B. This Second Supplemental Agreement has been approved by the General Manager of the Personnel Department;
 - C. The Office of the City Attorney has indicated in writing its approval of this Second Supplemental Agreement as to form; and
 - D. This Second Supplemental Agreement has been signed on behalf of the City by the person designated to so sign by the City's Council or by the board, officer or employee authorized to enter into this Second Supplemental Agreement.
- 7. Due to the need for the Contractor's services to be provided on an ongoing basis and upon the commencement of the term of this Second Supplemental Agreement, Contractor may have provided services prior to the execution hereof. To the extent that said services were performed in accordance with the terms and conditions of this Second Supplemental Agreement, those professional services are hereby accepted by the City and shall be treated as services performed under the terms and conditions herein.
- 8. Except as amended by this Second Supplemental Agreement, all other terms and conditions of the Original Agreement, as amended by the First Supplemental Agreement, shall remain in full force and effect.
- 9. This Second Supplemental Agreement may be executed in one (1) or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one (1) and the same agreement. The Parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by City) and sent by e-mail shall be deemed original signatures.

(Signature Page to Follow)

IN WITNESS THEREOF, the parties hereto have caused this Second Supplemental Agreement to be executed by their respective duly authorized representatives.

THE CITY OF LOS ANGELES

WAGEWORKS, INC.

By: _____
Malaika Billups
General Manager
Personnel Department

By: _____
Scott Cutler
President & CEO

Date: _____

Date: _____

By: _____
Michael Fiore
EVP & CCO

Date: _____

APPROVED AS TO FORM:

ATTESTED:

HYDEE FELDSTEIN SOTO, City Attorney

PATRICE LATTIMORE, City Clerk

By: _____
Charles Hong
Deputy City Attorney

By: _____
Deputy City Clerk

Date: _____

Date: _____

*** Approved Signature Methods:**

- 1) Two signatures: One of the Chairman of the Board of Directors, President, or Vice-President, and one of the Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer.
- 2) One signature of a Corporate-designated individual together with a properly attested resolution of the Board of Directors authorizing the individual to sign

City Business License Number: _____

Internal Revenue Service Taxpayer Identification Number: 94-3351864

Agreement Number C-135333